

Multiple Agency Fiscal Note Summary

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| Bill Number: 1043 HB | Title: Uniformed personnel arbitrat |
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

| Agency Name | 2019-21 | | | 2021-23 | | | 2023-25 | | |
|--|--|----------|----------|------------|----------|----------|------------|----------|----------|
| | FTEs | GF-State | Total | FTEs | GF-State | Total | FTEs | GF-State | Total |
| Public Employment Relations Commission | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| University of Washington | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Washington State University | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Eastern Washington University | Fiscal note not available | | | | | | | | |
| Central Washington University | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| The Evergreen State College | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Western Washington University | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Community and Technical College System | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Total \$ | 0.0 | 0 | 0 | 0.0 | 0 | 0 | 0.0 | 0 | 0 |

Estimated Capital Budget Expenditures

| Agency Name | 2019-21 | | | 2021-23 | | | 2023-25 | | |
|--|---------------------------|----------|----------|------------|----------|----------|------------|----------|----------|
| | FTEs | Bonds | Total | FTEs | Bonds | Total | FTEs | Bonds | Total |
| Public Employment Relations Commission | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| University of Washington | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Washington State University | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Eastern Washington University | Fiscal note not available | | | | | | | | |
| Central Washington University | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| The Evergreen State College | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Western Washington University | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Community and Technical College System | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Total \$ | 0.0 | 0 | 0 | 0.0 | 0 | 0 | 0.0 | 0 | 0 |

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 53234

FNS029 Multi Agency rollout

Estimated Capital Budget Breakout

NONE

| | | |
|------------------------------------|---------------------------------|---|
| Prepared by: Bryan Way, OFM | Phone: (360) 902-0650 | Date Published: Preliminary 1/17/2019 |
|------------------------------------|---------------------------------|---|

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note
FNPID: 53234

Individual State Agency Fiscal Note

| | | |
|-----------------------------|--|---|
| Bill Number: 1043 HB | Title: Uniformed personnel arbitrat | Agency: 275-Public Employment Relations Commission |
|-----------------------------|--|---|

Part I: Estimates

☒ No Fiscal Impact

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

| | | |
|--------------------------------------|-----------------------|------------------|
| Legislative Contact: Trudes Tango | Phone: 360-786-7384 | Date: 01/09/2019 |
| Agency Preparation: Dario de la Rosa | Phone: 360-570-7328 | Date: 01/10/2019 |
| Agency Approval: Dario de la Rosa | Phone: 360-570-7328 | Date: 01/10/2019 |
| OFM Review: Bryan Way | Phone: (360) 902-0650 | Date: 01/11/2019 |

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Interest Arbitration for Uniformed Personnel

Interest arbitration is a process where a public employer and labor organization negotiating a collective bargaining agreement ask a neutral arbitrator to decide any unresolved mandatory terms and conditions of employment that the parties discussed during negotiations. Prior to arbitration, the employer and labor organization must request and utilize the Public Employment Relations Commission's (PERC) mediation services. If mediation does not successfully resolve the areas of disagreement, PERC's Executive Director, in consultation with the mediator, certifies a list of the unresolved mandatory subjects of bargaining for the arbitrator to consider. In Washington State, uniformed employees, such as police officers, fire fighters, and corrections officers in certain counties, are entitled to use interest arbitration as a process for dispute resolution.

The interest arbitration for uniformed employees are currently found in the Public Employees Collective Bargaining Act, Chapter 41.56 RCW. PERC rules and precedents require that employees eligible for interest arbitration are included in their own bargaining units due to the impasse resolution process.

Police Officers at the Four-Year Institutions

RCW 28B.10.550 permits the boards of regents of the state universities, and the boards of trustees of the regional universities or The Evergreen State College to establish a police force for its own institution. The police officers at the state universities, the regional universities, and The Evergreen State College are considered civil service employees under Chapter 41.06 RCW. Because these police officers are civil service employees, they enjoy collective bargaining rights under the Personnel System Reform Act of 2002, Chapter 41.80 RCW. Chapter 41.80 RCW lacks the interest arbitration provisions contained within Chapter 41.56 RCW and therefore the police officers at the state universities, the regional universities, and The Evergreen State College are not entitled to use interest arbitration as a process for dispute resolution. The police officers at the regional universities and The Evergreen State College are currently included in bargaining units with other civil service employees. The police officers at the University of Washington and Washington State University are included in their own separate bargaining units.

