

IN INTEREST ARBITRATION BEFORE
MICHAEL E. CAVANAUGH, J.D.,
INTEREST ARBITRATOR

TEAMSTERS, LOCAL UNION NO. 117, :
:
and : INTEREST ARBITRATOR'S
: DECISION AND AWARD
UNIVERSITY OF WASHINGTON POLICE :
DEPARTMENT, : PERC No. 135417-I-22
:
(Interest Arbitration, 2023-25 CBA) :
:
_____ :

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I. INTRODUCTION

This matter between the University of Washington Police Department (“UWPD” or “University”) and Teamsters, Local 117 (“Union”) is before me for interest arbitration under RCW 41.80.300 (establishing interest arbitration for uniformed personnel employed by state institutions in higher education). The issues were certified by PERC Director Sellars on August

2, 2022. Exh. J-1. The governing statute expresses a legislative intent that closely parallels other Washington interest arbitration statutes:

The intent and purpose of RCW 41.80.310 through 41.80.370 is to recognize that there exists a public policy in the state of Washington against strikes by uniformed personnel as a means of settling their labor disputes; that the uninterrupted and dedicated service of these classes of employees is vital to the welfare and public safety of the state of Washington; and that to promote such dedicated and uninterrupted public service there should exist an effective and adequate alternative means of settling disputes.

Id. Negotiators for the UWPD and the Union successfully reached a tentative agreement (“TA”) on a new contract to cover the 2023-25 biennium,¹ which was then submitted to the unit members for a ratification vote—a vote that occurred on the eve of an interest arbitration hearing scheduled months earlier in case the parties were unable to agree on a contract. Ratification of the TA failed, with more than 70% of the unit members voting against. Following the vote in the unit, the parties proceeded to interest arbitration where each party presented proposed terms and conditions of employment for the 2023-25 CBA which differed substantially from the substance of their prior TA, particularly on elements of compensation.

I conducted a hearing on the Zoom platform covering all or parts of five days in August 2022 (August 4 and 8-10, followed by a half-day of oral closing arguments in lieu of written briefs on August 11). Having now carefully considered the evidence and argument, I am prepared to render the following Interest Arbitration Award.

II. NATURE OF THE EMPLOYER AND BARGAINING UNIT

The University of Washington, located in Seattle, is the flagship institution in the state’s system of higher education. It has an enrollment of approximately 49,000 students in

¹ Because Agreements between the parties must be funded in the State’s budgeting process, negotiations must be completed by September 30 of even-numbered years, but if funded, they do not actually go into effect until July 1 of the following odd-numbered year.

undergraduate and graduate programs, Exh. E-8 (Autumn Quarter 2021), and because faculty, staff, and visitors are regularly on campus as well, especially on days with football home games, University “population” for law enforcement purposes meets or exceeds a number of cities in Western Washington. While the overall annual UW budget exceeds \$8B, most of that budget is restricted, e.g. by donor limitations, and the General Operating Fund (out of which UWPD is funded) is projected to be a much smaller \$1.167B for 2023. The sources of GOF funds are State legislative appropriations and tuition revenue (tuition, however, has been capped by the Legislature). *See*, e.g. Exh. U-8 at 15.

The UWPD is presently budgeted for 31 commissioned officers, but the current head count is 18 or 19,² roughly 40% below fully-staffed levels. Exhs. U-5 and U-6. The workload is primarily “property crimes,” e.g. stolen laptops or cell phones (or other personal property) from study areas; stolen bikes; vehicle prowls,³ vandalism (such as graffiti), and similar issues, as well as instances of “trespass,” i.e. the need to remove unauthorized persons from areas or buildings. Tr. at 88-89 (Chief Wilson). Chief Wilson also described a growing need to respond to noncriminal situations such as persons in crisis, including homeless people who need to be referred to sources of assistance. *Id.* And the UWPD, under an agreement with the Seattle Police Department, exercises authority with respect to alcohol checks, for example, on Greek Row, adjacent to and just north of the campus. Violent crime, vice, open air drug dealing and similar

² It appears that the head count fluctuates, e.g. during the hearing in this matter, one new officer was apparently in the hiring process, while another recent hire had expressed an intent to resign and leave the area. There is no dispute, however, that the Department is significantly understaffed at present.

³ Officers also try to educate those on campus in ways to help protect their personal property, e.g. taking a cell phone or laptop with them when they use the restroom or take a break to get a bite to eat, etc., or to lock cars and use bike locks to protect their things.

staples of the caseload of many municipal police departments in the area, however, are not major components of the work of UWPD. *Id.* at 90.

