

Governor proposes giving state employees first pay raise since 2008

The Governor’s proposed 2015–17 budget includes funding for the **first general wage increase** for state employees in seven years. The state recently reached tentative collective bargaining agreements with unions representing nearly 50,000 employees in general government and higher education. The state also reached agreements with unions representing about 40,000 non-state employees who are paid by the state, including home-care workers, child care providers, adult family home workers and language access providers. All these agreements are subject to legislative approval.

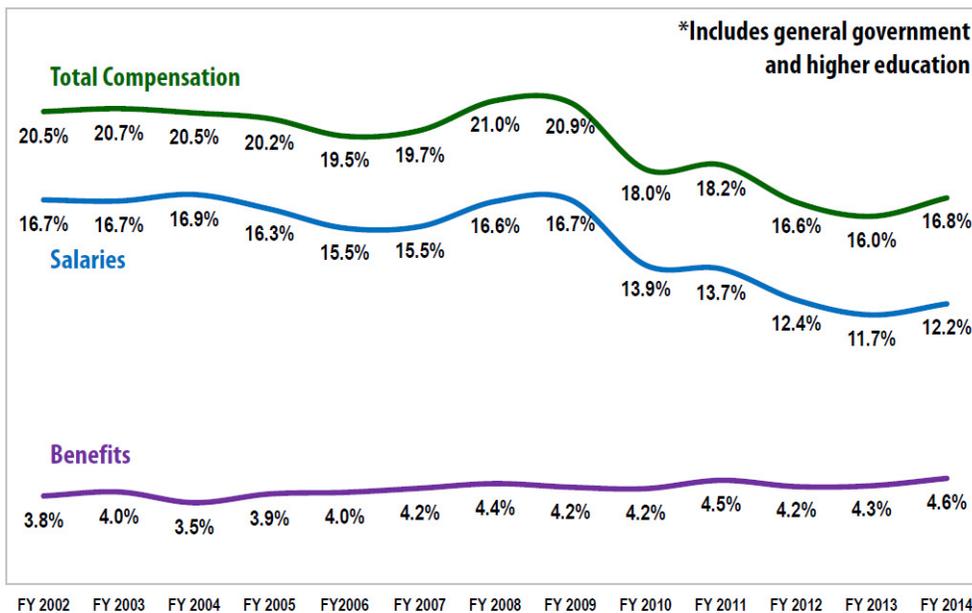
For most of the agreements bargained by the state, employees would receive a 3 percent wage increase in the first year of the biennium. In the second year, employees would receive a 1.8 percent increase, or 1 percent plus \$20 per month, whichever is greater. Some employees in targeted job classifications

would get additional increases to help agencies address recruitment and retention issues. And a number of other employees would get larger wage increases under agreements reached through interest arbitration. The agreements with non-state employees include varying annual increases.

The state and its employees also reached a new health care agreement that calls for continuing the current premium split under which the state pays an average of 85 percent and the employee pays an average of 15 percent.

Altogether, the new collective bargaining agreements are projected to cost \$332 million General Fund-State over two years. The cost of extending raises to non-represented state employees — largely in higher education — and non-state employees is an estimated \$149 million General Fund-State.

