

# HOUSE BILL REPORT

## HB 1530

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### As Passed Legislature

**Title:** An act relating to grandfathering the accrual of vacation leave above the statutory maximum for certain employees of the Washington state ferries.

**Brief Description:** Grandfathering the accrual of vacation leave above the statutory maximum for certain employees of the Washington state ferries.

**Sponsors:** Representatives Gregerson, Morris and Appleton; by request of Office of Financial Management.

### Brief History:

#### Committee Activity:

Labor & Workplace Standards: 2/2/17, 2/13/17 [DP];

Transportation: 2/23/17 [DP].

#### Floor Activity:

Passed House: 3/3/17, 88-9.

Passed Senate: 4/11/17, 49-0.

Passed Legislature.

### Brief Summary of Bill

- Allows represented state ferry employees to continue to accrue unused vacation leave in excess of the statutory maximum but not to exceed 320 hours, if the existing collective bargaining agreements allow for such accrual.

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### HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

**Majority Report:** Do pass. Signed by 4 members: Representatives Sells, Chair; Gregerson, Vice Chair; Doglio and Frame.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Manweller, Ranking Minority Member; McCabe, Assistant Ranking Minority Member; Pike.

**Staff:** Trudes Tango (786-7384).

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### HOUSE COMMITTEE ON TRANSPORTATION

*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.*

**Majority Report:** Do pass. Signed by 24 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Wylie, Vice Chair; Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Harmsworth, Assistant Ranking Minority Member; Chapman, Gregerson, Hayes, Irwin, Kloba, Lovick, McBride, Morris, Ortiz-Self, Pellicciotti, Pike, Riccelli, Shea, Stambaugh, Tarleton, Van Werven and Young.

**Staff:** Paul Ingiosi (786-7114).

**Background:**

Generally, state employees earn no less than one paid vacation day for each month of employment, if employment is continuous for six months. The amount of vacation leave a state employee earns increases depending on the number of years the employee is continuously employed. State employees may accrue up to 30 working days of unused vacation leave. An employee may accrue vacation leave in excess of 30 days under limited circumstances, and the excess leave may only be extended for a limited time. Vacation leave that is in excess of the statutory maximum will be extinguished if not used by the employee's anniversary date. Employees who have accrued vacation leave may cash out their leave when their employment ends upon retirement, resignation, termination, or death. Accumulated annual leave is not included in the computation of retirement benefits.

State ferry employees are employees of the Marine Transportation Division (MTD) of the Washington State Department of Transportation (DOT). Prior to 2006, state ferry employees who were members of a ferry employee organization bargained with the MTD. Legislation changed the collective bargaining process for state ferry workers in 2006 and, among other things, provided that the employer, for the purposes of collective bargaining, is the state, which is represented by the Governor or the Governor's designee. The Office of Financial Management's Human Resources/Labor Relations Section manages the collective bargaining process with represented state employees on behalf of the Governor.

**Summary of Bill:**

State ferry employees covered by collective bargaining agreements containing provisions in effect on June 30, 2017, that allow accrual of unused vacation leave up to 320 hours are allowed to continue the higher accrual limit until those provisions in the agreement are modified or the bargaining unit changes its exclusive representative or is decertified.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2017.

**Staff Summary of Public Testimony (Labor & Workplace Standards):**

(In support) This is agency request legislation. There are eight bargaining units that allow accrual up to 320 hours. The 240-hour maximum on state workers is based on an eight-hour day, but many ferry workers have longer than eight-hour days. These are long standing leave

provisions in collective bargaining agreements before the statute and before the Office of Financial Management took over in negotiating.

(Opposed) None.

**Staff Summary of Public Testimony (Transportation):**

(In support) If the bill does not pass, the eight bargaining units with signed memoranda of understanding that currently allow accrual up to 320 hours will go back to the bargaining table and negotiate a substitute provision. One potential outcome could be a one-time cash out costing around \$350,000, but it is unclear where bargaining could go if the agreements were reopened. Another potential outcome is that ferry workers may take the accrued leave, which could lead to crewing and scheduling issues for the ferries. Running the ferries is a 24-hour operation, and many ferry employees have shifts between eight and 12 hours. The approach proposed in the bill has the lowest fiscal impact since it would not change the existing agreements. Management and labor together brought forward this solution.

(Opposed) None.

**Persons Testifying (Labor & Workplace Standards):** Representative Gregerson, prime sponsor; Jay Balasbas, Office of Financial Management; and Gordon Baxter, Inlandboatman's Union, International Organization of Masters, Mates, and Pilots, Marine Engineers' Beneficial Association, Puget Sound Metal Trades Counsel, Ferry Agents, Supervisors and Project Administrators Association.

**Persons Testifying (Transportation):** Representative Gregerson, prime sponsor; Jay Balasbas, Office of Financial Management; and Gordon Baxter, International Boatman's Union, Masters, Mates & Pilots, Marine Engineers Beneficial Association, Puget Sound Metal Trades Council, and Office and Professional Employees International Union.

**Persons Signed In To Testify But Not Testifying (Labor & Workplace Standards):** None.

**Persons Signed In To Testify But Not Testifying (Transportation):** None.