III. PROCEDURAL HISTORY

As noted, the parties' designated negotiators actually reached a tentative agreement shortly before interest arbitration had been scheduled to begin. That TA, as described by Union counsel at the hearing, included

the new pay table that adds a new top step of 2.5 percent, a first-year general wage increase of 10 percent, a second-year general wage increase of 7 percent, and a BA education incentive of 1.5 percent in 2023, rising to 2 percent in 2024.

Tr. at 528, ll. 19-24. As noted, the unit voted to reject these increases by at 72% negative vote, and there is no dispute that the rejection came as a surprise to negotiators on both sides of the table.⁴ *See*, e.g. Exh. E-46 (email from Union counsel McCleery) (“definitely unexpected from our end”); *see also*, Exh. E-47 (McCleery email) (“the rejection of our deal was a surprise to say the least”). That fact strongly suggests to me that the negotiators believed they had reached a reasonable resolution of the issues after a number of months of negotiations—albeit one that the unit members overwhelmingly felt failed to meet their needs. At that point, the parties hurriedly prepared for interest arbitration, placing 12 articles in dispute before the Interest Arbitrator.

I have attached a copy of Exh. J-5 that sets out the disputed contract articles and the parties' respective positions on those issues in summary form. *See*, Attachment “A” to this Interest Arbitration Award.⁵ The attachment will provide a roadmap for my consideration of the

⁴ As an aside, the University does register something of a complaint that one of the Union negotiators testified that he had “recommended” the TA to the unit but did not “endorse” it, whatever that might mean in this context. It strikes me as unlikely, however, that the difference between a “recommendation” and an “endorsement” from one of the negotiators under these circumstances would have been enough to result in acceptance of a proposal that eventually proved to be unacceptable to essentially three-fourths of the unit.

⁵ Although the initial list included 12 articles in dispute, the parties resolved one of the issues during the hearing itself, i.e. the University's proposed change in the title of Article 15, Section 15.7. I have thus modified the exhibit,

specific contract issues in dispute. First, however, there are several overarching issues that require some discussion before turning to the specifics of the dispute.

IV. BACKGROUND ISSUES

A. Comparable Jurisdictions

Under this statute, as with other interest arbitration statutes, an interest arbitrator considers a “comparison of the hours and conditions of employment of personnel involved in the proceedings with the hours and conditions of employment of like personnel of like employers of similar size on the west coast of the United States.” RCW 41.80.40(3). Thus, a designation of an appropriate group of “comparables” to aid in a determination of appropriate wages and working conditions for these employees becomes an essential element in the statutory analysis.

Early in the negotiations, the Union proposed utilizing the following jurisdictions—and *only* those jurisdictions—as the comparables for economic terms: the cities of Bothell, Edmonds, Issaquah, Kent, and Redmond. *See*, Exh. U-3. The University eventually agreed to use that set for “economic terms,” but without expressly specifying that it had agreed that *only* those jurisdictions could be considered. *See*, e.g. Exh. U-3. That is, on October 1, 2021 the Union proposed to “use those same five comparables *and only those five comparables* for all economic items” (emphasis supplied). But the University’s December 17, 2021 response, which agreed to use the comparables, said only that “the Employer is agreeable to utilizing your proposed list of five agencies for economic items”), stopping short of expressly agreeing to the “and only those jurisdictions” language the Union now relies upon.

I understand why the Union believes that the University’s response constituted an agreement to limit the comparisons to the five jurisdictions it had proposed. The University

using strikethrough in Attachment “A” to indicate the issue that is no longer one of the items for me to consider and resolve.

contends, on the other hand, that it had merely agreed to “consider” the Union’s five jurisdictions, not to limit itself to those, and it is undisputed that during the negotiations (and at the hearing) the University has presented analyses that included the other universities. Whether the University’s approach on this issue reflects sound labor relations is not for me to judge. But the limited language of the University’s “acceptance” of the Union’s proposal is insufficient to treat it as a binding “stipulation” of the sort that I would be required to give effect under the statutory scheme. *See*, RCW 41.80.340(2); *Cf.* CR 2A (regarding the requisites of a binding “stipulation” in another context). Nor, for reasons that will become apparent, do I believe the precise group of comparables utilized would have affected the ultimate outcome here.