HB 1043 creates a new definition for uniformed employees in Chapter 41.80 RCW that includes only those police officers created by RCW 28B.10.550. Sections 2 through 10 of the bill establish an impasse resolution process within Chapter 41.80 RCW that is applicable to the state universities, the regional universities, and The Evergreen State College and their represented police officers that is similar to the impasse resolution process found in Chapter 41.56 RCW.

Section 11 of the bill requires PERC to review the existing bargaining units of police officers to ensure their continued appropriateness under Chapter 41.80 RCW. The review of bargaining units must be completed by January 1, 2020.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Because HB 1043 grants interest arbitration rights to employees that have not traditionally enjoyed interest arbitration rights, workload will be driven by the complexity of negotiations. PERC anticipates an increase in caseload for the employees subject to this bill, including:

- mediation cases to assist the parties in resolving mandatory subjects of bargaining
- unfair labor practice cases to determine if a subject of bargaining is mandatory in nature, and therefore a subject that can be submitted to an interest arbitrator for resolution.

PERC also anticipates at least 4 new unit clarification cases concerning the police officers at the regional universities and The Evergreen State College who are currently included in bargaining units with other civil service employees.

PERC anticipates that it can absorb these new duties without additional funding.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

| | | |
|-----------------------------|--|---|
| Bill Number: 1043 HB | Title: Uniformed personnel arbitrat | Agency: 360-University of Washington |
|-----------------------------|--|---|

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

| | | |
|--------------------------------------|-----------------------|------------------|
| Legislative Contact: Trudes Tango | Phone: 360-786-7384 | Date: 01/09/2019 |
| Agency Preparation: Kelsey Rote | Phone: 2065437466 | Date: 01/10/2019 |
| Agency Approval: Becka Johnson Poppe | Phone: 206-616-7203 | Date: 01/10/2019 |
| OFM Review: Breann Boggs | Phone: (360) 902-0659 | Date: 01/17/2019 |

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SECTION 3 states the intent to recognize that there exists a public policy in the state of Washington against strikes by uniformed personnel as a means of settling their labor disputes. SECTION 10 states that the right of uniformed personnel to engage in any strike, work slowdown, or stoppage is not granted.

SECTION 4 through SECTION 10 describe the bargaining and interest arbitration process. These sections would impact the UW through required binding interest arbitration for campus police officers in order to resolve labor contract negotiations.

Since this bill is similar in intent and impact to S HB 1559 from last year, note that this fiscal note is mirrored after the fiscal note submitted by UW for S HB 1559 last year, and the fiscal note for HB 5022 this year.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

SECTION 4 through SECTION 10

Sections 4 through 10 would have indeterminate costs that are estimated to be greater than zero but less than \$50,000 per fiscal year. Cost estimates include both the cost of interest arbitration itself and the cost of the potential impacts as a result of interest arbitration awards. As such, the estimate of expenditures is ultimately indeterminate because:

- It is unknown whether the legislature will approve funding for the collective bargaining agreements in the 2021-23 biennium operating budget (FYs 2022 and 2023).
- It is unknown whether successful bargaining agreements will be reached in subsequent biennia.
- In every even-numbered fiscal year, the UWHR Compensation Office hires an outside consulting firm to collect salary information on campus police, sergeants and lieutenants, and to assist in the preparation for collective bargaining for the two bargaining units that represent commissioned officers employed at the UW (one for campus police officers, Teamsters Local 117; the other for sergeants and lieutenants, WFSE Police Management). If interest arbitration led to a need to update the data during an off-year, it would incur costs in terms of UW staff time, as well as fees for the outside consulting firm to re-run the custom salary survey and prepare the data for collective bargaining.
- There are potentially large but indeterminate costs resulting from arbitration awards, as they can escalate salaries beyond what they might be otherwise.

POSSIBLE ARBITRATION HEARING COSTS:

The UW estimates that this bill would require two arbitration hearings, one for each of the two bargaining units that represent uniformed personnel: Teamsters 117 for campus police officers, and Washington Federation of State Employees Police Management for sergeants and lieutenants.

Attorney Fees: \$6,650 per bargaining unit, for a total of \$13,300 per biennium

UW's share of Arbitrator's Fees/Expenses: \$1,500 per arbitrator per day (for 3 arbitrators for 2 days), for a total of \$9,000 per biennium.

Room Rental: \$65 per day for two days, for a total of \$130 per biennium.

TOTAL COST: \$22,430 per biennium.

The costs would be incurred at the onset of the biennium (even fiscal year). The current contract expires in June 2019 and the successor contract for the 2019-2021 has been ratified and is awaiting funding from the legislature. If the proposed legislation takes effect, the costs would first appear in FY22.

