SUBSTITUTE HOUSE BILL 1042

State of Washington 66th Legislature 2019 Regular Session

By House Labor & Workplace Standards (originally sponsored by Representatives Blake, Griffey, Sells, Eslick, Lovick, Irwin, Appleton, Pellicciotti, Riccelli, Kirby, Kilduff, Caldier, Ryu, Chapman, Tharinger, Stonier, Sullivan, Fitzgibbon, Wylie, Bergquist, Doglio, Pollet, Stanford, Frame, and Leavitt)

1 AN ACT Relating to granting interest arbitration to department of 2 corrections employees; amending RCW 41.80.005 and 41.80.010; and 3 adding new sections to chapter 41.80 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 41.80.005 and 2011 1st sp.s. c 43 s 444 are each 6 amended to read as follows:

7 Unless the context clearly requires otherwise, the definitions in 8 this section apply throughout this chapter.

9 (1) "Agency" means any agency as defined in RCW 41.06.020 and 10 covered by chapter 41.06 RCW.

11 (2) "Collective bargaining" means the performance of the mutual 12 obligation of the representatives of the employer and the exclusive 13 bargaining representative to meet at reasonable times and to bargain 14 in good faith in an effort to reach agreement with respect to the 15 subjects of bargaining specified under RCW 41.80.020. The obligation 16 to bargain does not compel either party to agree to a proposal or to 17 make a concession, except as otherwise provided in this chapter.

18 (3) "Commission" means the public employment relations 19 commission.

20 (4) "Confidential employee" means an employee who, in the regular 21 course of his or her duties, assists in a confidential capacity 1 persons who formulate, determine, and effectuate management policies with regard to labor relations or who, in the regular course of his 2 or her duties, has authorized access to information relating to the 3 effectuation or review of the employer's collective bargaining 4 policies, or who assists or aids a manager. "Confidential employee" 5 6 also includes employees who assist assistant attorneys general who 7 advise and represent managers or confidential employees in personnel or labor relations matters, or who advise or represent the state in 8 tort actions. 9

10 (5) "Director" means the director of the public employment 11 relations commission.

(6) "Employee" means any employee, including employees whose work
has ceased in connection with the pursuit of lawful activities
protected by this chapter, covered by chapter 41.06 RCW, except:

(a) Employees covered for collective bargaining by chapter 41.56RCW;

(c) Members of the Washington management service;

17 (b) Confidential employees;

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(d) Internal auditors in any agency; or

20 (e) Any employee of the commission, the office of financial 21 management, or the office of risk management within the department of 22 enterprise services.

(7) "Employee organization" means any organization, union, or association in which employees participate and that exists for the purpose, in whole or in part, of collective bargaining with employers.

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(8) "Employer" means the state of Washington.

(9) "Exclusive bargaining representative" means any employee
 organization that has been certified under this chapter as the
 representative of the employees in an appropriate bargaining unit.

(10) "Institutions of higher education" means the University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington University, The Evergreen State College, and the various state community colleges.

36 (11) "Labor dispute" means any controversy concerning terms, 37 tenure, or conditions of employment, or concerning the association or 38 representation of persons in negotiating, fixing, maintaining, 39 changing, or seeking to arrange terms or conditions of employment 40 with respect to the subjects of bargaining provided in this chapter,

1 regardless of whether the disputants stand in the proximate relation
2 of employer and employee.

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(12) "Manager" means "manager" as defined in RCW 41.06.022.

(13) "Supervisor" means an employee who has authority, in the 4 interest of the employer, to hire, transfer, suspend, lay off, 5 6 recall, promote, discharge, direct, reward, or discipline employees, or to adjust employee grievances, or effectively to recommend such 7 action, if the exercise of the authority is not of a merely routine 8 nature but requires the consistent exercise of individual judgment. 9 However, no employee who is a member of the Washington management 10 service may be included in a collective bargaining unit established 11 12 under this section.

13 (14) "Unfair labor practice" means any unfair labor practice 14 listed in RCW 41.80.110.

