
SUBSTITUTE HOUSE BILL 1264

State of Washington

69th Legislature

2025 Regular Session

By House Transportation (originally sponsored by Representatives Fey, Macri, Fitzgibbon, Lekanoff, Berry, Bronoske, Leavitt, Callan, Ryu, Ramel, Reed, Paul, Parshley, Nance, and Alvarado)

READ FIRST TIME 02/28/25.

1 AN ACT Relating to making the salaries of ferry system collective
2 bargaining units more competitive through salary survey comparisons;
3 and amending RCW 47.64.006, 47.64.170, and 47.64.320.

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

5 **Sec. 1.** RCW 47.64.006 and 1989 c 327 s 1 are each amended to
6 read as follows:

7 The legislature declares that it is the public policy of the
8 state of Washington to: (1) Provide continuous operation of the
9 Washington state ferry system at reasonable cost to users; (2)
10 efficiently provide levels of ferry service consistent with trends
11 and forecasts of ferry usage; (3) promote harmonious and cooperative
12 relationships between the ferry system and its employees by
13 permitting ferry employees to organize and bargain collectively; (4)
14 protect the citizens of this state by assuring effective and orderly
15 operation of the ferry system in providing for their health, safety,
16 and welfare; (5) prohibit and prevent all strikes or work stoppages
17 by ferry employees; (6) protect the rights of ferry employees with
18 respect to employee organizations; and (7) promote just and fair
19 compensation, benefits, and working conditions for ferry system
20 employees as compared with public and private sector employees (~~in~~
21 ~~states along the west coast of the United States, including Alaska,~~

1 ~~and in British Columbia))~~ in directly comparable but not necessarily
2 identical positions.

3 **Sec. 2.** RCW 47.64.170 and 2015 3rd sp.s. c 1 s 305 are each
4 amended to read as follows:

5 (1) Any ferry employee organization certified as the bargaining
6 representative shall be the exclusive representative of all ferry
7 employees in the bargaining unit and shall represent all such
8 employees fairly.

9 (2) A ferry employee organization or organizations and the
10 governor may each designate any individual as its representative to
11 engage in collective bargaining negotiations.

12 (3) Negotiating sessions, including strategy meetings of the
13 employer or employee organizations, mediation, and the deliberative
14 process of arbitrators are exempt from the provisions of chapter
15 42.30 RCW. Hearings conducted by arbitrators may be open to the
16 public by mutual consent of the parties.

17 (4) Terms of any collective bargaining agreement may be enforced
18 by civil action in Thurston county superior court upon the initiative
19 of either party.

20 (5) Ferry system employees or any employee organization shall not
21 negotiate or attempt to negotiate directly with anyone other than the
22 person who has been appointed or authorized a bargaining
23 representative for the purpose of bargaining with the ferry employees
24 or their representative.

25 (6) (a) Within (~~ten~~) 10 working days after the first Monday in
26 September of every odd-numbered year, the parties shall attempt to
27 agree on an interest arbitrator to be used if the parties are not
28 successful in negotiating a comprehensive collective bargaining
29 agreement. If the parties cannot agree on an arbitrator within the
30 (~~ten~~) 10-day period, either party may request a list of seven
31 arbitrators from the federal mediation and conciliation service. The
32 parties shall select an interest arbitrator using the coin toss/
33 alternate strike method within (~~thirty~~) 30 calendar days of receipt
34 of the list. Immediately upon selecting an interest arbitrator, the
35 parties shall cooperate to reserve dates with the arbitrator for
36 potential arbitration between August 1st and September 15th of the
37 following even-numbered year. The parties shall also prepare a
38 schedule of at least five negotiation dates for the following year,
39 absent an agreement to the contrary. The parties shall execute a

1 written agreement before November 1st of each odd-numbered year
2 setting forth the name of the arbitrator and the dates reserved for
3 bargaining and arbitration. This subsection (6)(a) imposes minimum
4 obligations only and is not intended to define or limit a party's
5 full, good faith bargaining obligation under other sections of this
6 chapter.

