

HOUSE BILL REPORT

ESHB 2049

As Amended by the Senate

Title: An act relating to personnel practices regarding exempt employment.

Brief Description: Concerning personnel practices regarding exempt employment.

Sponsors: House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Seaquist, Appleton, Hunt, Armstrong, Chandler, Chase and Miloscia).

Brief History:

Committee Activity:

State Government & Tribal Affairs: 2/13/09, 2/20/09 [DPS].

Floor Activity

Passed House: 3/4/09, 95-0.

Senate Amended.

Passed Senate: 4/15/09, 43-0.

Brief Summary of Engrossed Substitute Bill

- Requires the Director of the Department of Personnel to report to the Governor annually on the number of classified, Washington Management Service, and exempt employees; the number of bonuses and performance-based incentives awarded to agency staff; and the cost of each bonus or incentive awarded.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass.

Signed by 7 members: Representatives Hunt, Chair; Appleton, Vice Chair; Armstrong, Ranking Minority Member; Alexander, Flannigan, Hurst and Miloscia.

Staff: Marsha Reilly (786-7135)

Background:

The Director of the Department of Personnel (Department) is appointed by the Governor, subject to confirmation by the Senate. The Director oversees the Department's

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administration of civil service rules and technical activities, and has the authority to adopt rules regarding such things as probationary periods, transfers, promotional preference, and layoffs. Rules adopted by the Director may be superseded by the provisions of a collective bargaining agreement, but will affect only those employees in that bargaining agreement.

The Washington Management Service was established in 1993 as a separate personnel system for civil service managers within the executive branch of state government. Its purpose is to develop and maintain a professional managerial workforce, and to provide agencies increased flexibility for their management positions in the areas of hiring and setting compensation. The Director is also authorized to adopt rules for this management system.

After July 1, 1993, any employee whose position is exempted has the right to appeal, either individually or through his or her authorized representative, to the Washington Personnel Resources Board.

Summary of Engrossed Substitute Bill:

The Director must require each state agency to report annually on the number of classified, Washington Management Service, and exempt employees in the agency and the change compared to the previous report; the number of bonuses and performance-based incentives awarded to agency staff; and the cost of each bonus or incentive awarded. A compilation of the data for each agency must be provided annually to the Governor and posted on the Department's website.

If a vacant position is being exempted, the exclusive bargaining unit representative may act in lieu of an employee for the purposes of an appeal.

EFFECT OF SENATE AMENDMENT(S):

The annual report also must be submitted to the appropriate committees of the Legislature. Clarification is added to indicate that “non-classified” employees refers to employees in the Washington Management Service.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Professional civil service is the crown jewel of the state service. The state is top-heavy in agencies and organizations and trimming is necessary in this time of economic crisis. The nature of supervisory work is changing along with the type of tasks that workers are asked to take on. Senior executive levels should be looked at as downsizing begins. The Washington Federation of State Employees supports the bill. This is the result of years of

frustration over the Washington Management Service (WMS) and a situation that results in modern day patronage. It is an attempt to repeal the WMS. Repeated attempts to reform the WMS have not succeeded. Too often, it is a way to circumvent civil service rules. The WMS needs to be put back on the shelf. The only way to get information on salary bumps is to make a public records request. This information should be readily available to the public.

(Opposed) In 2005 the Governor ordered the elimination of 1,000 managers. The numbers in the WMS continue to decrease, so the bill is not needed. The DOP put in place controls on WMS positions and all agencies have a cap on WMS positions. The percentage of WMS employees went from 9.2 percent in 2005 to 7.5 percent in 2008.

Persons Testifying: (In support) Representative Seaquist, prime sponsor; and Dennis Eagle, Washington Federation of State Employees.

(Opposed) Mike Sellars, Department of Personnel.

Persons Signed In To Testify But Not Testifying: None.