

HOUSE BILL REPORT

SB 5310

As Reported by House Committee On:
State Government & Tribal Relations
Appropriations

Title: An act relating to correcting agency names and accounts in statutes to reflect the organizational structure, duties, and responsibilities of the office of financial management.

Brief Description: Correcting agency names and accounts in statutes to reflect the organizational structure, duties, and responsibilities of the office of financial management.

Sponsors: Senator Hunt; by request of Office of Financial Management.

Brief History:

Committee Activity:

State Government & Tribal Relations: 3/19/19, 3/26/19 [DP];

Appropriations: 4/5/19, 4/6/19 [DP].

Brief Summary of Bill

- Transfers the authority to administer, maintain, and operate the central personnel payroll system from Washington Technology Solutions to the Office of Financial Management (OFM).
- Corrects references in statute to accounts and agency names to reflect prior changes in statute pertaining to the OFM's organizational structure, duties, and responsibilities.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL RELATIONS

Majority Report: Do pass. Signed by 9 members: Representatives Gregerson, Chair; Pellicciotti, Vice Chair; Walsh, Ranking Minority Member; Goehner, Assistant Ranking Minority Member; Appleton, Dolan, Hudgins, Mosbrucker and Smith.

Staff: Desiree Omlie (786-7105).

Background:

Agency Reorganization.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Prior to 2011, the Department of Personnel (DOP) administered the central personnel payroll system, had oversight and custody of the Data Processing Revolving Account (DPR Account), and conducted salary and fringe benefit surveys to prepare classification and salary schedules. In 2011 certain central service functions, powers, and duties of state government were reorganized. The DOP was eliminated. The Department of Enterprise Services (DES) and the Consolidated Technology Services Agency (CTS) were created. The administration of the central personnel payroll system and the oversight and custody of the DPR Account was transferred from the DOP to the DES. The position of Director of Human Resources (Director) was created within the Office of Financial Management (OFM). Various personnel-related duties were transferred from the DOP to the Director. The Director was also required to maintain a comprehensive classification plan for all positions in the classified service and was authorized to undertake salary surveys.

In 2015 further consolidation occurred when the Office of the Chief Information Officer, the CTS, and certain functions of the DES were merged to form the new CTS, also known as Washington Technology Solutions (WaTech). One of the functions of the DES that transferred to WaTech is the administration and maintenance of the central personnel payroll system. The WaTech is also authorized to provide personnel payroll system services for any state agency designated jointly by WaTech and the Director of the OFM.

Also, in 2015 the DPR Account was eliminated and any residual balance of funds in the DPR Account was apportioned by the OFM to four accounts created as follows: the CTS Revolving Account, the Statewide Information Technology System Development Revolving Account, the Statewide Information Technology System Maintenance and Operations Revolving Account (Maintenance and Operations Account), and the Shared Information Technology System Revolving Account. The Maintenance and Operations Account is used solely for the maintenance and operations of enterprise information technology systems.

Washington Personnel Resources Board.

Prior to 2002 the Washington Personnel Resources Board (Board) was responsible for adopting certain civil service rules including rules pertaining to job classifications and layoff criteria. In 2002 the Civil Service Personnel Act transferred that authority to the DOP, which was later transferred to the OFM during the 2011 agency reorganization. Currently, the Board hears appeals filed by state civil service employees.

Zero-Based Budget Review.

The 2017-19 Biennial Operating Budget included a proviso directing WaTech and the OFM to study the performance and cost of each of WaTech's programs and services, and to provide recommendations for continuing or changing WaTech's service delivery models. The study was conducted by an outside firm in collaboration with WaTech and the OFM. One recommendation from the Zero-Based Budget Review is to transition the responsibility related to payroll administration to the OFM.

Summary of Bill:

The authority to administer, maintain, and operate the central personnel payroll system is transferred from WaTech to the OFM. The OFM may solely designate the state agencies that may receive its central personnel payroll system services.

Remaining references to the DPR Account are removed and replaced with the Maintenance and Operations Account. The OFM is authorized to use the Maintenance and Operations Account to facilitate proper and equitable distribution of costs to the state agency users.

Remaining references to the DOP are updated and replaced with the OFM to reflect the 2011 transfer of duties pertaining to personnel functions.

References to the Board are updated to reflect the transfer in the authority to adopt civil service rules from the Board to the OFM.

Appropriation: None.

Fiscal Note: Available.

Effective Date: This bill takes effect 90 days after adjournment of the session in which the bill is passed, except for section 7, relating to the requirement that qualifications of chaplains be approved by the Office of Financial Management rather than by the Washington Personnel Resources Board, which contains an emergency clause and takes effect on July 1, 2019.

Staff Summary of Public Testimony:

(In support) This is a simple and good bill. This bill would clean up the lines of business between the various state agencies and the Office of Financial Management.

(Opposed) None.

Persons Testifying: Senator Hunt, prime sponsor; and Scott Merriman, Office of Financial Management.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 32 members: Representatives Ormsby, Chair; Bergquist, 2nd Vice Chair; Robinson, 1st Vice Chair; Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier, Chandler, Cody, Dolan, Dye, Fitzgibbon, Hansen, Hoff, Hudgins, Jinkins, Kraft, Macri, Mosbrucker, Pollet, Ryu, Schmick, Senn, Springer, Stanford, Steele, Sullivan, Sutherland, Tarleton, Tharinger, Volz and Ybarra.

Staff: Jordan Clarke (786-7123).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On State Government & Tribal Relations:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date: This bill takes effect 90 days after adjournment of the session in which the bill is passed, except for section 7, relating to the requirement that qualifications of chaplains be approved by the Office of Financial Management rather than by the Washington Personnel Resources Board, which contains an emergency clause and takes effect on July 1, 2019.

Staff Summary of Public Testimony:

(In support) None.

(Opposed) None.

Persons Testifying: None.

Persons Signed In To Testify But Not Testifying: None.