7 (b) The negotiation of a proposed collective bargaining agreement
8 by representatives of the employer and a ferry employee organization
9 shall commence on or about February 1st of every even-numbered year.

10 (c) For negotiations covering the 2009-2011 biennium and
11 subsequent biennia, the time periods specified in this section, and
12 in RCW 47.64.210 and 47.64.300 through 47.64.320, must ensure
13 conclusion of all agreements on or before October 1st of the even-
14 numbered year next preceding the biennial budget period during which
15 the agreement should take effect. These time periods may only be
16 altered by mutual agreement of the parties in writing. Any such
17 agreement and any impasse procedures agreed to by the parties under
18 RCW 47.64.200 must include an agreement regarding the new time
19 periods that will allow final resolution by negotiations or
20 arbitration by October 1st of each even-numbered year.

21 (7) It is the intent of this section that the collective
22 bargaining agreement or arbitrator's award shall commence on July 1st
23 of each odd-numbered year and shall terminate on June 30th of the
24 next odd-numbered year to coincide with the ensuing biennial budget
25 year, as defined by RCW 43.88.020(~~((+7))~~) (9), to the extent
26 practical. It is further the intent of this section that all
27 collective bargaining agreements be concluded by October 1st of the
28 even-numbered year before the commencement of the biennial budget
29 year during which the agreements are to be in effect. After the
30 expiration date of a collective bargaining agreement negotiated under
31 this chapter, except to the extent provided in (~~subsection (11) of~~
32 ~~this section and~~) RCW 47.64.270(4), all of the terms and conditions
33 specified in the collective bargaining agreement remain in effect
34 until the effective date of a subsequently negotiated agreement, not
35 to exceed one year from the expiration date stated in the agreement.
36 Thereafter, the employer may unilaterally implement according to law.

37 (8) (~~The office of financial management shall conduct a salary~~
38 ~~survey, for use in collective bargaining and arbitration~~) The
39 minimum monthly salary paid to ferry employees must be competitive
40 with those in the applicable category of external public and private

1 sector employees described in (a) through (e) of this subsection that
2 is appropriate for each work group, guided by the results of a survey
3 undertaken in the collective bargaining process during each biennium.
4 The office of financial management shall conduct the salary survey,
5 for use in collective bargaining and arbitration, by contracting with
6 a firm nationally recognized in the field of human resources
7 management consulting and which has experience in conducting
8 compensation surveys that involve comparisons of wages, hours,
9 benefits, and conditions of employment. The salary survey must be
10 conducted as follows:

11 (a) The salary survey for the deck department and terminal
12 department employees must consist of a comparison of wages, hours,
13 employee benefits, and conditions of employment of the involved ferry
14 employees with those of public and private sector employees in states
15 along the west coast of the United States, including Alaska, and in
16 British Columbia doing directly comparable but not necessarily
17 identical work, giving consideration to factors peculiar to the area
18 and the classifications involved;

19 (b) The salary survey for the masters and mates must consist of a
20 comparison of wages, hours, employee benefits, and conditions of
21 employment of the involved ferry employees with those of public and
22 private sector employees, including business entities whose
23 operations include the movement of unlimited tonnage vessels, in the
24 designated pilotage waters of the states along the west coast of the
25 United States, including Alaska, doing directly comparable but not
26 necessarily identical work. When considering whether work is directly
27 comparable but not necessarily identical, consideration must be given
28 to factors peculiar to the area and the classifications involved and
29 whether there are United States coast guard licensing requirements,
30 including the holding of first-class pilot endorsements as described
31 in 46 U.S.C. Sec. 8502;

32 (c) The salary survey for the engine room employees must consist
33 of a comparison of wages, hours, employee benefits, and conditions of
34 employment of the involved ferry employees with those of private
35 sector shipping employees and public and private sector employees in
36 states along the west coast of the United States, including Alaska,
37 and in British Columbia, and public sector employers on the east
38 coast who operate double-ended vessels with similar horsepower that
39 carry more than 2,000 passengers, doing directly comparable but not

