
SENATE BILL 5808

State of Washington

58th Legislature

2003 Regular Session

By Senators Morton, Sheahan, Honeyford, Deccio, Hewitt and Mulliken

Read first time 02/13/2003. Referred to Committee on Commerce & Trade.

1 AN ACT Relating to making interest arbitration panel
2 determinations; amending RCW 41.56.465 and 41.56.492; and creating a
3 new section.

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

5 NEW SECTION. **Sec. 1.** The state, under chapter 41.56 RCW, has
6 established guidelines and factors to be considered in determining
7 interest arbitration decisions setting compensation and benefit
8 spending levels for certain public employees. These guidelines and
9 factors include consideration of the consumer price index to help
10 determine compensation levels. Subsequent to the enactment of chapter
11 41.56 RCW, the people of the state, through voter approval, have
12 adopted state referenda and initiatives establishing the implicit price
13 deflator for personal consumption as the standard and basis for
14 determining inflationary increases in governmental spending and revenue
15 authority.

16 The legislature finds that the use of the consumer price index in
17 chapter 41.56 RCW is in conflict and incompatible with recent voter-
18 approved legislation adopting the implicit price deflator as the basis
19 for determining increases in spending and revenue authority. The

1 legislature intends to eliminate this conflict by amending chapter
2 41.56 RCW to adopt the implicit price deflator as a basis for
3 determining increases in compensation levels.

4 The legislature also finds it in the interest and welfare of the
5 public for the arbitration panel to consider the financial ability of
6 the respective unit of government.

7 **Sec. 2.** RCW 41.56.465 and 1995 c 273 s 2 are each amended to read
8 as follows:

9 (1) In making its determination, the panel shall be mindful of the
10 legislative purpose enumerated in RCW 41.56.430 and, as additional
11 standards or guidelines to aid it in reaching a decision, it shall take
12 into consideration the following factors:

13 (a) The constitutional and statutory authority of the employer;

14 (b) Stipulations of the parties;

15 (c) ~~((+i))~~ The interest and welfare of the public as determined by
16 the governing body of the public employer and the financial ability,
17 excluding reserves, of the public employer to meet the costs of the
18 parties' proposals, without requiring the reduction of programs or
19 staff and giving due consideration and weight to the other services
20 provided by, and the other priorities of the public employer as
21 determined by its governing body;

22 (d) For employees listed in RCW 41.56.030(7) (a) through ((+d))
23 (h), comparison of the wages, hours, and conditions of employment of
24 personnel involved in the proceedings with the wages, hours, and
25 conditions of employment of like personnel of like employers of similar
26 size on the west coast of the United States. However, when an adequate
27 number of comparable employers exists within the state of Washington,
28 other west coast employers may not be considered;

29 ~~((+ii) For employees listed in RCW 41.56.030(7)(e) through (h),~~
30 ~~comparison of the wages, hours, and conditions of employment of~~
31 ~~personnel involved in the proceedings with the wages, hours, and~~
32 ~~conditions of employment of like personnel of public fire departments~~
33 ~~of similar size on the west coast of the United States. However, when~~
34 ~~an adequate number of comparable employers exists within the state of~~
35 ~~Washington, other west coast employers may not be considered;~~

36 ~~(d) The average consumer prices for goods and services, commonly~~
37 ~~known as the cost of living;))~~

1 (e) The percentage change in the implicit price deflator for
2 personal consumption expenditures for the United States as published by
3 the bureau of economic analysis of the federal department of commerce
4 for the year preceding the year in which interest arbitration panel
5 proceedings are initiated;

6 (f) In making economic determinations, internal equity and local
7 labor market considerations shall be given substantial weight;

8 (g) Changes in any of the circumstances under (a) through (d) of
9 this subsection during the pendency of the proceedings; and

10 ~~((f))~~ (h) Such other factors, not confined to the factors under
11 (a) through ~~((e))~~ (g) of this subsection, that are normally or
12 traditionally taken into consideration in the determination of wages,
13 hours, and conditions of employment. For those employees listed in RCW
14 41.56.030(7)(a) who are employed by the governing body of a city or
15 town with a population of less than fifteen thousand, or a county with
16 a population of less than seventy thousand, consideration must also be
17 given to regional differences in the cost of living.

18 (2) Subsection (1)~~((e))~~ (d) of this section may not be construed
19 to authorize the panel to require the employer to pay, directly or
20 indirectly, the increased employee contributions resulting from chapter
21 502, Laws of 1993 or chapter 517, Laws of 1993 as required under
22 chapter 41.26 RCW.

23 **Sec. 3.** RCW 41.56.492 and 1993 c 473 s 1 are each amended to read
24 as follows:

25 In addition to the classes of employees listed in RCW 41.56.030(7),
26 the provisions of RCW 41.56.430 through 41.56.452, 41.56.470,
27 41.56.480, and 41.56.490 shall also be applicable to the employees of
28 a public passenger transportation system of a metropolitan municipal
29 corporation, county transportation authority, public transportation
30 benefit area, or city public passenger transportation system, subject
31 to the following:

32 (1) Negotiations between the public employer and the bargaining
33 representative may commence at any time agreed to by the parties. If
34 no agreement has been reached ninety days after commencement of
35 negotiations, either party may demand that the issues in disagreement
36 be submitted to a mediator. The services of the mediator shall be
37 provided by the commission without cost to the parties, but nothing in

1 this section or RCW 41.56.440 shall be construed to prohibit the public
2 employer and the bargaining representative from agreeing to substitute
3 at their own expense some other mediator or mediation procedure; and

4 (2) If an agreement has not been reached following a reasonable
5 period of negotiations and mediation, and the mediator finds that the
6 parties remain at impasse, either party may demand that the issues in
7 disagreement be submitted to an arbitration panel for a binding and
8 final determination. In making its determination, the arbitration
9 panel shall be mindful of the legislative purpose enumerated in RCW
10 41.56.430 and as additional standards or guidelines to aid it in
11 reaching a ~~((decisions—[decision]))~~ decision, shall take into
12 consideration the following factors:

13 (a) The constitutional and statutory authority of the employer;

14 (b) Stipulations of the parties;

15 (c) The interest and welfare of the public as determined by the
16 governing body of the public employer and the financial ability,
17 excluding reserves, of the public employer to meet the costs of the
18 parties' proposals, without requiring the reduction of programs or
19 staff and giving due consideration and weight to the other services
20 provided by, and the other priorities of the public employer as
21 determined by its governing body;

22 (d) Compensation package comparisons, economic indices, fiscal
23 constraints, and similar factors determined by the arbitration panel to
24 be pertinent to the case; ~~((and~~

25 ~~(d+))~~ (e) The percentage change in the implicit price deflator for
26 personal consumption expenditures for the United States as published by
27 the bureau of economic analysis of the federal department of commerce
28 for the year preceding the year in which interest arbitration panel
29 proceedings are initiated;

30 (f) In making economic determinations, internal equity and local
31 labor market considerations shall be given substantial weight; and

32 (g) Such other factors, not confined to the foregoing, which are
33 normally or traditionally taken into consideration in the determination
34 of wages, hours, and conditions of employment.

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