



ERIC T. NORDLOF

Attorney at Law
PO Box 798
Auburn, Washington 98071-0798
(866) 820-5652, ext. 7444
fax (253) 876-7448
enordlof@pseofwa.org

June 2, 2010

Diane Leigh, Director
State of Washington
Office of Labor Relations
210 11th Avenue SW, Ste. 331
P.O. Box 43113
Olympia, Washington 98504-3113

Re: Grievance – Super Coalition Healthcare Negotiations

Western Washington University, Article 26
Central Washington University, Article 16

Dear Diane,

I represent the Public School Employees of Washington, SEIU Local Union 1948 [PSE], as you know. My client is the exclusive collective bargaining representative for certain civil service workers at both Western Washington University [WWU] and Central Washington University [CWU]. Terms of employment for the seven bargaining units of classified employees represented by PSE at these two institutions of higher education are set forth in two labor agreements, one at each university.

The terms of the healthcare article in each agreement are identical to the terms of the agreement reached on May 8, 2009, in consolidated healthcare bargaining between your agency and all of the unions representing employees falling within the scope of the Personnel System Reform Act of 2002 [PSRA] -- also known as the Super Coalition. You may recall that I represented PSE in those negotiations.

The *Super Coalition Health Care Benefits Amounts* agreement provides, in relevant part, as follows:

The Employer will contribute an amount equal to eighty-eight percent (88%) of the total weighted average of the health care premium for each bargaining unit employee eligible for insurance each month, as determined by the Public Employees' Benefits Board annually for benefits in calendar year 2010 and calendar year 2011, respectively.

Diane Leigh
June 2, 2010
Page 2

This language is found in Article 26 of the labor agreement between PSE and Western Washington University, and Article 16 of the labor agreement between PSE and Central Washington University.

Sadly, PSE has recently learned that, due to actions of the state legislature, all civil service employees, including those represented by PSE at WWU and CWU, have not received the full benefit of their bargain.

In summary, it appears that the state legislature diverted approximately \$216.3 million in surplus funds from the Public Employees Benefits Board Unrestricted Fund Balance to other, non-health care purposes, at some time prior to the current calendar year. This amount was generated by workers striving to maximize wellness efforts and reduce covered utilization of health care services. The surplus should have been applied to the reduction of health care premiums and out-of-pocket costs for workers covered by the 2009 *Health Care Benefits Amounts* article.

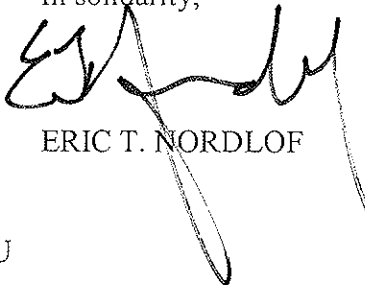
The result of the diversion of the surplus was that workers ended up paying more than their agreed-upon 12% share of premium costs, disguised as increased deductible amounts, increased co-pays, and the like. **The legislature's action in diverting those funds amounts to a breach of the Super Coalition health care agreement for 2010 and 2011.**

PSE believes that at least 12% of the surplus amount, or \$25.96 million, should be distributed, pro-rata, to employees who fall within the scope of the agreement between your agency and the Super Coalition, along with interest at the statutory rate of interest, and that is **the remedy sought by this grievance.**

Because WWU and CWU have no actual control over the negotiation or administration of health care provisions in their labor agreements, I am filing this grievance directly with your office. I have copied the Human Resource Directors of both of those institutions, however.

My clients, all of whom are hard-working professionals -- dedicated to providing quality public service -- look forward to your response.

In solidarity,



ERIC T. NORDLOF

c: Chyerl Wolfe-Lee, HR Director, WWU
Kirk Eslinger, HR Director, CWU
Susan Banton, President, PSE WWU Chapter
Angie Wedekind, President, PSE CWU Chapter
PSE Higher Education Staff