

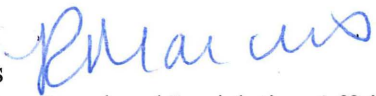


STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT

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December 5, 2018

TO: David Schumacher
Director

FROM: Roselyn Marcus 
Assistant Director, Legal and Legislative Affairs

SUBJECT: SUMMARY OF MAJOR ELEMENTS OF 2019-2021 COLLECTIVE BARGAINING AGREEMENTS, ARBITRATION AWARDS AND K-12 HEALTH CARE AGREEMENT SUBMITTED BY OCTOBER 1, 2018

By law¹, the Governor shall submit a request for funds necessary to implement the compensation and fringe benefit provisions in collective bargaining agreements, arbitration awards and the K-12 health care agreement only if the agreements are submitted to the Director of the Office of Financial Management (OFM) by October 1 and the director certifies these provisions as being "feasible financially for the state." This memorandum provides the information for agreements reached through negotiations between the parties, agreements reached through interest arbitration awards, the K-12 health care agreement, and agreements reached by higher education institutions that are subject to a determination of financial feasibility and were submitted to OFM by October 1, 2018. The summary includes only the major elements of the agreements that have a financial impact.

OFM Negotiated Agreements

The following are the collective bargaining agreements reached through negotiations between OFM and the labor organization.

Washington Federation of State Employees (WFSE), General Government. The agreement includes a general wage increase of 3.0 percent, effective July 1, 2019; a general wage increase of 3.0 percent, effective July 1, 2020; salary adjustments for targeted classifications; premium pay for employees who work in King County; and establishment of a new information technology professional compensation structure.

Washington Federation of State Employees, Higher Education Community College Coalition. The agreement includes a general wage increase of 3.0 percent, effective July 1, 2019; a general wage increase of 3.0 percent, effective July 1, 2020; salary adjustments for targeted classifications; premium pay for employees who work in King County; and establishment of a new information technology professional compensation structure.

Washington Public Employees Association (WPEA), General Government. The agreement includes a general wage increase of 3.0 percent, effective July 1, 2019; a general wage increase of 3.0 percent,

¹ Requests for funds necessary to implement the compensation and fringe benefit provisions of collective bargaining agreements and arbitration awards are governed by chapters 41.56, 41.80 and 47.64 RCW. In addition, the request for funds necessary to implement the School Employees Benefits program K-12 negotiated health care agreement is governed by Chapter 13, Laws of 2013 and Chapter 260, Laws of 2018.



effective July 1, 2020; salary adjustments for targeted classifications; premium pay for employees who work in King County; and establishment of a new information technology professional compensation structure.

Washington Public Employees Association, Higher Education Community College Coalition. The agreement includes a general wage increase of 3.0 percent, effective July 1, 2019; a general wage increase of 3.0 percent, effective July 1, 2020; salary adjustments for targeted classifications; premium pay for employees who work in King County; and establishment of a new information technology professional compensation structure.

Service Employees International-Union (SEIU) Healthcare, 1199 NW. The agreement includes a general wage increase of 3.0 percent, effective July 1, 2019; a general wage increase of 3.0 percent, effective July 1, 2020; salary adjustments for targeted classifications; and additional nurses' premium pay.

International Federation of Professional & Technical Engineers, Local 17. The agreement includes a general wage increase of 3.0 percent, effective July 1, 2019; a general wage increase of 3.0 percent, effective July 1, 2020; salary adjustments for targeted classifications; and premium pay for employees who work in King County.

Washington Association of Fish and Wildlife Professionals (WAFWP). The agreement includes a general wage increase of 3.0 percent, effective July 1, 2019; a general wage increase of 3.0 percent, effective July 1, 2020; salary adjustments for targeted classifications; premium pay for employees who work in King County; and establishment of a new information technology professional compensation structure.

The Coalition of Unions. The agreement includes a general wage increase of 3.0 percent, effective July 1, 2019; a general wage increase of 3.0 percent, effective July 1, 2020; salary adjustments for targeted classifications; premium pay for employees who work in King County; loan repayments for eligible physicians and psychiatrists; and recruitment incentives for psychiatrists.

International Brotherhood of Teamsters Local 117 (Department of Enterprise Services). The agreement includes a general wage increase of 3.0 percent, effective July 1, 2019; a general wage increase of 3.0 percent, effective July 1, 2020; and salary adjustments for targeted classifications.

