

Have state workers received no pay raises in six years?

SB 5329 would open secret collective bargaining negotiations to the public

by Paul Guppy, Vice President for Research

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Introduction

Governor Jay Inslee says state workers have not had a pay raise in six years.¹ He is referring, however, to only one kind of pay raise, a cost-of-living adjustment (COLA). Actually, nearly all state employees have received pay raises over the years, as automatic step increases and normal promotions, though not a formal COLA. By narrowly parsing his words, Governor Inslee is giving the public the impression that state workers have had no pay raise at all for six years.

Such a sentiment is unfair. The people of Washington work hard and devote a good part of their family incomes to state taxes, even while our regressive tax system falls hardest on the poor, immigrants and the unemployed. The state is receiving \$3 billion in extra revenue compared to the last budget, an 8.6 percent increase, or about twice the rate of inflation.

Instead of expressing gratitude to working people for providing the state with substantial extra revenue, Governor Inslee ignores the step pay raises, promotion pay raises, generous health benefits and comfortable pensions that people are providing for our valued state employees. Most public employees are skilled and devoted workers; they provide the essential public services on which we all depend.

Secret budget talks

Last summer the governor conducted a series of closed-door sessions at the Thurston County Fairgrounds and the fifth-floor conference room of the Davis-Williams building in Olympia with representatives from the powerful public-sector unions that helped him get elected. The negotiations were secret. The news media was excluded, and not even state lawmakers were permitted to know what was discussed. Veteran capitol bureau political reporter Brad Shannon described the talks as “quiet.”²

When the outcome of the closed sessions was announced, the governor proposed increasing taxes and directing \$600 million to state employee pay raises.

The raises in the 2015-17 state budget would be in addition to increases in state spending on employee health care and pension benefits. The Office of Fiscal Management expects increases in employee health benefits to add over \$300 million in spending.

At the same time, the governor’s “Book 1” budget includes cuts in higher education, early learning, nursing home care, breast cancer and cervical cancer screenings, and the Safe Babies, Safe Moms program.

1 “Inslee budget plan adds roughly \$1.5 billion for state-paid worker, teacher compensation,” by Brad Shannon, *The Olympian*, December 18, 2014, at <http://www.theolympian.com/2014/12/18/3485842/inslees-budget-plan-includes-roughly.html>.

2 “Gov. Inslee hints of 2015 pay increases for state workers,” by Brad Shannon, *The Olympian*, May 22, 2014, at http://www.theolympian.com/2014/05/22/3145248_gov-inslee-hints-of-2015-pay-increases.html?sp=99/224/&rh=1.

Breaking tax pledge

When Governor Inslee was seeking election he said a tax increase was the wrong direction for Washington and that he would veto any tax increase that reached his desk. *The Seattle Times* reports that when Governor Inslee was asked about his broken tax vow, he said that working families need to “buck up” and devote more of their take-home pay to paying state taxes.³

Policy reform – opening collective bargaining talks to the public

Secret collective bargaining has been in place since 2005. Before that, lawmakers could openly debate public expenditures on state employee costs. The legislature held hearings, received public comment, debated alternatives and proposed amendments in a fair and open process.

In 2002, Governor Gary Locke signed legislation that was strongly backed by public sector unions to move discussions over state worker pay and benefits to a closed-door process, starting with the 2005-07 budget. Governor Gregoire and Governor Inslee continued the practice.

In effect, union executives now secretly discuss the expenditure of public funds with state officials they helped elect. The arrangement serves the financial interests of the union. Each month, dues and other fees are deducted from the public payroll and transferred to union bank accounts.

A bill being consider in the Senate, SB 5329, sponsored by Senator John Braun (R-Centralia), would make the secret salary negotiations subject to the state Open Meetings law.⁴ The bill would inform the public and would help insure that elected officials are acting in the public interest in negotiations with labor unions.

Conclusion

Most state workers have received pay raises in the last six years, in addition to good health benefits and a comfortable retirement. Governor Inslee now wants hard-pressed working families and the unemployed to pay more into our state’s regressive tax system, all to provide further pay raises to people who already have good jobs.

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³ “‘Buck up,’ Inslee says, as he makes his case for new taxes,” by Jim Brunner and Joseph O. Sullivan, *The Seattle Times*, December 18, 2014, at http://seattletimes.com/html/localnews/2025262308_insleebudgetproposal.xml.html.

⁴ SB 5329, “An act relating to requiring public employee collective bargaining sessions to be open meetings,” Senator John Braun, Washington state legislature, January 19, 2015, at <http://lawfilesex.leg.wa.gov/biennium/2015-16/Pdf/Bills/Senate%20Bills/5329.pdf>.