STATE EMPLOYEES IN WASHINGTON GIVE UP NEGOTIATED PAY RAISES

Washington state and unions representing state employees complete a second round of negotiations on 22 master contracts that provide no economic benefit due to severe budget constraints. A number of bargaining units represented by the Washington Federation of State Employees ratify their contracts, including the 30,000-member general government unit, the largest state employee bargaining unit. A projected budget deficit for the 2009-11 fiscal period forced renegotiation of the agreements, which were signed last fall. The union having had to relinquish negotiated increases, assails a decision by the state employee benefits board to pass on the costs of health care inflation to workers in the form of higher premiums and other expenses beginning in January 2010.

The Office of Financial Management determined that original contracts negotiated by the state and unions were not “financially feasible” and could not be included in the budget. The announcement prompted several unions to go to court protesting the state’s backing out of contracts that generally provided first-year increases of 2 percent to 2.5 percent.

The Washington Labor Relations Office says that all but a handful of the noneconomic contracts have been renegotiated. Negotiations between the state and a coalition of unions produced an agreement maintaining the employer/employee share of health care premiums. The state will continue to pay 88 percent of premiums while each employee will pay 12 percent of premium costs. However, the Washington Public Employees Benefits Board voted to increase many health insurance premiums, co-payments, and out-of-pocket expense limits and raise or establish deductibles.

The Legislature passed over Gov. Christine Gregoire’s (D) proposal to fund an 8 percent health care inflation cost for state employee coverage. Passing the costs on to employees is equivalent to an 8 percent tax on state workers, according to the union. Tim Welsh, federation spokesperson, says all state employees are affected by the health care cost increases. As for pay increases, the federation hopes that the economy will improve and that state employees can go back to the Legislature for approval of the earlier-negotiated pay increases. The federation represents about 40,000 Washington state employees, including 30,000 in the general government unit and almost 6,000 at community colleges and higher education institutions.

Pay increases negotiated last year will be reconsidered during negotiations for 2011-13 contracts, according to the labor relations office. The labor relations office negotiates contracts covering some 55,600 state employees. It also negotiates contracts covering non-state employees who provide home care and child care, including the Service Employees International Union (SEIU) Local 925, representing about 10,000 child care workers who have approved their renegotiated contract. A lawsuit by SEIU Healthcare 775 NW concerning an arbitrated agreement covering some 25,000 home care workers is before the state supreme court, according to the labor relations office. The union contends that the state is required to fund pay raises provided in a contract reached through arbitration.