In any event, the University’s analysis includes, in addition to the agreed cities, five other state universities in Washington that maintain police departments—Eastern Washington (Cheney), Central Washington (Ellensburg), Western Washington (Bellingham), Evergreen State (Olympia) and Washington State (Pullman).⁶ And the University’s expert witness testified that in his opinion, these universities were closer to being “true comparables” for an analysis of UWPD than the cities proposed by the Union. *See*, e.g. Tr. at 379 (“Campus police officer positions are different from those in the city police world,” so the cities “do not employ like personnel” within the meaning of the statute). But I note that equivalent criticisms could be leveled against the use of the University’s proposed university comparables as well—e.g. none are located in a major metropolitan area, most are in Eastern Washington, and the record reflects significant differences in student enrollment, number of officers on the force, number of calls for service, etc. *See*, e.g.

⁶ *See*, e.g. Exhs. E-19A, 19B, and 19C.

Exhs. E-19A and 19B. In the end, it may well be that there simply is no closely matching “comparable” for the UWPD within the state of Washington.⁷

That circumstance does not make the comparability portion of the analysis irrelevant, but it does require that salient *differences*, as well as *similarities*, be carefully considered when comparisons between jurisdictions are otherwise important. Moreover, it has never been the case, in my view, that using comparables to analyze an award of appropriate compensation has consisted of simply averaging the compensation and awarding that average. If that were the case, as I have previously observed on several occasions, the ideal interest arbitrator would be a calculator or computer. The actual role of an interest arbitrator, obviously, is substantially more complex. In the end, I will utilize the five agreed municipalities, to the extent I find comparisons useful in applying the statutory criteria, while also considering the differences between those employers and the UW as illustrated by the University’s proposed comparables. That is, the precise law enforcement work the employees perform, the applicable funding mechanisms,⁸ and other important distinctions will also be taken into account. But to repeat, I do not believe that the ultimate result in this interest arbitration would be affected one way or the other by the precise combination of comparables utilized in the analysis.

B. Relevance of CPI as a Factor in Interest Arbitration

Both in testimony at the hearing, and in closing argument, the University has contended that an interest arbitrator under RCW Ch. 41.80 should not consider CPI data because, unlike

⁷ Although the statute allows consideration of “like employers of similar size on the west coast of the United States,” neither party has suggested comparisons to, say, UC Berkeley, San Jose State, or UCLA. Perhaps that is because out-of-state comparators present analytical difficulties of their own, often including different governing structures, funding mechanisms, etc.

⁸ The city comparables, for example, possess taxing power unlike the University, which must rely heavily on legislative appropriations. Moreover, it is undisputed that UW tuition levels—another source of potential revenue—have been capped by the Legislature.

some of the other Washington interest arbitration statutes, RCW 41.80.340 does not expressly list CPI or cost-of-living as a factor to consider in rendering an award. The Union counters that CPI definitely falls within the “catch-all” provisions of RCW 41.80.340(5), i.e. “factors . . . that are normally or traditionally taken into consideration in the determination of matters that are subject to bargaining under this chapter.” For reasons that follow I agree with the Union that the statute authorizes me to take CPI and similar cost-of-living data into account.

The University’s argument, as I understand it, is that in some other interest arbitration statutes, enacted prior to RCW 41.80, cost-of-living has been expressly called out as one of the relevant factors. Therefore, the argument goes, the Legislature, by omitting that factor here, necessarily must have intended to imply that cost-of-living considerations would not be applicable to matters arising under this statute. I am not convinced.

At my request, both parties researched whether legislative history would be helpful in resolving the issue. Neither discovered any relevant history. But in my view, a silence on this point in the legislative history is important in itself, and, in fact, I think that silence speaks volumes. That is, cost-of-living represents one of the most venerable factors “normally or traditionally taken into consideration”—by both sides—when compensation is an issue in collective bargaining. Therefore, if the Legislature had actually intended to exclude that factor here, it is inconceivable to me that it would have done so without notice to affected entities, e.g. public entities subject to the statute and the unions representing their employees. There is no evidence, however, that such notice was given or that the subject ever came up in the Legislature’s deliberations.

And even if that were not the case, given the companion language of RCW 41.80.340(5), i.e. the specific inclusion of the “such other factors” language, it would have been necessary, in

my view, for the Legislature to explicitly *reject* reliance upon CPI and similar data—whether in the language of the statute itself or in clear legislative history. That is so because, as noted, cost-of-living has always been foremost among “factors . . . that are normally or traditionally [and always have been] taken into consideration” in bargaining when compensation is at issue.

