

# SENATE BILL REPORT

## HB 1530

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As Passed Senate, April 11, 2017

**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:** Passed House: 3/03/17, 88-9.

**Committee Activity:** Transportation: 3/13/17, 3/28/17 [DP].

**Floor Activity:**

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

### Brief Summary of Bill

- Allows certain state ferry system employees to continue to accrue vacation leave up to 320 hours.

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## SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass.

Signed by Senators King, Chair; Sheldon, Vice Chair; Hobbs, Ranking Minority Member; Liias, Assistant Ranking Minority Member; Cleveland, Ericksen, Fortunato, Hawkins, O'Ban, Saldaña, Takko, Van De Wege and Wilson.

**Staff:** Hayley Gamble (786-7452)

**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 expires if not used by the employee's anniversary

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*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.*

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 Washington State Department of Transportation's (WSDOT) Marine Division. Prior to 2006, state ferry employees who were members of a ferry employee organization bargained with the WSDOT Marine Division. The Legislature 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.

Currently, several WSDOT Marine Division bargaining units allow unused vacation accrual up to 320 hours.

**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.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony:** PRO: This is an Office of Financial Management (OFM) request bill. OFM identified a discrepancy between the agreements and statute. There are eight units that can accrue up to 320 hours. The statute limits vacation accrual to 30 days. OFM inherited the negotiation of these labor contracts in 2006. There is some ambiguity in the statutes. Statute has generally been interpreted to mean 30 days or 8-hour days. OFM in memorandums of understanding with the unions agreed to bring forward legislation to grandfather these higher limits in. As of mid-January, there were 186 ferry employees over the accrual limit, which would cost around \$350,000 to cash them out. If this bill does not pass, the agreements will be reopened to renegotiate this provision. Most ferry employees don't work 8-hour days. HB 1521 would clarify the amount of vacation accrual for all employees. These contracts have been in place since the 1970s.

**Persons Testifying:** PRO: Representative Mia Gregerson, Prime Sponsor; Scott Merriman, Office of Financial Management; Gordon Baxter, IBU, IOMM&P, PSMTC, OPEIU8, FASPAA.

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