Marine Union Agreements

Ferry Agents, Supervisors and Project Administrators Association (FASPAA). The negotiated agreement includes a general wage increase of 3.0 percent, effective July 1, 2019, and 3.0 percent, effective July 1, 2020. Other small economic provisions are included.

Marine Engineers' Beneficial Association Port Engineer Employees. The negotiated agreement includes an initial salary structure for this new bargaining unit and a general wage increase of 1.0 percent, effective July 1, 2019; a general wage increase of 3.0 percent, effective July 1, 2020; the payment of a daily rate when required to be on duty outside normal working hours; a minimum pay for call outs; and reimbursement for safety shoes.

International Organizations of Masters, Mates and Pilots - Mates. The negotiated agreement includes a general wage increase of 3.0 percent, effective July 1, 2019, and a general wage increase of 3.0 percent, effective July 1, 2020.

International Organizations of Masters, Mates and Pilots - Mates. The negotiated agreement includes a general wage increase of 3.0 percent, effective July 1, 2018, and a general wage increase of 3.0 percent, effective July 1, 2020.

International Organization of Master Mates and Pilots - Watch Center Supervisors. The negotiated agreement includes a general wage increase of 3.0 percent, effective July 1, 2019; a general wage increase of 3.0 percent, effective July 1, 2020; and call back and relief pay.

Puget Sound Metal Trades Council. The agreement includes a general wage increase of 4.0 percent, effective July 1, 2019 and a general wage increase of 4.0 percent, effective July 1, 2020.

Office and Professional Employees International Union Local 8. The agreement includes a general wage increase of 4.0 percent, effective July 1, 2019; a general wage increase of 4.0 percent, effective July 1, 2020; salary adjustments for targeted classifications; restructure of the pay schedule; and increased vacation leave.

Service Employees International-Union (SEIU), Local 6. The agreement includes a general wage increase of 9.0 percent, effective July 1, 2019; a general wage increase of 3.0 percent, effective July 1, 2020; and an increase in the shift premium rate.

Washington State Patrol Union Agreements

Washington State Patrol Troopers Association. The agreement includes a general wage increase for troopers of 2.0 percent, effective July 1, 2019, and a general wage increase of 2.5 percent, effective July 1, 2020.

Washington State Patrol Lieutenants and Captains Association. The agreement includes a general wage increase for troopers of 2.0 percent, effective July 1, 2019, and a general wage increase of 2.5 percent, effective July 1, 2020.

Public Employee Benefit Board Health Care Coalition

The state reached a health care agreement with the coalition of unions to contribute 85 percent of the total weighted average of the projected health care premiums. Employees will contribute 15 percent of the premium on a weighted-average basis across all plans and tiers. Eligible enrolled subscribers who register for the SmartHealth Program and complete required activities will continue to be eligible for a \$25 gift certificate and \$125 wellness incentive. In addition, employees with a full-time equivalent base salary of \$50,004 or less and meet certain other criteria will receive an annual \$250 payment to a medical flexible spending arrangement.

K-12 Health Care Coalition

The state reached a health care agreement with the coalition of K-12 unions to contribute 85 percent of the monthly premium, known as the employer medical contribution (EMC), for the self-insured School Employee's Benefits Board (SEBB) branded Uniform Medical Plan (UMP). The SEBB branded Uniform Medical Plan is estimated to have an actuarial value of 88 percent. Employees will contribute the balance of the premium. For employees covering a spouse, state registered domestic partner and/or children, the EMC rate and minimum employee contribution will be calculated using the tier ratios established by the School Employees Benefits Board in compliance with RCW 41.05.740 (6)(c).

Employers will contribute 100 percent of the premium cost across all tiers for dental insurance coverage; any offered stand-alone vision; cost for basic life and basic long-term disability insurance, and the K-12 remittance.

Eligible enrolled subscribers who register for the SmartHealth Program and complete a well-being assessment during the 2019 open enrollment period will be eligible for a \$50 wellness incentive in calendar year 2020. During plan year 2020, eligible enrolled subscribers will have the option to earn a \$125 wellness incentive in calendar year 2021.

The state will collect a \$25 per month surcharge payment from employee subscribers with one or more members on their accounts who use tobacco products and will collect a surcharge payment of not less than \$50 per month for employee subscribers who cover a spouse or state-registered domestic partner who has chosen not to enroll in another employer-based group health insurance that has benefits and premiums with an actuarial value of not less than 95 percent of the actuarial value of the Public Employees Benefits Board plan with the largest enrollment.