There could also be an incremental cost for additional hearing days as necessary, at \$2,315 per day for the UW. Additional days cannot be accurately predicted, so are not included in our calculations.

POSSIBLE DATA GATHERING COSTS:

As mentioned above, interest arbitration could lead to the UW needing to update its salary information on campus police, sergeants and lieutenants in years when it wouldn't otherwise be necessary. As this information is currently gathered every other fiscal year, the first time this cost could occur when it hadn't been previously required would be FY 2021. It is estimated that it would take 0.2 total FTE of UWHR Compensation staff time (full time average annual salaries of approximately \$85,674, with a benefits rate of 32.5%) to collect the required salary information. In addition, it would cost approximately \$20,000 for an outside consulting firm to re-run the custom salary survey and prepare the data for collective bargaining. Therefore, the breakdown of the potential costs associated with the data collection and preparation for bargaining is as follows:

FY 2021 (and possibly every other fiscal year thereafter):

UW HR Compensation staff salary: \$1,713

UW HR Compensation staff benefits: \$557

Consulting firm fees: \$20,000

TOTAL COST: \$22,270

POSSIBLE ADDITIONAL COSTS:

In addition to direct arbitration costs, there are potentially large but indeterminate costs resulting from arbitration awards, as they can escalate salaries beyond what they might have otherwise. As it isn't possible to estimate the costs resulting from these potential awards, we are not including these estimates in our fiscal note response.

However, in the case that this occurs, there would be additional fiscal implications for the UW.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

| | | |
|-----------------------------|--|--|
| Bill Number: 1043 HB | Title: Uniformed personnel arbitrat | Agency: 365-Washington State University |
|-----------------------------|--|--|

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

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|-----------------------------------|-----------------------|------------------|
| Legislative Contact: Trudes Tango | Phone: 360-786-7384 | Date: 01/09/2019 |
| Agency Preparation: Chris Jones | Phone: 509-335-9682 | Date: 01/10/2019 |
| Agency Approval: Chris Jones | Phone: 509-335-9682 | Date: 01/10/2019 |
| OFM Review: Breann Boggs | Phone: (360) 902-0659 | Date: 01/17/2019 |

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

HB 1043 grants binding interest arbitration rights to duly sworn police officers employed by institutions of higher education. In addition, it prohibits duly sworn police officers from engaging in a strike, work slowdown, or stoppage.

Section 4 states that negotiations are to begin five months prior to submission of the budget to legislature, and provides steps to follow if an agreement is not reached within 60 days.

Section 5 describes the formation of an interest arbitration panel, the composition of the panel and instructions for the functioning of the panel.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The total cost of HB 1043 is indeterminate because it is unknown whether WSU would successfully reach agreement on collective bargaining agreements. Failure to reach agreement would result in entering into interest arbitration, which would lead to increased staff time costs as well as possible increased salary costs for represented employees.

WSU anticipates costs of at least \$25,000 each biennium, including the costs for arbitrators, experts, court reporters, expedited services, transcripts, and travel; however, depending upon the complexity and length of arbitration costs could be significantly higher.

WSU assumes that the "state's bargaining representative" in Section 5 in no way supplants a higher education institution's governing board authority to negotiate collective bargaining agreements for uniformed personnel.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

| | | |
|-----------------------------|--|--|
| Bill Number: 1043 HB | Title: Uniformed personnel arbitrat | Agency: 375-Central Washington University |
|-----------------------------|--|--|

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

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- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

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|-----------------------------------|-----------------------|------------------|
| Legislative Contact: Trudes Tango | Phone: 360-786-7384 | Date: 01/09/2019 |
| Agency Preparation: Lisa Plesha | Phone: (509) 963-1233 | Date: 01/15/2019 |
| Agency Approval: Lisa Plesha | Phone: (509) 963-1233 | Date: 01/15/2019 |
| OFM Review: Breann Boggs | Phone: (360) 902-0659 | Date: 01/17/2019 |

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

House Bill 1043 grants binding interest arbitration rights to uniformed personnel, but prohibits uniformed personnel from engaging in a strike, work slowdown, or stoppage as the result of a labor dispute.

New sections 3 through 11 outline the process for establishing a 3 person arbitration panel to resolve such labor disputes and must be comprised of 1 member appointed by CWU, 1 member appointed by the union representing uniformed personnel in the collective bargaining process, and 1 neutral chair of the panel either mutually agreed upon by the two appointed members or by applying to the commission, the federal mediation and conciliation service, or the American arbitration association to provide a 5 person list of neutral arbitrators to choose from.