For these reasons, I cannot accept the University’s suggestion that I should ignore CPI data.

C. The Current Social and Political Context

As a nation, we are currently in the midst of unusually high levels of social upheaval, and one of the primary causes has been a reconsideration of the nature of policing—and police accountability—since the death of George Floyd in Minneapolis and unfortunately several other high-profile examples of questionable police interactions with the public. In addition to these situations that directly affect public perceptions of law enforcement specifically, a pandemic at a level the world has not seen for a century has disrupted patterns of work throughout the economy, resulting in large numbers of people leaving the workforce (including through early retirement) or changing jobs—particularly to jobs that allow them to work from home, at least for part of the workweek. I doubt there is any dispute that law enforcement has been significantly affected by the confluence of these factors—especially, in my view, by the increasingly close supervision of the day-to-day activities of officers and a diminution of respect for the law enforcement profession, at least among some of our fellow Americans, which in my view represents a significant change from the widespread admiration of “first responders” following 9/11.

Under these circumstances, the high vacancy rate for UWPD officers—which Chief Wilson testified has left the Department on the verge of severely handicapping the Department

from performing its mission—is not necessarily a significant outlier throughout the nation nor even in this part of the country. For example, Union exhibits comparing the vacancy rates at UWPD with rates of the entire set of potential comparables suggest that vacancy rates are a problem everywhere, although UWPD is substantially worse than these comparators. *See*, Exhs. U-5 and U-6. To put this issue in greater perspective, however, I take arbitral notice that the Seattle Police Department has been suffering through a recruitment and retention crisis comparable to UWPD—e.g. according to recent television news reports, the current SPD staffing at approximately 950 officers (compared to a former 1300 officers) represents a staffing deficit level of close to 30%). *See*, [Seattle Police Department staffing reaches 30-year low in 2022 | king5.com](https://www.king5.com/story/news/local/police/2022/09/17/seattle-police-department-staffing-reaches-30-year-low-in-2022/7011117002/), last accessed September 17, 2022.⁹

I set forth these facts primarily to emphasize that in the current social and political context, the traditional interest arbitration factor of “recruitment and retention” will necessarily play a more outsized role in the analysis than it perhaps would in more “normal” times.

D. Policy Considerations in This Interest Arbitration

This proceeding also arises in an unusual procedural context in that the parties’ negotiators had reached a TA’d contract which was then submitted to the Union membership for a vote, but failed ratification. The matter then proceeded to interest arbitration. In my more than two decades as an arbitrator, I have never before faced this situation in interest arbitration, and so far as I can tell from researching the interest arbitration awards published on the PERC website, no other Washington interest arbitrator has been put in this position, either.

In considering the ramifications of this aspect of the procedural context, I note that the parties appear to agree that a guiding principle in interest arbitration generally is

⁹ To be clear, I am not suggesting that SPD would be an appropriate comparable employer under the statute. I am only pointing to what seems to me to be a recruitment and retention issue throughout the state in law enforcement.

to induce a final decision that will, as nearly as possible, approximate what the parties themselves would have reached had they continued to bargain with determination and good faith.

Tr. at 538, ll. 9-13 (Union Counsel, Mr. Thal, quoting a passage written by a uniformly respected arbitrator, the late Carlton Snow). I agree with Arbitrator Snow, but the wrinkle in applying his wisdom here is that the parties *did* negotiate in good faith and with determination, right up to a few days before their scheduled interest arbitration hearing. At that point, they had reached a tentative agreement the negotiators on both sides expected to be acceptable to the unit members—that is, it is undisputed that both sides were “surprised” by the negative ratification vote. And given that a key purpose of the statute is to secure the “uninterrupted and dedicated service” of the uniformed personnel at issue, *see*, RCW 41.80.330, the vote against ratification, particularly at the level of 72%, may not be lightly disregarded.

Nevertheless, under these precise circumstances, it strikes me that an interest arbitrator should depart substantially from the parties’ TA *only* when the record establishes a compelling reason to do so, including, for example, perhaps when there has been a substantial change in one or more of the statutory factors between the TA and the Award. On the other hand, if an interest arbitrator were to simply ignore the determined work of the negotiators that led to a TA they believed appropriately balanced the interests of the parties, it would risk undermining the stability of collective bargaining—not only in this unit, but (because all interest arbitration awards are publicly available) in interest-arbitration-eligible bargaining units across the state. That result, in my view, would be inconsistent with the broad purposes of RCW 41.80.300 by which an interest arbitrator must be guided, including the legislative goal of fostering effective collective bargaining in strike-prohibited public employee units.

