

# HOUSE BILL REPORT

## HB 1184

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### As Reported by House Committee On:

State Government

**Title:** An act relating to managers under the state civil service law.

**Brief Description:** Revising the definition of "manager" under the state civil service law.

**Sponsors:** Representatives Armstrong, Miloscia, Hinkle, Carrell, Condotta, Cairnes, Newhouse, Delvin, Anderson, Haigh, Mielke, Schoesler, Ruderman, Schindler and McMahan.

### Brief History:

#### Committee Activity:

State Government: 2/14/03, 3/4/03 [DPS].

#### Brief Summary of Substitute Bill

- Changes the definition of "manager" for purposes of the Washington Management System.
- Removes the name "Washington Management System."
- Provides a mechanism for anyone concerned about the placement of a position as "manager" to request a review by the Department of Personnel.

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## HOUSE COMMITTEE ON STATE GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Haigh, Chair; Miloscia, Vice Chair; Armstrong, Ranking Minority Member; Shabro, Assistant Ranking Minority Member; Hunt, McDermott, Nixon, Tom and Wallace.

**Staff:** Katie Blinn (786-7114).

### Background:

The Washington Management Service (WMS) was established in 1993 as a separate personnel system for management positions 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 WMS applies to classified management positions in the state's civil service system, known as Merit System 1. According to the Joint Legislative Audit and Review Committee (JLARC) Report 02-2, as of July 2001, there were approximately 5,000 employees in the WMS, which was just less than 9 percent of the total Merit System 1 workforce of approximately 57,000. There are two groups of executive branch managers not included within the WMS:

- exempt positions that are statutorily exempt from civil service rules. This includes many of the highest ranking positions within an agency, such as agency directors, deputy directors, assistant directors, division directors, and high-ranking policy assistants; and
- other personnel systems such as higher education, marine transportation, and state printer employees.

The Department of Personnel (DOP) is authorized to adopt separate rules for managers covered by the WMS. The WMS rules govern recruitment, appointment, classification, training and career development, hours of work, probation, compensation, transfer, promotion, layoff, re-employment, discipline, and other personnel practices for managers. Under the 2002 civil service law, WMS managers will be prohibited from belonging to a collective bargaining unit as of July 1, 2005.

To qualify for the WMS, a manager must meet any one of the following five criteria:

- Formulate state-wide policy or direct the work of an agency or agency subdivision;
- administer at least one state-wide agency or subdivision policy or program;
- manage, administer, and control a local branch office of an agency or subdivision, including physical, financial, or personnel resources;
- have substantial personnel, legislative, public information, or budget responsibilities;
- or
- be above the first level of supervision, exercise authority that is not merely routine or clerical, and use independent judgment.

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### **Summary of Substitute Bill:**

To qualify for the WMS, a manager must:

- direct the work of an agency or agency subdivision;
- administer at least one state-wide agency or subdivision policy or program;
- have substantial personnel, legislative, public information, auditing, statewide public safety community liaison, or budget responsibilities; or

- be above the first level of supervision, exercise authority that is not merely routine or clerical, and use independent judgment.

The name "Washington Management Service" is removed. Anyone may request the DOP to review a position and determine if it adequately meets the definition.

### **Substitute Bill Compared to Original Bill:**

The substitute bill reinstates some of the original criteria that qualify a position as "manager", adds to the definition of manager a position of substantial auditing responsibility and the position of community liaison for a major statewide safety program, removes the agency percentage cap on employees who may be managers, removes the name "Washington Management Service", and provides a mechanism for anyone concerned about the placement of a position as manager to request a review by the Department of Personnel.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** The reason for the bill is that the WMS is out of control and the Legislature needs to reign it in. It has grown to excess; the growth has exceeded the normal rate of employee growth among state agencies. The bill is intended to set guidelines and parameters on the proper placement of positions within the definition of "manager." There is concern that more front-line employee positions are disappearing while middle management positions are increasing. As the WMS ranks grow at an alarming rate, the ranks of front-line employees are decreasing. Many positions currently labeled as WMS managers do not actually fit the statutory definition. There is also concern about disparate treatment by agencies between the WMS employees and rank and file employees. The movement of rank and file employees into the WMS positions has impacted employee morale. Too many WMS employees are receiving bonuses while the rank and file receive no cost of living adjustment and increased contribution rates. Managers should have to supervise people, not just programs, budgets, and projects. The growth rate creates a poor image for the public. Front-line employees feel micro-managed. Placing a position in the WMS is an easy way to get around the civil service rules. Agencies have become too top-heavy.

**Testimony Against:** The 7 percent cap presents a challenge and a question of whether it is appropriate to set a flat limit. The WMS allows the DOP to eliminate tight job descriptions. Of the positions examined in 2002, 90 percent were found to have been

appropriately placed. Most of the inappropriately placed positions were in two agencies: the Department of Corrections, and the Department of Social and Health Services. Those two agencies cannot add any more positions until all positions have been reviewed. The DOP is planning to change the name of the program from Washington Management Service to Washington Professional and Technical Service. If the percentage cap is implemented, the jobs and duties will not go away. As a result of the JLARC study conducted in 2002, 530 positions will be removed from WMS by the end of this year. The WMS is a good tool for agencies because it promotes accountability, and allows agencies to recruit and retain highly qualified employees from a wider pool of candidates. Pay increases are based on performance rather than seniority. The WMS gives agencies the opportunity to run like a business, similar to the private sector. The WMS allows for more female and minority hiring.

**Testified:** (In support) Representative Armstrong, prime sponsor; Lynn Maier, Washington Public Employees Association; Bill Johnson and Mark Baca, Department of Revenue and Washington Public Employees Association; Trish Akana, Department of Ecology and Washington Public Employees Association; and Dennis Eagle, Washington Federation of State Employees.

(Opposed) Gene Matt and Sharon Whitehead, Department of Personnel; Chief Ronal Serpass, Washington State Patrol; and Fred Stephens and Jan Smallwood, Department of Licensing.