15 <u>(15) "Department of corrections employees" means employees</u> 16 <u>covered by chapter 41.06 RCW working for the department of</u> 17 <u>corrections, except confidential employees, members of the Washington</u> 18 <u>management service, and internal auditors.</u>

19 Sec. 2. RCW 41.80.010 and 2017 3rd sp.s. c 23 s 3 are each 20 amended to read as follows:

(1) For the purpose of negotiating collective bargaining agreements under this chapter, the employer shall be represented by the governor or governor's designee, except as provided for institutions of higher education in subsection (4) of this section.

25 (2) (a) If an exclusive bargaining representative represents more than one bargaining unit, the exclusive bargaining representative 26 27 shall negotiate with each employer representative as designated in subsection (1) of this section one master collective bargaining 28 29 agreement on behalf of all the employees in bargaining units that the 30 exclusive bargaining representative represents. For those exclusive 31 bargaining representatives who represent fewer than a total of five hundred employees each, negotiation shall be by a coalition of all 32 those exclusive bargaining representatives. The coalition shall 33 bargain for a master collective bargaining agreement covering all of 34 the employees represented by the coalition. The governor's designee 35 and the exclusive bargaining representative or representatives are 36 authorized to enter into supplemental bargaining of agency-specific 37 38 issues for inclusion in or as an addendum to the master collective bargaining agreement, subject to the parties' agreement regarding the 39

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1 issues and procedures for supplemental bargaining. This section does 2 not prohibit cooperation and coordination of bargaining between two 3 or more exclusive bargaining representatives.

4 (b) This subsection (2) does not apply to exclusive bargaining 5 representatives who represent employees of institutions of higher 6 education, except when the institution of higher education has 7 elected to exercise its option under subsection (4) of this section 8 to have its negotiations conducted by the governor or governor's 9 designee under the procedures provided for general government 10 agencies in subsections (1) through (3) of this section.

11 (c) If five hundred or more employees of an independent state 12 elected official listed in RCW 43.01.010 are organized in a 13 bargaining unit or bargaining units under RCW 41.80.070, the official 14 shall be consulted by the governor or the governor's designee before 15 any agreement is reached under (a) of this subsection concerning 16 supplemental bargaining of agency specific issues affecting the 17 employees in such bargaining unit.

(3) The governor shall submit a request for funds necessary to implement the compensation and fringe benefit provisions in the master collective bargaining agreement or for legislation necessary to implement the agreement. Requests for funds necessary to implement the provisions of bargaining agreements shall not be submitted to the legislature by the governor unless such requests:

(a) Have been submitted to the director of the office of
financial management by October 1 prior to the legislative session at
which the requests are to be considered; and

(b) Have been certified by the director of the office of financial management as being feasible financially for the state or reflects the decision of an arbitration panel reached under section 5 of this act.

31 The legislature shall approve or reject the submission of the 32 request for funds as a whole. The legislature shall not consider a 33 request for funds to implement a collective bargaining agreement unless the request is transmitted to the legislature as part of the 34 governor's budget document submitted under RCW 43.88.030 and 35 43.88.060. If the legislature rejects or fails to act on the 36 submission, either party may reopen all or part of the agreement or 37 the exclusive bargaining representative may seek to implement the 38 39 procedures provided for in RCW 41.80.090.

1 (4)(a)(i) For the purpose of negotiating agreements for 2 institutions of higher education, the employer shall be the 3 respective governing board of each of the universities, colleges, or 4 community colleges or a designee chosen by the board to negotiate on 5 its behalf.

6 (ii) A governing board of a university or college may elect to 7 have its negotiations conducted by the governor or governor's 8 designee under the procedures provided for general government 9 agencies in subsections (1) through (3) of this section, except that:

10 (A) The governor or the governor's designee and an exclusive 11 bargaining representative shall negotiate one master collective 12 bargaining agreement for all of the bargaining units of employees of 13 a university or college that the representative represents; or

(B) If the parties mutually agree, the governor or the governor's designee and an exclusive bargaining representative shall negotiate one master collective bargaining agreement for all of the bargaining units of employees of more than one university or college that the representative represents.

(iii) A governing board of a community college may elect to have its negotiations conducted by the governor or governor's designee under the procedures provided for general government agencies in subsections (1) through (3) of this section.

