

Effect of proposed substitute compare to original bill:

- Clarifies that the financial incentives included as part of an employee wellness program are not included in calculating or negotiating the dollar amount the state contributes for employee health care benefits;
- Clarifies that the financial incentives can include premium increases or premium decreases; and
- Delays the mandatory implementation date for the employee wellness program for the extension period provided for state employee collective bargaining agreements when no new agreement is reached to replace an agreement that has expired.

AN ACT Relating to employee wellness programs; reenacting and amending RCW 41.80.020; and adding a new section to chapter 41.05 RCW.

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

Sec. 1. RCW 41.80.020 and 2011 1st sp.s. c 50 s 939 and 2011 1st sp.s. c 43 s 445 are each reenacted and amended to read as follows:

(1) Except as otherwise provided in this chapter, the matters subject to bargaining include wages, hours, and other terms and conditions of employment, and the negotiation of any question arising under a collective bargaining agreement.

(2) The employer is not required to bargain over matters pertaining to:

(a) Health care benefits or other employee insurance benefits, except as required in subsection (3) of this section;

(b) Employee wellness programs;

(c) Any retirement system or retirement benefit; or

~~((e))~~ (d) Rules of the human resources director, the director of enterprise services, or the Washington personnel resources board adopted under RCW 41.06.157.

(3) Matters subject to bargaining include the number of names to be certified for vacancies, promotional preferences, and the dollar amount expended on behalf of each employee for health care benefits. However, except as provided otherwise in this subsection for institutions of higher education, negotiations regarding the number of names to be certified for vacancies, promotional preferences, and the dollar amount expended on behalf of each employee for health care benefits shall be conducted between the employer and one coalition of all the exclusive bargaining representatives subject to this chapter. The exclusive bargaining representatives for employees that are subject to chapter 47.64 RCW shall bargain the dollar amount expended on behalf of each employee for health care benefits with the employer as part of the coalition under this subsection. Any such provision agreed to by the employer and the coalition shall be included in all master collective bargaining agreements negotiated by the parties. For institutions of higher education, promotional preferences and the number of names to be certified for vacancies shall be bargained under the provisions of RCW 41.80.010(4). For agreements covering the 2011-2013 fiscal biennium, any agreement between the employer and the coalition regarding the dollar amount expended on behalf of each employee for health care benefits is a separate agreement and shall not be included in the master collective bargaining agreements negotiated by the parties.

(4) For the purposes of subsection (3) of this section, financial incentives included as part of an employee wellness program, including increases or reductions in individual employee premium contributions, shall not be included in calculating or negotiating the dollar amount expended on behalf of each employee for health care benefits.

(5) The employer and the exclusive bargaining representative shall not agree to any proposal that would prevent the implementation of approved affirmative action plans or that would be inconsistent with the comparable worth agreement that provided the basis for the salary

changes implemented beginning with the 1983-1985 biennium to achieve comparable worth.

~~((5))~~ (6) The employer and the exclusive bargaining representative shall not bargain over matters pertaining to management rights established in RCW 41.80.040.

~~((6))~~ (7) Except as otherwise provided in this chapter, if a conflict exists between an executive order, administrative rule, or agency policy relating to wages, hours, and terms and conditions of employment and a collective bargaining agreement negotiated under this chapter, the collective bargaining agreement shall prevail. A provision of a collective bargaining agreement that conflicts with the terms of a statute is invalid and unenforceable.

~~((7))~~ (8) This section does not prohibit bargaining that affects contracts authorized by RCW 41.06.142.

NEW SECTION. **Sec. 2.** A new section is added to chapter 41.05 RCW to read as follows:

(1) Beginning no later than January 1, 2014, all state employee health care benefit plans under this chapter must be offered in conjunction with an employee wellness program developed pursuant to RCW 41.05.540. The program must include premium reductions, premium increases, or other financial incentives to promote employee achievement of identified wellness targets or goals.

(2) For employees covered by collective bargaining agreements for the period of July 1, 2011, through June 30, 2013, the employee wellness program must be offered at the end of the time period established in RCW 41.80.010(7).