1 necessarily identical work, giving consideration to factors peculiar
2 to the area and the classifications involved;

3 (d) The salary survey for the trades employees at the Eagle
4 Harbor shipyard facility must consist of a comparison of wages,
5 hours, employee benefits, and conditions of employment of the
6 involved ferry employees with those of public and private sector
7 employees in the Puget Sound region and must include the Port of
8 Seattle maintenance facility, the Port of Tacoma maintenance
9 facility, the King county maintenance facility, and the state
10 prevailing wage rates for shipyard employees and building trades
11 employees, doing directly comparable but not necessarily identical
12 work, giving consideration to factors peculiar to the area and the
13 classifications involved;

14 (e) The salary survey for all other covered employees must
15 consist of a comparison of wages, hours, employee benefits, and
16 conditions of employment of the involved ferry employees with those
17 of public and private sector employees in states along the west coast
18 of the United States, including Alaska, and in British Columbia doing
19 directly comparable but not necessarily identical work, giving
20 consideration to factors peculiar to the area and the classifications
21 involved;

22 (f) When determining the wage scales for the time period
23 beginning July 1st of the ensuing year, the office of financial
24 management shall look at available collective bargaining agreements
25 for comparable classifications as allowable under law;

26 (g) The office of financial management shall seek the input of
27 the employee organizations in gathering information; and

28 (h) The office of financial management shall make an unredacted
29 version of the final salary survey available to all bargaining
30 parties by April 1st of the even-numbered year.

31 ~~(9) ((Except as provided in subsection (11) of this section:))~~

32 (a) The governor shall submit a request either for funds
33 necessary to implement the collective bargaining agreements
34 including, but not limited to, the compensation and fringe benefit
35 provisions or for legislation necessary to implement the agreement,
36 or both. Requests for funds necessary to implement the collective
37 bargaining agreements shall not be submitted to the legislature by
38 the governor unless such requests:

1 (i) Have been submitted to the director of the office of
2 financial management by October 1st before the legislative session at
3 which the requests are to be considered; and

4 (ii) Have been certified by the director of the office of
5 financial management as being feasible financially for the state.

6 (b) The governor shall submit a request either for funds
7 necessary to implement the arbitration awards or for legislation
8 necessary to implement the arbitration awards, or both. Requests for
9 funds necessary to implement the arbitration awards shall not be
10 submitted to the legislature by the governor unless such requests:

11 (i) Have been submitted to the director of the office of
12 financial management by October 1st before the legislative session at
13 which the requests are to be considered; and

14 (ii) Have been certified by the director of the office of
15 financial management as being feasible financially for the state.

16 (c) The legislature shall approve or reject the submission of the
17 request for funds necessary to implement the collective bargaining
18 agreements or arbitration awards as a whole for each agreement or
19 award. The legislature shall not consider a request for funds to
20 implement a collective bargaining agreement or arbitration award
21 unless the request is transmitted to the legislature as part of the
22 governor's budget document submitted under RCW 43.88.030 and
23 43.88.060. If the legislature rejects or fails to act on the
24 submission, either party may reopen all or part of the agreement and
25 award or the exclusive bargaining representative may seek to
26 implement the procedures provided for in RCW 47.64.210 and 47.64.300.

27 (10) If, after the compensation and fringe benefit provisions of
28 an agreement are approved by the legislature, a significant revenue
29 shortfall occurs resulting in reduced appropriations, as declared by
30 proclamation of the governor or by resolution of the legislature,
31 both parties shall immediately enter into collective bargaining for a
32 mutually agreed upon modification of the agreement.