(b) Prior to entering into negotiations under this chapter, the institutions of higher education or their designees shall consult with the director of the office of financial management regarding financial and budgetary issues that are likely to arise in the impending negotiations.

28 (c) (i) In the case of bargaining agreements reached between institutions of higher education other than the University of 29 Washington and exclusive bargaining representatives agreed to under 30 31 the provisions of this chapter, if appropriations are necessary to 32 implement the compensation and fringe benefit provisions of the 33 bargaining agreements, the governor shall submit a request for such funds to the legislature according to the provisions of subsection 34 (3) of this section, except as provided in (c)(iii) of this 35 36 subsection.

(ii) In the case of bargaining agreements reached between the University of Washington and exclusive bargaining representatives agreed to under the provisions of this chapter, if appropriations are necessary to implement the compensation and fringe benefit provisions

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of a bargaining agreement, the governor shall submit a request for such funds to the legislature according to the provisions of subsection (3) of this section, except as provided in this subsection (4) (c) (ii) and as provided in (c) (iii) of this subsection.

5 (A) If appropriations of less than ten thousand dollars are 6 necessary to implement the provisions of a bargaining agreement, a 7 request for such funds shall not be submitted to the legislature by 8 the governor unless the request has been submitted to the director of 9 the office of financial management by October 1 prior to the 10 legislative session at which the request is to be considered.

11 (B) If appropriations of ten thousand dollars or more are 12 necessary to implement the provisions of a bargaining agreement, a 13 request for such funds shall not be submitted to the legislature by 14 the governor unless the request:

(I) Has been submitted to the director of the office of financial management by October 1 prior to the legislative session at which the request is to be considered; and

18 (II) Has been certified by the director of the office of 19 financial management as being feasible financially for the state.

(C) If the director of the office of financial management does 20 21 not certify a request under (c)(ii)(B) of this subsection as being feasible financially for the state, the parties shall enter into 22 23 collective bargaining solely for the purpose of reaching a mutually agreed upon modification of the agreement necessary to address the 24 25 absence of those requested funds. The legislature may act upon the 26 compensation and fringe benefit provisions of the modified collective 27 bargaining agreement if those provisions are agreed upon and 28 submitted to the office of financial management and legislative budget committees before final legislative action on the biennial or 29 supplemental operating budget by the sitting legislature. 30

31 (iii) In the case of a bargaining unit of employees of 32 institutions of higher education in which the exclusive bargaining representative is certified during or after the conclusion of a 33 legislative session, the legislature may act upon the compensation 34 and fringe benefit provisions of the unit's initial collective 35 bargaining agreement if those provisions are agreed upon and 36 submitted to the office of financial management and legislative 37 budget committees before final legislative action on the biennial or 38 39 supplemental operating budget by the sitting legislature.

1 (5) If, after the compensation and fringe benefit provisions of 2 an agreement are approved by the legislature, a significant revenue 3 shortfall occurs resulting in reduced appropriations, as declared by 4 proclamation of the governor or by resolution of the legislature, 5 both parties shall immediately enter into collective bargaining for a 6 mutually agreed upon modification of the agreement.

7 (6) After the expiration date of a collective bargaining 8 agreement negotiated under this chapter, all of the terms and 9 conditions specified in the collective bargaining agreement remain in 10 effect until the effective date of a subsequently negotiated 11 agreement, not to exceed one year from the expiration date stated in 12 the agreement. Thereafter, the employer may unilaterally implement 13 according to law.

(7) For the 2013-2015 fiscal biennium, a collective bargaining 14 agreement related to employee health care benefits negotiated between 15 16 the employer and coalition pursuant to RCW 41.80.020(3) regarding the dollar amount expended on behalf of each employee shall be a separate 17 18 agreement for which the governor may request funds necessary to 19 implement the agreement. The legislature may act upon a 2013-2015 20 collective bargaining agreement related to employee health care benefits if an agreement is reached and submitted to the office of 21 financial management and legislative budget committees before final 22 legislative action on the biennial or supplemental operating 23 appropriations act by the sitting legislature. 24

25 (8)(a) For the 2015-2017 fiscal biennium, the governor may 26 request funds to implement:

27 (i) Modifications to collective bargaining agreements as set 28 forth in a memorandum of understanding negotiated between the 29 employer and the service employees international union healthcare 1199nw, an exclusive bargaining representative, that was necessitated 30 31 by an emergency situation or an imminent jeopardy determination by 32 the center for medicare and medicaid services that relates to the 33 safety or health of the clients, employees, or both the clients and 34 employees.

