

SENATE BILL REPORT

SB 5939

As Reported by Senate Committee On:
Labor, Commerce & Consumer Protection, February 24, 2009

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

Brief Description: Concerning personnel practices regarding exempt employment.

Sponsors: Senators Hobbs, Schoesler, Benton, Fairley, McDermott, Keiser, Sheldon and Shin.

Brief History:

Committee Activity: Labor, Commerce & Consumer Protection: 2/23/09, 2/24/09 [DPS-WM, DNP, w/oRec].

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Majority Report: That Substitute Senate Bill No. 5939 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Franklin and Kline.

Minority Report: Do not pass.

Signed by Senators Holmquist, Ranking Minority Member; King.

Minority Report: That it be referred without recommendation.

Signed by Senator Honeyford.

Staff: Kathleen Buchli (786-7488)

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 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 Rules adopted by the director may be superseded by the provisions of a collective bargaining agreement, but will affect only those employees in that bargaining agreement.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 (WMS) 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

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setting compensation. The director is also authorized to adopt rules for this management system. 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 Bill (Recommended Substitute): The number of employees who are exempt or in WMS must be reduced to a level that is 25 percent of the amount of such employees currently in existence.

The director must require each state agency to report semiannually on the number of classified and nonclassified 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 semiannually 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 CHANGES MADE BY LABOR, COMMERCE & CONSUMER PROTECTION COMMITTEE (Recommended Substitute): The section repealing the definition of manager is removed. A findings section is added that finds that it is necessary to revisit the WMS and that it needs to be brought back to its original intent. The amount of employees who may be considered exempt or in WMS is to be reduced to 25 percent of the current levels.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: This bill will strike a blow to middle management. It will require agencies to report on its management and nonmanagement employees which leads to accountability. The promotions and pay raises given to WMS versus non-WMS employees is disproportionate. WMS has not achieved its goals of a more qualified management system.

CON: There has already been a reduction in management personnel. From 2005 to the current year, the management headcount has decreased and the Department of Personnel has instituted control measures. This bill is not necessary and WMS employee have not received disproportionate pay increases.

Persons Testifying: PRO: Senator Hobbs, prime sponsor; Dennis Eagle, Washington Federation of State Employees.

CON: Mike Sellars, Department of Personnel.