State Employee Compensation as a Percentage of the General Fund-State Budget *



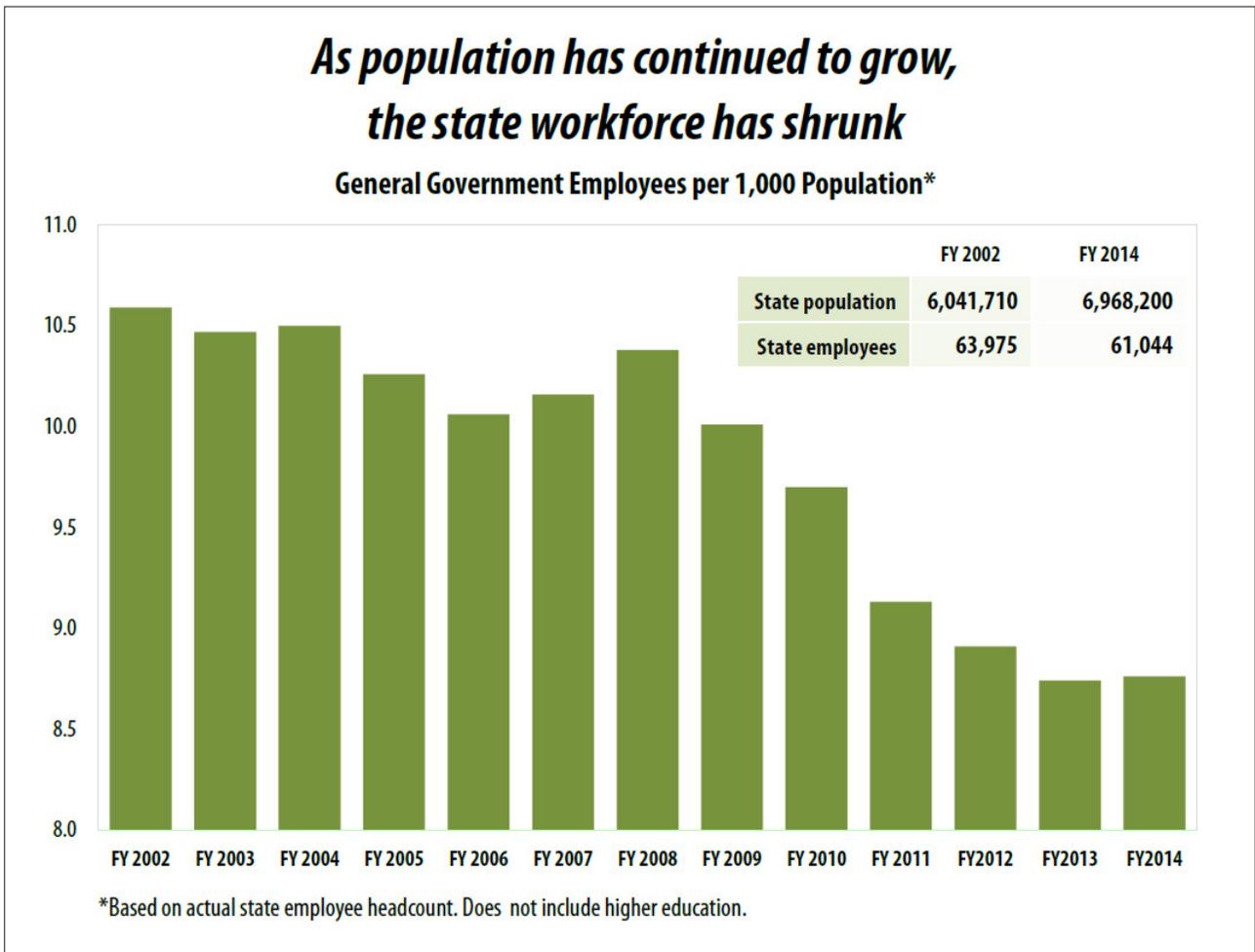
Compensation — including wages and benefits — for general government and higher education employees currently composes 16.8 percent of the total General Fund-State budget. Ten years ago, employee compensation accounted for 20.5 percent of the General Fund budget.

The recession took a big bite out of state employee take-home pay

State employees have not received a general wage increase since 2008 — the longest state employees have gone without one since at least 1960.

In fact, during the 2011–13 biennium, state employees agreed through collective bargaining to take a temporary 3 percent pay cut to help the state through the Great Recession.

Meanwhile, state employees continue to pay a larger share of their benefit costs. By 2017, the average employee contribution to medical coverage will be about \$176 per month, compared to less than \$28 per month in 2001. Employees in the PERS 2 and TRS 2 retirement systems have seen their contribution rates increase from less than 1 percent in 2002 to about 6 percent for the next biennium.



In 2001, there were nearly 6 million people in Washington and about 64,000 state general government employees. Today, Washington’s population is nearly 7 million and general government employees total about 61,000. Put another way: We have 1 million more people being served by 3,000 fewer state employees.