

SENATE BILL REPORT

SB 6098

As Reported by Senate Committee On:
Ways & Means, April 29, 2015

Title: An act relating to defining financial feasibility for collective bargaining agreements.

Brief Description: Defining financial feasibility for collective bargaining agreements.

Sponsors: Senator Braun.

Brief History:

Committee Activity: Ways & Means: 4/29/15 [DPS, DNP, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6098 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Bailey, Becker, Brown, Hewitt, O'Ban, Padden, Parlette, Schoesler and Warnick.

Minority Report: Do not pass.

Signed by Senators Keiser, Assistant Ranking Member on the Capital Budget; Billig, Conway, Fraser, Hasegawa, Hatfield and Kohl-Welles.

Minority Report: That it be referred without recommendation.

Signed by Senators Hargrove, Ranking Member; Rolfes.

Staff: Julie Murray (786-7711)

Background: The Personnel System Reform Act of 2002 (PSRA), contained in Chapter 41.80 RCW, provides for collective bargaining of wages, hours, and other terms and conditions of employment between the Governor and classified employees of state agencies and between governing boards of institutions of higher education and their classified employees. The Governor is required to submit to the Legislature a request for funds necessary to implement the compensation and fringe benefit provisions of these collective bargaining agreements (CBA) or for legislation necessary to implement these CBAs. However, a request for funds may not be submitted to the Legislature unless (1) the CBA has been submitted to the Office of Financial Management (OFM) Director by October 1 prior to

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

the legislative session at which the request is to be considered and (2) the request for funds has been certified by the OFM Director as being feasible financially for the state.

In addition, limited scope collective bargaining is authorized in Chapter 41.56 RCW between the Governor and certain non-state employee groups such as family child care providers, adult family home providers, individual providers of home care services, and language access providers. Like the PSRA, the Governor must submit to the Legislature a request for funds necessary to implement these CBAs and may not submit a request for funds unless (1) the CBA has been submitted to the OFM Director by October 1 prior to the legislative session at which the request is to be considered and (2) the request for funds has been certified by the OFM Director as being financially feasible or reflective of a binding decision of an arbitration panel.

The term "feasible financially for the state" is not defined in either Chapter 41.80 RCW or Chapter 41.56 RCW.

Summary of Bill (Recommended Substitute): The term "feasible financially for the state" means the total general fund and related fund cost of the CBAs negotiated for classified state employees and for non-employee groups does not exceed the amount of available fiscal resources remaining after projected maintenance level for the term of the agreement and for the ensuing biennium, as measured under the state balanced budget requirement.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): The sum of the cost of negotiated agreements cannot exceed the current estimate state financial resources for the term of the agreement and the next biennium.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: If living within your available resources is not what financially feasible means then the term is subjective and subject to manipulation. The standard in the bill is clear and objective, which benefits all parties involved in the collective bargaining process. The standard protects taxpayers and the state's fiscal health.

CON: Bill is an unnecessary erosion of collective bargaining rights. It chips away at separation of powers by limiting what the executive proposes in his/her budget. The bill unreasonably limits and constricts the collective bargaining process. The Legislature currently has the power to reject a contract and it should use that power rather than imposing a one size fits all approach that prevents conversations about creative alternatives and policy choices to fund a collective bargaining agreement. Bill is unnecessary. Existing statute works and works well. Current law contains many fiscal safeguards. This approach will stifle creativity and consideration of ways to fund collective bargaining agreements.

Persons Testifying: PRO: Maxford Nelsen, Freedom Foundation.

CON: Joe Kendo, WA State Labor Council; Seamus Petrie, WA Public Employees Assn/
UFCW 365; Greg Devereux, WA Federation of State Employees, AFSCME Council 28.

Persons Signed In To Testify But Not Testifying: No one.