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July 26, 2022

The Honorable Claudia Balducci Chair, King County Council Room 1200 C O U R T H O U S E

## Dear Councilmember Balducci:

I am pleased to transmit to you King County's new successor agreement to the 2018-2020 Master Labor Agreement. If enacted, this proposed Ordinance, referred to as the Coalition Labor Agreement (CLA), would further standardize practices and procedures, and apply equitable collective bargaining agreement (CBA) provisions to employees in the King County Coalition of Unions. This CLA, negotiated with the Coalition of Unions, covers the period of January 1, 2021, through December 31, 2024.

The result of this collaboration between King County and the Coalition achieves efficiencies, advances equity, and acknowledges the dignity and worth of County employees and the important role of unions. This CLA impacts approximately 6,600 County employees in 26 labor unions and 62 individual bargaining units. Ratification of the CLA will enable the County to achieve efficiencies and cost savings and advance County "Investing in You" priorities and goals, including becoming a pro-equity employer. It provides a sustainable and fair economic package; acknowledges the challenges of working during the ongoing global COVID-19 pandemic; and reflects responsible stewardship of public funds. The proposed CLA fulfills these objectives through:

- 1. Efficiencies and Cost Savings: CLA articles apply to individual Coalition bargaining units, which streamlines practices and procedures that apply to County employees. Ten additional articles have been added to the superseding portion of the CLA in this agreement, therefore overriding unique provisions in each bargaining unit's Appendix and further standardizing common provisions that apply to many departments and agencies across the County. The additional articles are:
  - Leave for Examinations
  - Organ Donor Leave
  - Union Membership
  - Layoff Task Force
  - Equal Employment Opportunity

- Telecommuting
- Sick Leave
- Vacation Leave
- Working Out of Class
- Transportation Benefits

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Standardization of these areas will bring time-saving efficiencies to the administration of employee benefits and employment-related processes throughout the County, creating efficiencies in Human Resources functions, information technology systems, and/or Labor Relations functions.

In addition, revisions to donated leave and compensatory time articles will reduce the County's tax liability, bringing the County into compliance with federal tax rules. The Internal Revenue Service (IRS) requires earnings be taxed in the tax year which they are received. This tax requirement applies to compensatory time banks as well as unrestricted vacation and sick leave benefit donations. In addition to savings achieved by establishing countywide standards, the CLA and applicable appendices include new IRS-compliant donated leave plans and a requirement that employees cash out compensatory banks annually, so as to ensure the County deducts and submits taxes on earnings, and reports taxable income, in the same tax year which it was received.

**2.** Advancing County "Investing in You" Priorities: The CLA establishes a Joint Labor-Management Task Force to study options for reflecting the County's pro-equity, anti-racism values with respect to layoff provisions. The Task Force will meet before the commencement of successor CLA negotiations to discuss recommendations for advancing equity in the layoff articles of CLA agreements.

The CLA also commits to explore the feasibility of establishing a joint childcare trust through a Childcare Trust Joint Committee comprised of an equal number of representatives from the County and the King County Coalition of Unions.

The CLA advances the County's Investing in You goals and priorities by supporting career development, employee/union engagement, and recognition for County employees, and by awarding an equity-focused sliding scale bonus. The agreement also renews and expands a commitment to a scholarship fund that supports the career development of County employees.

**3. Providing an Equitable and Sustainable Economic Package:** Some of the components of the CLA economic package include general wage increases (GWI) of 1.5 percent in 2021, 3 percent in 2022, and 4 percent in each 2023 and 2024, as well as a one-time sliding-scale bonus of \$4,000 for employees whose base annual pay was under \$100,000 in 2020, \$2,000 for those earning base annual pay of \$100,000-125,000 in 2020, and \$1,000 for employees who made over \$125,000 base annual salary in 2020.

This important proposed legislation supports the King County Strategic Plan objective to exercise sound financial and risk management and build King County's long-term fiscal strength, by enacting an agreement that is predictable and sustainable over time and provides administrative efficiencies and cost savings. In addition, the agreement fulfills the County's commitment to work collaboratively with the County workforce to identify and implement cost reductions and productivity gains by standardizing practices and CBA provisions, which will result in a more efficient use of County resources. Finally, the CLA facilitates the County's efforts to recruit, retain, and develop employees who will provide high quality services to the public.

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The CLA is a product of good faith collective bargaining between the County and those unions that are signatories to the attached agreement. The County has the capacity to finance this agreement, and the agreement has been reviewed by the Prosecuting Attorney's Office.

Each bargaining unit's unique CBA terms are provided as an appendix to the CLA. Sixty-two appendices are listed in the table of contents by the description of the bargaining unit's appendix and their commonly identified contract binder code.

In addition to the CLA provisions that apply to each bargaining unit, some appendices also include changes negotiated through that specific bargaining, which is commonly referred to as "small table" bargaining. These "small table" changes are summarized in a separate document entitled "2022 Material Changes to CLA Appendices."

Appropriation has been requested through the accompanying labor budget supplemental that will be transmitted concurrent with this proposed Ordinance. A complete breakdown of the costs associated with this agreement can be found in the accompanying fiscal note, which has been reviewed by the Office of Performance, Strategy and Budget.

Our employees are our most valuable asset and our collaboration with our union partners benefits our employees and the residents of King County. Thank you for your continued support for our employees through your approval of this important proposed legislation.

If your staff have any questions, please contact Megan Pedersen, Director, Office of Labor Relations, at 206-263-2898.

Sincerely.

Dow Constantine

King County Executive

Enclosure

cc: King County Councilmembers

ATTN: Stephanie Cirkovich, Chief of Staff
Melani Pedroza, Clerk of the Council
Shannon Braddock, Chief of Staff, Office of the Executive
Karan Gill, Deputy Chief of Staff, Office of the Executive
Mina Hashemi, Council Relations Director, Office of the Executive
Dwight Dively, Director, Office of Performance, Strategy and Budget
Megan Pedersen, Director, Office of Labor Relations