35 (ii) Unilaterally implemented modifications to collective 36 bargaining agreements, resulting from the employer being prohibited 37 from negotiating with an exclusive bargaining representative due to a 38 pending representation petition, necessitated by an emergency 39 situation or an imminent jeopardy determination by the center for

1 medicare and medicaid services that relates to the safety or health 2 of the clients, employees, or both the clients and employees.

(iii) Modifications to collective bargaining agreements as set 3 forth in a memorandum of understanding negotiated between the 4 employer and the union of physicians of Washington, an exclusive 5 6 bargaining representative, that was necessitated by an emergency situation or an imminent jeopardy determination by the center for 7 medicare and medicaid services that relates to the safety or health 8 of the clients, employees, or both the clients and employees. If the 9 memorandum of understanding submitted to the legislature as part of 10 the governor's budget document is rejected by the legislature, and 11 12 the parties reach a new memorandum of understanding by June 30, 2016, within the funds, conditions, and limitations provided in section 13 204, chapter 36, Laws of 2016 sp. sess., the new memorandum of 14 understanding shall be considered approved by the legislature and may 15 16 be retroactive to December 1, 2015.

(iv) Modifications to collective bargaining agreements as set forth in a memorandum of understanding negotiated between the employer and the teamsters union local 117, an exclusive bargaining representative, for salary adjustments for the state employee job classifications of psychiatrist, psychiatric social worker, and psychologist.

(b) For the 2015-2017 fiscal biennium, the legislature may act upon the request for funds for modifications to a 2015-2017 collective bargaining agreement under (a)(i), (ii), (iii), and (iv) of this subsection if funds are requested by the governor before final legislative action on the supplemental omnibus appropriations act by the sitting legislature.

(c) The request for funding made under this subsection and any action by the legislature taken pursuant to this subsection is limited to the modifications described in this subsection and may not otherwise affect the original terms of the 2015-2017 collective bargaining agreement.

34 (d) Subsection (3) (a) and (b) of this section do not apply to35 requests for funding made pursuant to this subsection.

36 <u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 41.80 37 RCW to read as follows:

38 The intent and purpose of sections 4 through 10 of this act is to 39 recognize that there exists a public policy in the state of

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1 Washington against strikes as a means of settling labor disputes; 2 that the uninterrupted and dedicated service of department of 3 corrections employees is vital to the welfare and public safety of 4 the state of Washington; and to promote such dedicated and 5 uninterrupted public service there should exist an effective and 6 adequate alternative means of settling disputes.

7 <u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 41.80 8 RCW to read as follows:

9 Negotiations between the employer and the exclusive bargaining 10 representative of a unit of department of corrections employees shall 11 be commenced at least five months before the submission of the budget to the legislature. If no agreement has been reached sixty days after 12 13 the commencement of such negotiations then, at any time thereafter, either party may declare that an impasse exists and may submit the 14 15 dispute to the commission for mediation, with or without the concurrence of the other party. The commission shall appoint a 16 mediator, who must promptly meet with the representatives of the 17 18 parties, either jointly or separately, and take such other steps as the mediator deems appropriate in order to persuade the parties to 19 resolve their differences and effect an agreement. A mediator does 20 21 not have a power of compulsion. The mediator may consider only 22 matters that are subject to bargaining under this chapter.