These sections also outline how the panel should form and schedule negotiation dates in advance, regulates that during pending proceedings, wages, hours and other conditions of employment must not change without both parties consent.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

House Bill 1043 grants binding interest arbitration rights to uniformed personnel, but prohibits uniformed personnel from engaging in a strike, work slowdown, or stoppage as the result of a labor dispute.

New sections 3 through 11 outline the process for establishing a 3 person arbitration panel to resolve such labor disputes and must be comprised of 1 member appointed by CWU, 1 member appointed by the union representing uniformed personnel in the collective bargaining process, and 1 neutral chair of the panel either mutually agreed upon by the two appointed members or by applying to the commission, the federal mediation and conciliation service, or the American arbitration association to provide a 5 person list of neutral arbitrators to choose from.

These sections also outline how the panel should form and schedule negotiation dates in advance, regulates that during pending proceedings, wages, hours and other conditions of employment must not change without both parties consent.

CWU estimates the following expenses associated with binding interest arbitration:

Attorney Fees - estimated at 16 hours at \$150 per hour = \$2400

Negotiations:

*Labor & Employee Relations Director (.06 FTE x \$110,000 salary + 34% benefits) = \$8,844

*Human Resources Consultant 4 (.06 FTE x \$73,908 salary + 34% benefits) = \$5,942

*Administrative Assistant 4 - Note taker (.06 FTE x 54,924 + 34% benefits) = \$4,416

Preparation Time:

*Labor and Employee Relations Director (.03 FTE x \$110,000 salary + 34% benefits) = \$4,422

*Human Resources Consultant (.03 FTE x \$73,908 salary + 34% benefits) = \$2,971

*Administrative Assistant - Note taker (.03 FTE x \$54,924 salary + 34% benefits) = \$2,208

Because it is unknown whether negotiations would require the arbitration panel to convene as the result of a labor dispute CWU can not determine definite costs associated with arbitration. Calculations are based on the minimum time and staffing needed to create and schedule the necessary meetings for the panel, negotiations between CWU and WFSE, and preparation time for any potential arbitration hearing.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

| | | |
|-----------------------------|--|--|
| Bill Number: 1043 HB | Title: Uniformed personnel arbitrat | Agency: 376-The Evergreen State College |
|-----------------------------|--|--|

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

| | | |
|-----------------------------------|-----------------------|------------------|
| Legislative Contact: Trudes Tango | Phone: 360-786-7384 | Date: 01/09/2019 |
| Agency Preparation: Holly Joseph | Phone: 360-867-6652 | Date: 01/14/2019 |
| Agency Approval: Holly Joseph | Phone: 360-867-6652 | Date: 01/14/2019 |
| OFM Review: Breann Boggs | Phone: (360) 902-0659 | Date: 01/17/2019 |

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

HB 1043 sections 3 and 10 prohibit uniformed personnel from striking, or engaging in a work slowdown or stoppage as a means of settling a labor dispute. Sections 4 through 9 describe the interest arbitration process in order to resolve labor negotiations.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Evergreen assumes that a new bargaining unit will be formed to represent the ten employees to whom these provisions would apply. Based on this assumption and our past experience at bargaining tables TESC assumes negotiations would begin in FY2020 with the new bargaining unit. These negotiations will involve the Associate Vice President for Human Resources for approximately 2 months (annual salary of \$115,679 x 0.17 = \$19,665 plus associated benefits). This cost would increase if Evergreen needs to engage in an interest arbitration process. The proportion of FTE would decrease in odd numbered years beginning in FY21.

If Evergreen needed to engage in an interest arbitration process there will be additional costs related to this process for arbitrators and attorney fees. Assuming the rate for arbitrators is \$1,000 per day, and the requirement is to pay for 1.5 arbitrators, Evergreen anticipates \$1,500 per day for an indeterminate number of days. Evergreen also anticipates attorney fees at the rate of \$1,000 per day and one day of preparation for each day of arbitration. If arbitration were to go for 10 days the cost of 1.5 arbitrators will be \$15,000 plus \$20,000 in attorney fees (20 days).

Since it is not known if interest arbitration will be required to resolve an impasse between the bargaining unit and Evergreen the costs for this bill are indeterminate.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

| | | |
|-----------------------------|--|--|
| Bill Number: 1043 HB | Title: Uniformed personnel arbitrat | Agency: 380-Western Washington University |
|-----------------------------|--|--|

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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- ☐ Requires new rule making, complete Part V.

