

Presented: 12/10/24
Adopted: 12/10/24
Sponsors: Commissioner Mohamed
Commissioner Hasegawa

ORDER NO. 2024-14
AN ORDER OF THE PORT OF SEATTLE COMMISSION

...to examine how enhanced healthcare benefits for SEA workers impact worker safety, attraction, retention, and/or other business-related outcomes at the airport.

ADOPTED
DECEMBER 10, 2024

INTRODUCTION

This order aims to examine how enhanced healthcare benefits for non-government SEA workers contributes to improved safety, better worker retention, smoother airport operations, world-class customer service, and other positive business outcomes, thereby advancing the airport's goal of achieving a five-star Skytrax rating and otherwise increasing the airport's competitiveness.

The order follows a phased approach designed to first study the effects of healthcare benefits on business outcomes (Phase 1). If this study finds that enhanced healthcare benefits are beneficial to these business outcomes, Phase 2 would be the development of a Commission policy directive for implementing requirements to ensure that these non-government SEA workers have access to family health insurance as required by the policy.

This is a significant undertaking. As of December 2023, 21,321 non-government badged workers were employed at the airport. Attracting and retaining entry-level workers remains a significant challenge nationwide, and SEA Airport is no exception. To achieve its business goals in spite of this ongoing issue, the Port of Seattle has made it a priority to ensure that SEA jobs spanning from airport dining and retail to baggage handling and customer service are quality jobs.

The origins of this order can be traced to previous Commission and stakeholder input, including insights from a May 2023 Roundtable on Employee Recruitment and Retention, where healthcare benefits were highlighted as a critical factor in worker recruitment and retention, and April and May 2024 Airport Workforce Conditions Ad Hoc Committee discussions on healthcare benefits at the airport. The Committee's guidance is currently being advanced by a dedicated staff working group.

TEXT OF THE ORDER

The Port Commission hereby orders the Executive Director to complete the following tasks in a phased approach:

Phase 1: Study and Analysis (Q4 2024 – Q2 2025)

1. Review airport worker healthcare benefit policies at major airports across the country, identify key trends, outcomes, and best practices. This review shall identify the scope and impact of other airports' practices and policies, and any exemptions or special provisions to their policies, as well as applicability of those practices at SEA.
2. Survey healthcare benefits currently provided to SEA workers in Q1 2025. This survey shall engage both SEA workers and employers and shall include questions related to how these healthcare benefits may impact business outcomes.
3. Determine any correlation between levels of healthcare benefits and worker retention and attraction, safety, and other business outcomes at SEA.
4. Provide a comprehensive report on the findings above to the Commission by Q2, 2025.

The Executive Director is authorized to hire a qualified consultant to assist in the completion of any of the above tasks.

Phase 2: Development of a Commission Policy Directive to Guide Implementation of Healthcare Access Program (Q3 2025 – Ongoing)

1. Contingent on findings regarding the impact of health care on business outcomes at SEA, the Port Commission shall develop a Commission Policy Directive to guide the Executive Director's development and implementation of healthcare requirements. This policy directive may include consideration of the relative size of airport employers, healthcare requirements adopted by other airports, and reporting requirements.

The Commission also authorizes a budget of up to \$60,000 for outside legal counsel guidance in the development and implementation of this Commission Order and any follow-up Commission Policy Directive.

STATEMENT IN SUPPORT OF THE ORDER

It is the intent of the Commission to take a phased approach in exploring whether and how enhanced healthcare benefits may contribute to improved worker retention, safety, operational efficiency and customer satisfaction at SEA. Phase 1 will gather the necessary data and analysis to inform the Commission's decision on whether to move forward with Phase 2, where the Port of Seattle would develop a Commission Policy Directive to develop and implement healthcare requirements for airport employees.

This exploration will draw on both local data and national best practices. By evaluating the impacts of these benefits on key business outcomes such as safety, worker retention, operational efficiency

and customer satisfaction, the Commission aims to make informed decisions that will strengthen SEA's position as a leading airport both in terms of passenger service and worker quality.