



STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT

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October 1, 2025

Sent via email only

TO: K.D. Chapman-See, Director
Office of Financial Management

FROM: Mia Navarro, Acting Chief Human Resources Officer
State Human Resources Division, OFM

**SUBJECT: OFFICIAL 2025–27 FISCAL YEAR 2026 SUPPLEMENTAL
COLLECTIVE BARGAINING SUBMITTAL**

This memorandum serves as the official collective bargaining status report and submittal for the 2025–27 contract period for fiscal year 2026, per chapter 41.80 RCW. Below is a summary-level overview of the priorities and outcomes of collective bargaining, including negotiated tentative agreements and memoranda of understanding.

Employer costs and details are provided in the attached financial submittal.

Guiding principles

The agreements summarized in this submittal represent our continued partnership with labor to invest in our state workforce. We prioritized the financial health of all state employees through compensation elements designed to assist agencies and higher education institutions in their efforts to recruit and retain our valued workforce.

Increases were specifically aimed at:

- Providing general wage increases for all state employees.
- Establishing an hourly starting wage to address the impact of the state's minimum wage and improve wages for low-wage worker salaries.
- Implementing targeted wage increases for a variety of job classifications across state government and higher education to address recruitment and retention challenges.
- Ensuring necessary services can be provided to the public.
- Incentivizing additional assignments in critical need areas or in challenging environments.

Negotiated tentative agreements

The most significant contractual terms are summarized below. These summarized terms are a result of negotiations reflected in the form of a tentative agreement or memorandum of understanding.

The total costs and line-item detail of these agreements are outlined in the attached financial submittal.

General Government and Higher Education Community College Coalition Agreements (chapter 41.80 RCW)

Agreements have been reached with the following labor unions:

- Washington Public Employees Association – General Government
- Washington Public Employees Association – Higher Education Community College Coalition

Unless indicated otherwise below, negotiated agreements with general government and community college coalition unions include the following:

- Retroactive general wage increase of 3%, effective from July 1, 2025.
- Retroactive targeted job classification base range increases, effective from July 1, 2025.
- Retroactive starting wage of \$18 per hour and addressing compression and inversion, effective from July 1, 2025.
- General wage increase of 2%, effective July 1, 2026.
- Targeted job classification base range increases, effective July 1, 2026.
- Starting wage of \$18 per hour and addressing compression and inversion, effective July 1, 2026.

Additional economic provisions beyond those listed above are summarized below and detailed in the attached submittal:

- Washington Public Employees Association – General Government
 - *Retroactive wildfire rest and recuperation leave, effective from July 1, 2025.*
 - *Retroactive prescribed fire premium, effective from July 1, 2025.*
 - *Wildfire rest and recuperation leave, effective July 1, 2026.*
 - *Prescribed fire premium, effective July 1, 2026.*
 - *At least twenty-four (24) hours of paid wildfire disaster leave during a state of emergency.*
 - *Expansion of paid bereavement leave from 3 to 5 days for eligible employees.*
 - *An expanded definition of “family member” and qualifying events for paid bereavement leave.*
 - *Leave with pay for employees to travel and receive recommended vaccine(s) during a declared state of emergency due to a pandemic.*
- Washington Public Employees Association – Higher Education Community College Coalition
 - *Increase to biennial uniform, tools, and equipment.*

Attachment: Financial Submittal

cc: Emily Beck, Deputy Director, OFM
Robyn Williams, Budget Director, OFM
Amber Leaders, Director, Legal & Contract Services, OFM
Travis Aberle, Deputy Chief Human Resources Officer, State Human Resources, OFM
Janetta Sheehan, Labor & Policy Strategy Officer, State Human Resources, OFM
Gina Comeau, Section Chief, Labor Relations & Compensation Policy, State Human Resources, OFM

	Total FTEs	General Fund-State \$		Other Funds \$		Total \$		2025-27
		FY 2026	FY 2027	FY 2026	FY 2027	FY 2026	FY 2027	Biennial \$
Washington Public Employees Association (41.80 RCW)	4,724	\$0	\$19,027,066	\$0	\$17,212,064	\$0	\$36,239,130	\$36,239,130
General Government	2,592	\$0	\$11,971,236	\$0	\$10,661,373	\$0	\$22,632,609	\$22,632,609
<i>Labor Relations Negotiations</i>								
Provide retroactive pay for 7/1/25 (3%) & General wage increase 7/1/26 (2%)			10,240,799		7,780,402		18,021,201	18,021,201
Expand bereavement leave family member definition & qualifying events ⁴		<i>Indeterminate</i>						
Increase employer provided paid bereavement leave (5 days)			-		562		562	562
Provide retroactive & 7/1/26: Wildfire rest and recuperation day eligibility			70,682		36,630		107,312	107,312
Provide retroactive & 7/1/26: \$18 hourly starting wage & address compression/inversion			14,924		11,470		26,394	26,394
Provide quarterly lump sum payment: WPEA CDHR & WSSSB (\$1,000/quarter) (FY 2027 only)			259,518		50,424		309,942	309,942
Provide retroactive & 7/1/26: Hourly prescribed fire operations pay (\$2)			5,374		5,122		10,496	10,496
Provide pay for performing duties of a higher classification ⁴		<i>Indeterminate</i>						
Provide retroactive & 7/1/26: Targeted job classification wage increases			1,379,939		2,776,763		4,156,702	4,156,702
Provide Vaccination Leave during pandemic ⁴		<i>Indeterminate</i>						
Provide Wildfire Disaster Leave during state of emergency (24 hours) ⁴		<i>Indeterminate</i>						
Higher Education – Bargained by OFM	2,132	\$0	\$7,055,830	\$0	\$6,550,691	\$0	\$13,606,521	\$13,606,521
<i>Labor Relations Negotiations</i>								
Provide retroactive pay for 7/1/25 (3%) & General wage increase 7/1/26 (2%)			6,501,884		5,416,756		11,918,640	11,918,640
Increase biennial uniform, tools & equipment allowance (\$225)			87,284		63,365		150,649	150,649
Provide retroactive & 7/1/26: \$18 hourly starting wage & address compression/inversion			6,794		22,585		29,379	29,379
Provide retroactive & 7/1/26: Targeted job classification wage increases			459,868		1,047,985		1,507,853	1,507,853

Notes and Citations:

- Pension Employer Contribution Rates: Department of Retirement Systems. July 2025. "Chapter 6: Contributions." Adopted July 1, 2025. <https://www.drs.wa.gov/employer/ch6/#contribution-rate-tables-index>
The employer contribution to PERS Plans 1, 2, & 3 for July 2026 is 5.58%. Employer rate includes 0.20% DRS administrative expense rate.
- Social Security & Medicare Rates: IRS. 2025. "Publication 15 (2025), (Circular E), Employer's Tax Guide." 2025. <https://www.irs.gov/publications/p15>
The employer's contribution in 2025 is 6.2% for Social Security & 1.45% for Medicare. Above costs use the 2025 rate and assume no change to percentages in 2025-27 biennium.
- Paid Family & Medical Leave Rates: Employment Security Dept. 2024. "Paid Family Medical Leave Premiums to Increase in 2025." October 23, 2024. <https://esd.wa.gov/about-us/news-release/2024/paid-family-medical-leave-premiums-increase-2025>
The employer contribution for Washington PFML Program in 2025 is a combined 0.26% (or 28.48% of the published 0.92% premium). Above costs use the 2025 rate and assume no change to percentage in 2025-27 biennium.
- Fiscal impacts are indeterminate due to unknown number of occurrences.