33 ~~((11)(a) For the collective bargaining agreements negotiated for~~
34 ~~the 2011-2013 fiscal biennium, the legislature may consider a request~~
35 ~~for funds to implement a collective bargaining agreement even if the~~
36 ~~request for funds was not received by the office of financial~~
37 ~~management by October 1st and was not transmitted to the legislature~~
38 ~~as part of the governor's budget document submitted under RCW~~
39 ~~43.88.030 and 43.88.060.~~

1 ~~(b) For the 2013-2015 fiscal biennium, a collective bargaining~~
2 ~~agreement related to employee health care benefits negotiated between~~
3 ~~the employer and coalition pursuant to RCW 41.80.020(3) regarding the~~
4 ~~dollar amount expended on behalf of each employee must be a separate~~
5 ~~agreement for which the governor may request funds necessary to~~
6 ~~implement the agreement. The legislature may act upon a 2013-2015~~
7 ~~collective bargaining agreement related to employee health care~~
8 ~~benefits if an agreement is reached and submitted to the office of~~
9 ~~financial management and legislative budget committees before final~~
10 ~~legislative action on the biennial or supplemental operating budget~~
11 ~~by the sitting legislature.~~

12 ~~(c) For the collective bargaining agreements negotiated for the~~
13 ~~2013-2015 fiscal biennium, the legislature may consider a request for~~
14 ~~funds to implement a collective bargaining agreement reached after~~
15 ~~October 1st after a determination of financial infeasibility by the~~
16 ~~director of the office of financial management if the request for~~
17 ~~funds is transmitted to the legislature as part of the governor's~~
18 ~~budget document submitted under RCW 43.88.030 and 43.88.060.)~~

19 **Sec. 3.** RCW 47.64.320 and 2010 c 283 s 15 are each amended to
20 read as follows:

21 (1) The mediator, arbitrator, or arbitration panel may consider
22 only matters that are subject to bargaining under this chapter,
23 except that health care benefits are not subject to interest
24 arbitration.

25 (2) The decision of an arbitrator or arbitration panel is not
26 binding on the legislature and, if the legislature does not approve
27 the funds necessary to implement provisions pertaining to
28 compensation and fringe benefit provisions of an arbitrated
29 collective bargaining agreement, is not binding on the state, the
30 department of transportation, or the ferry employee organization.

31 (3) In making its determination, the arbitrator or arbitration
32 panel shall be mindful of the legislative purpose under RCW 47.64.005
33 and 47.64.006 and, as additional standards or guidelines to aid it in
34 reaching a decision, shall take into consideration the following
35 factors:

36 (a) The financial ability of the department to pay for the
37 compensation and fringe benefit provisions of a collective bargaining
38 agreement;

1 (b) Past collective bargaining contracts between the parties
2 including the bargaining that led up to the contracts;

3 (c) The constitutional and statutory authority of the employer;

4 (d) Stipulations of the parties;

5 (e) The results of the salary survey as required in RCW
6 47.64.170(8);

7 (f) Comparison of wages, hours, employee benefits, and conditions
8 of employment of the involved ferry employees with (~~those of public~~
9 ~~and private sector employees in states along the west coast of the~~
10 ~~United States, including Alaska, and in British Columbia doing~~
11 ~~directly comparable but not necessarily identical work, giving~~
12 ~~consideration to factors peculiar to the area and the classifications~~
13 ~~involved)) the appropriate public and private sector employees in the
14 described geographical areas, as specified under RCW 47.64.170(8) (a)
15 through (e);~~

16 (g) Changes in any of the foregoing circumstances during the
17 pendency of the proceedings;

18 (h) The limitations on ferry toll increases and operating
19 subsidies as may be imposed by the legislature;

20 (i) The ability of the state to retain ferry employees;

21 (j) The overall compensation presently received by the ferry
22 employees, including direct wage compensation, vacations, holidays
23 and other paid excused time, pensions, insurance benefits, and all
24 other direct or indirect monetary benefits received; and

25 (k) Other factors that are normally or traditionally taken into
26 consideration in the determination of matters that are subject to
27 bargaining under this chapter.

28 (4) This section applies to any matter before the respective
29 mediator, arbitrator, or arbitration panel.

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