Non-State Employee Union Agreements

Service Employees International Union Local 775 (individual providers of home care services). The agreement includes increases to hourly wages at six-month intervals through the term of the agreement; additional adjustments throughout the wage scale; advanced training differentials; and increased contributions to the healthcare, retirement and training trusts.

Adult Family Home Council (adult family home providers). The agreement includes increases to the base daily rates with additional support for training and health care costs; increases to the expanded community service daily rate, the specialized behavioral support add-on rate, respite rates, the community integration rate, and the meaningful day add-on rate; and creation of a medical escort fee.

Washington Federation of State Employees (language access providers). The agreement includes a rate increase of \$1.24/hour for fiscal year 2020; a rate increase of \$1.20/hour for fiscal year 2021; a \$2.00/hour social service premium for appointments from the Department of Social and Health Services and the Department of Children, Youth, and Families; a 2 cent increase in the telephonic rate per minute; a capped benefit for appointments that end early; and a social service mileage premium.

Higher Education Institution Negotiated Agreements

The following are the collective bargaining agreements reached through negotiations between an institution of higher education and the labor organization.

University of Washington - Service Employees International Union Local 925. The agreement includes a 2.0 percent general wage increase, effective July 1, 2019; a 2.0 percent general wage increase, effective July 1, 2020; salary adjustments for targeted recruitment and retention for certain job classifications; market adjustments for multiple job classifications; a fully subsidized U-PASS; an increase in the hourly premium rate for standby pay for eligible job classification; premium pay for working in King County; and a one-time lump sum payment for those in active permanent appointments as of July 1, 2019.

University of Washington - Service Employees International Union Local 1199 (Research/Hall Health). The agreement includes a 2.0 percent general wage increase, effective July 1, 2019; a 2.0 percent general

wage increase, effective July 1, 2020; salary adjustments for targeted recruitment and retention for certain job classifications; a fully subsidized U-PASS; premium pay for working in King County; and a one-time lump sum payment for those in active permanent appointments as of July 1, 2019.

University of Washington - Teamsters Local 117 (Police). The agreement includes a 2.0 percent general wage increase, effective July 1, 2019; a 2.0 percent general wage increase, effective July 1, 2020; premium pay for working in King County; increases in longevity premium pay; and annual incentive payments for certain educational credentials.

University of Washington - Washington Federation of State Employees (Police Management). The agreement includes a 2.0 percent general wage increase, effective July 1, 2019; a 2.0 percent general wage increase, effective July 1, 2020; premium pay for working in King County; and protective footwear allowance.

Washington State University - Washington Federation of State Employees. The agreement for bargaining units 2, 12, 13, 15 and 20 includes a 3.0 percent general wage increase, effective July 1, 2019; a 3.0 percent general wage increase, effective July 1, 2020; and increases in shift differential and hazard pay.

Washington State University - WSU Police Guild Bargaining Unit 4. The agreement includes a 3.0 percent general wage increase, effective July 1, 2019; a 3.0 percent general wage increase, effective July 1, 2020; and increases in shift differential, salary for instructor pay and the field training office.

Central Washington University - Washington Federation of State Employees. The agreement includes a 3.0 percent general wage increase, effective July 1, 2019; a 3.0 percent general wage increase, effective July 1, 2020; additional leave accruals; a one-time signing bonus of \$200 on July 1, 2019; an across-the-board increase to fifteen dollars per hour for minimum wage; and for campus police, the agreement includes funding for additional equipment and an increase to range 62.

Central Washington University - Public School Employees. The agreement includes a 3.0 percent general wage increase, effective July 1, 2019; a 3.0 percent general wage increase, effective July 1, 2020; a one-time signing bonus of \$200 on July 1, 2019; additional leave time; and an across-the-board increase to fifteen dollars per hour for minimum wage.

The Evergreen State College - Washington Federation of State Employees. The agreement includes a 3.0 percent general wage increase, effective July 1, 2019; a 3.0 percent general wage increase, effective July 1, 2020; salary adjustments for targeted job classifications; a shift differential increase; a one-time lump sum payment of \$100; and increase to \$14 per hour for minimum wage.

Western Washington University - Washington Federation of State Employees. The agreement includes a 3.0 percent general wage increase, effective July 1, 2019; a 3.0 percent general wage increase effective July 1, 2020; general government salary range adjustments for targeted job classifications; footwear reimbursement for specific job classifications; increase in vacation leave accruals; and a signing incentive.