23 <u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 41.80 24 RCW to read as follows:

25 (1) (a) Within ten working days after the first Monday in 26 September of every odd-numbered year, the state's bargaining representative and the exclusive bargaining representative for the 27 appropriate bargaining unit shall attempt to agree on an interest 28 29 arbitration panel consisting of three members to be used if the 30 parties are not successful in negotiating a comprehensive collective 31 bargaining agreement. Each party shall name one person to serve as its arbitrator on the arbitration panel. The two members so appointed 32 shall meet within seven days following the appointment of the later 33 appointed member to attempt to choose a third member to act as the 34 neutral chair of the arbitration panel. Upon the failure of the 35 arbitrators to select a neutral chair within seven days, the two 36 37 appointed members shall use one of the two following options in the 38 appointment of the third member, who shall act as chair of the panel:

1 (i) By mutual consent, the two appointed members may jointly 2 request the commission to, and the commission shall, appoint a third 3 member within two days of such a request. Costs of each party's 4 appointee shall be borne by each party respectively; other costs of 5 the arbitration proceedings shall be borne by the commission; or

6 (ii) Either party may apply to the commission, the federal 7 mediation and conciliation service, or the American arbitration 8 association to provide a list of five qualified arbitrators from 9 which the neutral chair shall be chosen.

10 (b) Each party shall pay the fees and expenses of its arbitrator, 11 and the fees and expenses of the neutral chair must be shared equally 12 between the parties.

(2) Immediately upon selecting an interest arbitration panel, the 13 14 parties shall cooperate to reserve dates with the arbitration panel for potential arbitration between August 1st and September 15th of 15 16 the following even-numbered year. The parties shall also prepare a 17 schedule of at least five negotiation dates for the following year, absent an agreement to the contrary. The parties shall execute a 18 written agreement before November 1st of each odd-numbered year 19 setting forth the names of the members of the arbitration panel and 20 the dates reserved for bargaining and arbitration. This subsection 21 imposes minimum obligations only and is not intended to define or 22 23 limit a party's full, good faith bargaining obligation under other sections of this chapter. 24

25 If the parties are not successful in negotiating (3) а comprehensive collective bargaining agreement, a hearing shall be 26 held. The hearing must be informal and each party must have the 27 28 opportunity to present evidence and make argument. No member of the 29 arbitration panel may present the case for a party to the proceedings. The rules of evidence prevailing in judicial proceedings 30 31 may be considered, but are not binding, and any oral testimony or documentary evidence or other data deemed relevant by the chair of 32 the arbitration panel may be received in evidence. A recording of the 33 proceedings must be taken. The arbitration panel has the power to 34 administer oaths, require the attendance of witnesses, and require 35 36 the production of such books, papers, contracts, agreements, and documents as may be deemed by the panel to be material to a just 37 determination of the issues in dispute. If any person refuses to obey 38 39 a subpoena issued by the arbitration panel, or refuses to be sworn or 40 to make an affirmation to testify, or any witness, party, or attorney

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for a party is guilty of any contempt while in attendance at any 1 hearing held under this section, the arbitration panel may invoke the 2 jurisdiction of the superior court in the county where the labor 3 dispute exists, and the court has jurisdiction to issue 4 an appropriate order. Any failure to obey the order may be punished by 5 6 the court as a contempt thereof. The hearing conducted by the 7 arbitration panel must be concluded within twenty-five days following the selection or designation of the neutral chair of the arbitration 8 9 panel, unless the parties agree to a longer period.

10 (4) The neutral chair shall consult with the other members of the 11 arbitration panel, and, within thirty days following the conclusion 12 of the hearing, the neutral chair must make written findings of fact 13 and a written determination of the issues in dispute, based on the 14 evidence presented. A copy thereof must be served on the commission, 15 on each of the other members of the arbitration panel, and on each of 16 the parties to the dispute.

17 (5) Except as provided in this subsection, the written 18 determination is final and binding upon both parties.

19 (a) The written determination is subject to review by the 20 superior court upon the application of either party solely upon the 21 question of whether the decision of the panel was arbitrary or 22 capricious.

(b) The written determination is not binding on the legislature and, if the legislature does not approve the funds necessary to implement provisions pertaining to compensation and fringe benefits of an arbitrated collective bargaining agreement, is not binding on the state.

28 (6) The arbitration panel may consider only matters that are 29 subject to bargaining under this chapter.

30 <u>NEW SECTION.</u> Sec. 6. A new section is added to chapter 41.80 31 RCW to read as follows:

An interest arbitration panel created under section 5 of this act, in the performance of its duties under this chapter, exercises a state function and is, for the purposes of this chapter, a state agency. Chapter 34.05 RCW does not apply to proceedings before an interest arbitration panel under this chapter.