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|-----------------------------------|-----------------------|------------------|
| Legislative Contact: Trudes Tango | Phone: 360-786-7384 | Date: 01/09/2019 |
| Agency Preparation: Dana Weigel | Phone: 360-650-2811 | Date: 01/11/2019 |
| Agency Approval: Ted Castro | Phone: (360) 650-4694 | Date: 01/11/2019 |
| OFM Review: Breann Boggs | Phone: (360) 902-0659 | Date: 01/17/2019 |

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 (15) adds the term “uniformed personnel” and defines it as duly sworn police officers.

Sections 3 and 10 prohibit duly sworn police officers from engaging in strikes, work slowdowns, or stoppages.

Sections 4 through 9 grants those uniformed personnel binding interest arbitration rights.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

None

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

HB 1043 sections 4 through 9 would have an indeterminate cost estimated to be greater than \$50,000 per fiscal year. The estimate is indeterminate for the following reasons:

- It is unknown whether the legislature will approve funding for the collective bargaining agreements in the 2019-21 biennial operating budget.
- It is unknown whether successful bargaining agreements will be reached in subsequent biennia.
- There are potentially large, but indeterminate, costs resulting from arbitration awards, as they can escalate salaries beyond what they might have been otherwise.
- If campus police officers, corporals and sergeants receive binding interest arbitration rights they would be excluded from the two existing bargaining units and placed into new separate units. These units may be represented by a separate union. Significant costs would be associated with adding an additional collective bargaining agreement.
- If negotiations were to move to binding arbitration it is unknown how many hours of staff time would be required.

Given these unknowns, WWU can estimate some associated costs.

Biennial Costs

WWU negotiates its union contracts every two years. Each contract that WWU currently negotiates requires the contracted services of a labor negotiator. The current cost for such services is approximately \$30,000 per union contract every two years. WWU may need to negotiate at least one additional union contract, if not two.

Total Biennial Estimated Costs: \$30,000.00 per additional union.

Annual Costs

Any additional bargaining union or units would require up to an additional 1.0 FTE (Employee and Labor Relations Consultant) for the purpose of grievances, arbitration and other day to day functions associated with bargaining unit contracts. Salary, benefits, and goods and services for this new 1.0 FTE are estimated at \$88,000.

Total Annual Estimated Costs: \$88,000.00

Arbitration Costs

It is unknown whether or not contract negotiations would be successful or would move to arbitration. If they did move to arbitration, known estimated costs associated with interest arbitration are outlined below. It is unknown how long arbitration would continue, but for the purposes of this fiscal note we assume preparation time plus two 8-hour days of interest arbitration per instance at the following rates:

Attorneys Fees = 20 hours at \$325 per hour = \$6,500

Associate Director, Human Resources = \$1,276 (20 hours * salary & benefits)

Employee & Labor Relations Consultant = \$852 (20 hours * salary & benefits)

Administrative Assistant = \$704 (20 hours * salary & benefits)

Police Chief = \$1,640 (20 hours * salary & benefits)

Assistant Director of Public Safety = \$1,377 (20 hours * salary & benefits)

Fees and Costs= printing, travel, etc. - estimated in excess of \$500.00

Total Arbitration Estimated Costs: \$12,849.00 per sixteen (16) hours of interest arbitration though total time in arbitration is unknown if it were to occur.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

| | | |
|-----------------------------|--|--|
| Bill Number: 1043 HB | Title: Uniformed personnel arbitrat | Agency: 699-Community and Technical College System |
|-----------------------------|--|--|

Part I: Estimates

☒ No Fiscal Impact

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

| | | |
|-----------------------------------|-----------------------|------------------|
| Legislative Contact: Trudes Tango | Phone: 360-786-7384 | Date: 01/09/2019 |
| Agency Preparation: Brian Myhre | Phone: 360-704-4413 | Date: 01/15/2019 |
| Agency Approval: Cherie Berthon | Phone: 360-704-1023 | Date: 01/15/2019 |
| OFM Review: Breann Boggs | Phone: (360) 902-0659 | Date: 01/17/2019 |

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill would authorize collective bargaining units representing police officers, and the 4-year colleges and universities that employ them, to engage in certain mediation and arbitration activities specified in the bill.

Under current law the community and technical colleges do not have, and are not authorized to employ, a police force. Therefore, this bill would have no impact to the community and technical college system.

If granted statutory authority to employ a police force, the costs associated with the mediation and arbitration processes specified in this bill could have a fiscal impact, but any impacts would be indeterminate without knowing whether mediation and arbitration processes would be invoked.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

No cash receipts impact.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

No expenditure impact.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

No capital budget impact.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No rule-making required.