Western Washington University - Public School Employees Bargaining Units D and PT. The agreement includes a 3.0 percent general wage increase, effective July 1, 2019; a 3.0 percent general wage increase,

effective July 1, 2020; general government salary range adjustments for targeted job classifications; footwear reimbursement for specific job classification; increase in vacation leave accruals; and a signing incentive.

Eastern Washington University - Washington Federation of State Employees. The agreement includes a 3.0 percent general wage increase, effective July 1, 2019; a 3.0 percent general wage increase, effective July 1, 2020; salary range adjustments for targeted classifications; and a one-time payment of \$100.

Eastern Washington University - Public School Employees. The agreement provided for a 1.0 percent general wage increase, effective July 1, 2019.

Yakima Valley Community College - Washington Public Employees Association. The agreement includes a 3.0 percent general wage increase, effective July 1, 2019; a 3.0 percent general wage increase, effective July 1, 2020; salary adjustments for targeted job classifications; establishment of a new information technology professional compensation structure; and an increase in the hourly minimum wage rate.

Highline Community College - Washington Public Employees Association. The agreement includes a 3.0 percent general wage increase, effective July 1, 2019; a 3.0 percent general wage increase, effective July 1, 2020; a one-time ratification incentive of \$400 to be paid in fiscal year 2020; salary adjustments for targeted job classifications; an increase in shift premium; additional leave accruals; establishment of a new information technology professional compensation structure; and premium pay for employees working in King county.

Interest Arbitration Awards

Agreements were reached with the following unions as a result of interest arbitration, which include economic provisions.

General Government Arbitration Awards

International Brotherhood of Teamsters Local 117 (Department of Corrections). (This interest arbitration was conducted under a Memorandum of Understanding between the Union and the State and covers employees working in correctional institutions, correctional industries programs, the sex offender treatment program, and regional business service center.) The interest arbitration award includes a general wage increase of 4.0 percent, effective July 1, 2019; a 4.0 percent general wage increase, effective July 1, 2020; and salary adjustments for targeted job classifications.

Washington Federation of State Employees (WFSE), (Department of Corrections Unique Classes). (This interest arbitration was conducted under a Memorandum of Understanding between the Union and the State.) In addition to the economic provisions in the WFSE master agreement, the interest arbitration awarded salary adjustments for targeted job classifications ranging from five to ten percent.

Marine Union Arbitration Awards

Inlandboatmen's Union of the Pacific (IBU). The interest arbitration award includes a general wage increase of 3.0 percent, effective July 1, 2019; a general wage increase of 3.0 percent, effective July 1, 2020, a general wage increase of 2.0 percent, effective January 1, 2021; salary adjustments for target classifications; increased holiday pay; and increased premium pay for use of selected power tools.

Marine Employees Beneficial Association Licensed Engineer Officers (MEBA Licensed). The interest arbitration award includes a general wage increase of 3.5 percent, effective July 1, 2019; a general wage increase of 3.5 percent, effective July 1, 2020; related watch turnover rate increase tied to salary increases; and reimbursement for safety-toed work boots.

Marine Employees Beneficial Association-Unlicensed Engineer Officers (MEBA Unlicensed). The interest arbitration award includes a general wage increase of 3.5 percent, effective July 1, 2019; a general wage increase of 3.5 percent, effective July 1, 2020; related watch turnover rate increase tied to salary increases; and reimbursement for safety-toed work boots.

Pacific Northwest Regional Council of Carpenters. The interest arbitration award includes a general wage increase of 4.0 percent, effective July 1, 2019, and a general wage increase of 4.0 percent, effective July 1, 2020.

Non-State Employee Arbitration Awards

Service Employees International Union Local 925 (family child care providers). The interest arbitration award includes a rate increase for licensed providers which brings all rates in all regions up to at least the 55th percentile against the market (based on the market rate survey) in the first year, then an across-the-board increase of 6 percent in the second year. The award also includes a rate increase for license-exempt providers and a partial day rate at 75 percent of the full day rate, for providers caring for a subsidy-eligible child both before and after school. The agreement includes a modest increase in funding for health care for licensed providers; expansion to the access and scope of the provider substitute pool, increases to the Early Achievers tiered reimbursement rates and quality improvement awards, broadened access to need-based grants; and the continuation of the family childcare career development fund.