My specific concern is that a substantially different interest arbitration award following a rejected TA here would become part of the history of collective bargaining in this unit and might not be a one-time occurrence, i.e. history tends to repeat itself. That result also might give *other* parties the impression that they, too, could “improve” on a TA even though that TA had been achieved, often after many months of hard work, through realistic and considered compromises reached by their bargaining representatives. Failing to give that hard work its due would risk undermining the “good faith and determination” of the bargainers, in the words of Arbiter Snow, if only because of their principals’ understandable desire to achieve a more favorable outcome, e.g. one that would require them to make fewer “compromises.”

I recognize that a measure of deterrence against these impulses would exist simply in the fact that *both sides* (as here) might attempt to “improve” on the TA—and thus, either or both might do “worse” in the process. But even if the rejection of TA’d contracts continues to be rare, as I hope will be the case, good faith bargaining by the parties’ designated negotiators should not be subject to mere “second-guessing” by an interest arbitrator, no matter how often it occurs. Consequently, in my view an interest arbitrator should only substantially depart from the parties’ TA when there is a demonstrably necessary reason for doing so and only when it would be consistent with the legislative purposes of interest arbitration.¹⁰

V. DISPUTED ISSUES

I turn, then, to resolutions of the disputed contract issues. The parties’ proposals, in my view, may helpfully be grouped into two categories—the University’s proposals (the first ten listed in Attachment “A” to this Interest Arbitration Award, i.e. Exh. J-5, one of which has been

¹⁰ I note the University’s concern that its agreement to certain provisions of the TA might have been influenced by offsetting the projected costs with the savings associated with avoiding a multi-day interest arbitration proceeding. I understand the concern, but it does not change my views on the extent to which an interest arbitrator should reach conclusions substantially different from those reached in good faith by the parties’ representatives.

withdrawn), and the direct compensation issues, both wages and education incentives, listed as the final two issues on Attachment “A”.

A. UWPD Proposals

Beginning with the University’s proposals in the Attachment, I find they may appropriately be considered together (the Union’s position on each issue is to retain the status quo). That is so because each proposal is designed to achieve somewhat related purposes, mostly in the nature of contract “clean up.” e.g. to make this CBA more consistent with others in the University community; make it easier for UWPD to budget by eliminating the accumulation of paid time off beyond the end of the biennium (when it may then be taken at a higher wage rate than the rate applicable at the time it was earned); to eliminate the counting of paid time off in calculating when overtime pay is required during a week; to adjust the provision granting premium pay for all officers working during a football game (not just those specifically assigned to the game); to alter when comp time may be earned or cashed out, etc.

While some of these proposals might have an economic impact, even a somewhat significant one, as a group they strike me mostly as “housekeeping” kinds of proposals, especially those designed to bring this contract into line with other UW bargaining units. Considered individually, several of these proposals might be awarded in “normal” times, e.g. the cash-out of accrued time off at the end of a biennium, as well as others that have minimal economic impact on the unit but would “normalize” this CBA with others in the University community.

But as noted earlier, retention and recruitment issues weigh heavily under present circumstances. To reiterate, UWPD currently labors under a 40% staffing deficit and, according to Chief Wilson, is perilously close to being so understaffed as to be unable to meet the

University’s law enforcement needs. Thus, in my view, this is simply not a time for what the Union has aptly dubbed “take aways” for this unit. Rather, the current UWPD staffing concerns—at a time when police departments throughout the region and beyond are offering signing and retention bonuses, often substantial,¹¹ caution that the University cannot afford to make employment within the Department even less competitive on compensation than it already seems to be, at least with respect to the cities the parties agreed to consider.¹² *See*, e.g. Exh. U-20.