37 <u>NEW SECTION.</u> Sec. 7. A new section is added to chapter 41.80 38 RCW to read as follows:

In making its determination, the panel must be mindful of the legislative purpose enumerated in section 3 of this act and, as additional standards or guidelines to aid it in reaching a decision, must take into consideration the following factors:

5 (1) The financial ability of the department of corrections to pay 6 for the compensation and benefit provisions of a collective 7 bargaining agreement;

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(2) The constitutional and statutory authority of the employer;

(3) Stipulations of the parties;

10 (4) Comparison of the wages, hours, and conditions of employment 11 of personnel involved in the proceedings with the wages, hours, and 12 conditions of employment of like personnel of like state government 13 employers of similar size in the western United States;

14 (5) The ability of the department of corrections to retain 15 employees;

16 (6) The overall compensation presently received by department of 17 corrections employees, including direct wage compensation, vacations, 18 holidays, and other paid excused time, pensions, insurance benefits, 19 and all other direct or indirect monetary benefits received;

20 (7) Changes in any of the factors listed in this subsection 21 during the pendency of the proceedings; and

(8) Such other factors that are normally or traditionally taken into consideration in the determination of matters subject to bargaining under RCW 41.80.020(1).

25 <u>NEW SECTION.</u> Sec. 8. A new section is added to chapter 41.80 26 RCW to read as follows:

During the pendency of the proceedings before the arbitration panel, existing wages, hours, and other conditions of employment shall not be changed by action of either party without the consent of the other but a party may so consent without prejudice to the party's rights or position under sections 4 through 10 of this act.

32 <u>NEW SECTION.</u> Sec. 9. A new section is added to chapter 41.80 33 RCW to read as follows:

(1) If the representative of either or both the department of corrections employees and the employer refuses to submit to the procedures set forth in sections 4 and 5 of this act, the parties, or the commission on its own motion, may invoke the jurisdiction of the superior court for the county in which the labor dispute exists and 1 the court shall have jurisdiction to issue an appropriate order. A 2 failure to obey the order may be punished by the court as a contempt 3 thereof.

4 (2) Except as provided in this subsection, a decision of the 5 arbitration panel is final and binding on the parties, and may be 6 enforced at the instance of either party, the arbitration panel, or 7 the commission in the superior court for the county where the dispute 8 arose.

9 (a) The written determination is subject to review by the 10 superior court upon the application of either party solely upon the 11 question of whether the decision of the panel was arbitrary or 12 capricious.

(b) The written determination is not binding on the legislature and, if the legislature does not approve the funds necessary to implement provisions pertaining to compensation and fringe benefits of an arbitrated collective bargaining agreement, is not binding on the state.

18 <u>NEW SECTION.</u> Sec. 10. A new section is added to chapter 41.80 19 RCW to read as follows:

The right of department of corrections employees to engage in any 20 strike, work slowdown, or stoppage is not granted. An employee 21 organization recognized as the exclusive bargaining representative of 22 department of corrections employees subject to this chapter that 23 24 willfully disobeys a lawful order of enforcement by a superior court under this section and section 9 of this act, or willfully offers 25 resistance to an order, whether by strike or otherwise, is in 26 27 contempt of court as provided in chapter 7.21 RCW. An employer that willfully disobeys a lawful order of enforcement by a superior court 28 under section 9 of this act or willfully offers resistance to such 29 30 order is in contempt of court as provided in chapter 7.21 RCW.

31 <u>NEW SECTION.</u> Sec. 11. A new section is added to chapter 41.80 32 RCW to read as follows:

(1) By January 1, 2020, the public employment relations commission shall review the appropriateness of the bargaining units that consist of or include department of corrections employees and exist on the effective date of this section. If the commission determines that an existing bargaining unit is not appropriate under RCW 41.80.070, the commission may modify the unit.

1 (2) The exclusive bargaining representatives certified to 2 represent the bargaining units that consist of or include department 3 of corrections employees and exist on the effective date of this 4 section shall continue as the exclusive bargaining representative 5 without the necessity of an election as of the effective date of this 6 section. However, there may be proceedings concerning representation 7 under this chapter thereafter.

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