As previously discussed, it is also important in my view not to depart from the terms of the TA except when necessary for compelling reasons. As I read the TA (Exh. U-2) against the list of University proposals in Attachment “A” it appears that none of the UWPD requested changes made it into the tentative contract. For that reason, in addition to those set forth above, I will not award the University’s proposals with respect to the following contract provisions:

- Article 11, Section 11.1.C.2**
- Article 11, Section 11.1.C.3**
- Article 15, Section 15.2**
- Article 15, Section 15.4.B**
- Article 15, Section 15.4.E**
- Article 15, Section 15.4.F**
- Article 15, Section 15.7 (withdrawn from dispute)**
- Article 15, Section 15.8.**
- Article 16, Section 16.1**
- Article 16, Section 16.2**

¹¹ *See*, e.g. again, [Seattle Police Department staffing reaches 30-year low in 2022 | king5.com](https://www.king5.com/story/news/local/2022/09/17/seattle-police-department-staffing-reaches-30-year-low-in-2022/7011117002), last accessed September 17, 2022. There are, apparently, some special recruitment and retention efforts underway at UWPD, and it appeared to me, based on colloquy during the hearing, that both parties are open to considering additional special bonuses or similar incentives that might be helpful in solving the present recruitment and retention issues. *See*, e.g. Tr. at 518, ll. 12 *et seq.* I encourage them to have those discussions, but the only recruitment and retention issues before me at this time involve the contractual benefits and compensation, including those under discussion in this section of the Award.

¹² While I agree that the work of law enforcement officers in the cities is quite different from the work of an officer in the UWPD, the evidence established that some officers choose to leave UWPD for one or more of the cities—perhaps not always based on wages—but relative compensation simply cannot be ignored in the University’s continuing attempt to fill its necessary budgeted positions.

B. The Union's Affirmative Wage and Education Premium Proposals

1. Education Incentive

Education incentives are common in law enforcement and corrections CBA's, in my experience, and such incentives strike me as particularly relevant in a university policing context, i.e. where the "public" an officer is likely to encounter, such as students and faculty, will probably be more highly educated than the general public. Thus, both parties here recognize the value of an education incentive for officers, e.g. the expiring contract contains an annual lump sum education bonus.

The Union proposes that the annual bonus be changed to an education incentive of 4% above base wage for a bachelor's degree, and 6% above base wage for an advanced degree. The University contends that the incentive should remain at the status quo level, i.e. annual lump sums of \$1,000.00 and \$1,200.00 respectively. I note that the parties' TA would have abandoned the lump sum approach and instead provide base wage adjustments of 1.5%/2% (for BA/Advanced Degree) effective July 1, 2023 and 2%/3% effective July 1, 2024. *See*, Exh. U-2 at 45-46. Consistent with my views expressed above, I would award the language of the TA in Article 20.8 unless the record contained compelling evidence that the TA on this subject should be rejected. It does not.

To the extent the University argues that the comparables do not support an education incentive based on a percentage above base wages, Tr. at 585, that was presumably also the case during bargaining for the TA, yet the University accepted that approach. Similarly, the Union agreed to the 1.5%/2% level for Year One rising to 1%/3% for Year Two, although in interest arbitration, it asks for substantially more. I see insufficient reason to change the TA levels agreed upon by the parties.

On the education incentive issue, I will award the language of the TA, Article 20.8.

2. Wages

That leaves only wages. Anecdotally, it appears that the perceived inadequacy of the wage provisions of the TA may have been a primary motivation behind the unit's large "no" vote. *See*, Exh. E-46. If that is so, it would not be difficult to empathize with the officers' apprehension about the impact of inflation on their effective compensation. Current wages, of course, were negotiated in a low-inflation environment two years ago,¹³ but since at least early 2021 those wages have eroded through a level of year-over-year inflation that has at times exceeded 9%¹⁴--and those wages will remain in effect, and perhaps continue to decline through inflation, until July 1, 2023. At that time, whatever wages are awarded here, if approved in the State's budgeting process, will become effective.

Against this backdrop, the TA included base wage increases of 10%/7% during the two-year Agreement.¹⁵ The Union asks for increases of 22% in Year One and an additional 6% in Year Two, while the University has retreated to a 3%/3% position reminiscent of the bargaining in State units and in interest arbitration awards in 2020—again, a low inflation environment.

The most recent cost-of-living report, issued by the federal government a few days ago—and reflecting August 2022 data—found continuing high rates of inflation, described in a CBS News report as follows:

Inflation in August slowed for a second straight month, although prices remain near a four-decade high as *costs for items such as food and rent continue to climb*.

The Consumer Price Index increased 8.3% in the past 12 months, as rising prices for groceries, shelter, and medical care offset tumbling gasoline prices. The last

¹³ *See*, e.g. Exh. U-18A which reflects inflation in 2020 at 1.9% as measured by the CPI-W Seattle.

¹⁴ *See*, Exh. U-18.

¹⁵ Article 25.3, Exh. U-2 at 51.

inflation data amounts to a slight dip from July's 8.5% jump, but was *higher than economists had expected*, showing prices remain uncomfortably high.

Core CPI, which excludes volatile food and fuel prices, *rose to 6.3%, up from 5.9% in July*.

See, www.cbsnews.com/news/inflation-cpi-report-consumer-price-index-august-2022-09-13/

(emphasis supplied), last accessed September 19, 2022. Especially troubling for our purposes, it seems to me, is that “necessities,” e.g. food, housing, and medical care seem to be the elements of the cost-of-living indices that are driving “headline” inflation:

“Unpleasant surprises aplenty are found in the August Consumer Price Index,” noted Mark Hamrick, senior economic analyst at Bankrate, in an email. “*The prices for necessities continue to fuel this fire, including shelter, food and medical care.*”

Id. (emphasis supplied). As noted in the CBS News report, economists had expected inflation to decrease more in August than the actual dip in the rate, but “costs for items such as food and rent continue to climb,” *Id.*, as does “core inflation,” which excludes fuel and food.¹⁶

In light of this economic news, reflecting that inflation is likely more persistent than economists had predicted, the University’s position that wage increases of 3%/3% should be awarded is clearly inadequate. It would simply continue the substantial inflationary erosion of unit wages throughout the next biennium, an erosion that will already have been occurring for likely two years, i.e. from early 2021 through June 2023. And while the TA’s 10% increase in Year One might result in less of an increase in real wages than the parties’ negotiators anticipated, continuing supply chain issues and disruption of the world’s food supply traceable to

¹⁶ The one bright spot, of course, is gasoline prices, which have fallen substantially in recent weeks. Nevertheless, gas prices remain higher than a year ago by more than 20%, and recent data suggests that gas prices are leveling off. See, e.g. www.usinflationcalculator.com/inflation/gasoline-inflation-in-the-united-states, last accessed September 20, 2022. In addition, Vladimir Putin has signaled that he may use Russian energy as a lever to aid in reaching his international relations goals. See, e.g. “The West Still Needs Russia’s Energy,” [Putin and Russia Can Still Use Energy as a Weapon \(foreignpolicy.com\)](http://foreignpolicy.com), last accessed September 21, 2022. Thus, while gas prices may be relatively good news today, the future is uncertain.

the war in Ukraine were not out of the question, yet the parties agreed on a 10% increase for Year One. Therefore, I will award that amount, recognizing it as a reasonable product of good faith and determined bargaining.

The issue remaining is whether the apparently unexpected persistence of inflationary pressures constitutes a compelling reason to adjust the TA's 7% increase in Year Two. In considering that possibility, one important factor is whether a recession is on the horizon—for example, if the Fed's efforts to control inflation through aggressive rate hikes (another one occurred just yesterday) will lead to a recessionary economy. *See*, e.g. a CNN Business report broadcast on August 22, 2022:

The Federal Reserve is unlikely to tame inflation without pushing the American economy into a recession, according to a survey of economists released Monday. Seventy-two percent of economists polled by the National Association of Business Economics expect the next US recession will begin by the middle of next year – if it hasn't already started.

www.cnn.com/2022/08/22/economy/nabe-economists-recession-inflation/index.html, last

accessed on September 19, 2022. There are dissenters, of course. *See*, e.g.

www.capitalspectator.com/recession-risk-roundup-13-september-2022 (“the data published to date continue to show that US economic activity continues to defy the macro pessimists, at least for now”), published September 13, 2022., last accessed September 19, 2022.

What lies ahead—persistent inflation? Recession? Stagflation? A reasonable possibility, based on recent CPI data and trends, is that inflation will continue despite economists' expectations—and especially in food, medical care, and housing. And combined with higher energy prices (even though they may be leveling off, at least temporarily), these economic factors offer a compelling reason, in my view, to change the general wage increase of 7% for Year Two in the parties' TA. That is, the negotiators could not reliably have predicted the

persistent inflation that appears to be in our future, because that outlook has only become clear recently. And the risks of continued inflation should not be borne solely by the members of this unit. Thus, I will award 10% in Year Two or 10%/10%, a level of wage increases I note is not without historical precedent at UWPD. *See*, Exh. J-4 (2017-19 CBA) at 31-32 (providing wage increases of 10% in each year of the contract).

I will award wage increases of 10%/10% instead of the 10%/7% of the parties' TA.

VI. CONCLUSION

In essence, I have awarded the parties' TA, finding insufficient reason to depart from the product of the negotiators' "good faith and determination" with the exception of the second-year general wage increase. The Year Two wage level may appropriately be increased due to continued inflation which is exceeding economist's expectations.

INTEREST ARBITRATION AWARD

Having carefully considered the evidence and argument in this interest arbitration under RCW 41.80.300 et. seq., I hereby render the following Interest Arbitration Award;

1. The University's proposals with respect to the following contract Articles are **not awarded**:

Article 11, Section 11.1.C.2

Article 11, Section 11.1.C.3

Article 15, Section 15.2

Article 15, Section 15.4.B

Article 15, Section 15.4.E

Article 15, Section 15.4.F

Article 15, Section 15.7 (withdrawn from dispute)

Article 15, Section 15.8.

Article 16, Section 16.1

Article 16, Section 16.2

2. With respect to **Article 20, Section 20.8** (Education Incentive) I hereby **AWARD** the terms of the parties' TA, i.e. 1.5% above base wages for bachelor's degree and 2% above base wages for an advanced degree, both effective July 1, 2023; I further **AWARD**, consistent with the TA, an increase to 2%/ above base wages for a bachelor's degree, and 3% above base wages for an advance degree effective July 1, 2024.
3. With respect to **Article 25, Section 25.3**, I hereby **AWARD** general wage increases of 10% effective July 1, 2023, and I **AWARD** an additional 10% effective July 1, 2024.
4. Consistent with the statute, the parties will bear the fees of the Interest Arbitrator in equal proportion.

Dated this 22nd day of September 2022.



Michael E. Cavanaugh, J.D.
Interest Arbitrator

ATTACHMENT "A" TO INTEREST ARBITRATION AWARD

UNIVERSITY OF WASHINGTON POLICE DEPARTMENT

AND TEAMSTERS, LOCAL UNION NO. 117

INTEREST ARBITRATION CASE NO. 135417-I-22

CHART OF DISPUTED ISSUES

Article 11, Section 11.1.C.2.	Use of holiday credit.	Must use before vacation leave unless it would cause employee to exceed 240 in vacation bank.	Status quo: can elect to use holiday credit at any time without restriction.
Article 11, Section 11.1.C.3.	Accrual and cash out of holiday credit.	All unused holiday credit cashed out June 30 of each year.	Status quo: unlimited carryover, no cash out except upon separation of employment.
Article 15, Section 15.2	Overtime where employer fails to provide seven days' notice of shift change.	Delete this provision.	Status quo; maintain existing provision.
Article 15, Section 15.4.B.	Paid time (sick, vacation, compensatory time) counting towards the overtime threshold.	Not count paid time off towards the overtime threshold.	Status quo; maintain existing provision.
Article 15, Section 15.4.E.	<ol style="list-style-type: none"> 1. Prescheduled overtime eligibility for compensatory time. 2. Employees who take unpaid time off prior to prescheduled OT. 	<p>Prescheduled overtime is not eligible for compensatory time.</p> <p>Such employees may not be eligible for prescheduled overtime.</p>	<p>Status quo; maintain existing provision.</p> <p>Status quo ; maintain existing provision.</p>
Article 15, Section 15.4.F.	Overtime cancellation with less than 72 hours' notice results in straight time pay.	Delete this provision.	Status quo; maintain existing provision.
Article 15, Section 15.7	Title Change	Replace "Administrative" with "Court"	Status quo.
Article 15, Section 15.8.C.	<p>Football Events:</p> <ul style="list-style-type: none"> • Compensation for employees on shift. • Compensation for assigned volunteers. 	<p>Straight time.</p> <p>1.5x overtime.</p>	<p>Status quo =</p> <p>Double time for all employees.</p>
Article 16, Section 16.1	Compensatory Time Accrual	Employee must request and be granted compensatory time accrual	Status quo : accrue up to 240 without prior approval.

Article 16, Section 16.2	Compensatory Time Use and Cash Out	Employer discretion to compel use of employee's compensatory time, then cash out on June 30 or upon separation.	Status quo: 240 hour carryover and employee option to cashout up to 100 hours.
Article 20, Section 20.8	Educational Incentive	Status quo: Bachelor's Degree: \$1,000 lump sum Advanced Degree: \$1,200 lump sum	Bachelor's Degree: 4% to base wage Advanced Degree: 6% to base wage
Article 25, Section 25.3	Base Wage Rate Adjustment	July 1, 2023: 3% July 1, 2024: 3%	July 1, 2023: 22% July 1, 2024: 6%