

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE SENATE BILL 6382**

Chapter 1, Laws of 2010

61st Legislature  
2010 Regular Session

STATE EMPLOYEES--COMPENSATION RESTRICTIONS

EFFECTIVE DATE: 02/15/10

Passed by the Senate February 9, 2010  
YEAS 33 NAYS 15

BRAD OWEN

\_\_\_\_\_  
**President of the Senate**

Passed by the House January 28, 2010  
YEAS 94 NAYS 3

FRANK CHOPP

\_\_\_\_\_  
**Speaker of the House of Representatives**

Approved February 15, 2010, 3:37 p.m.

CHRISTINE GREGOIRE

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6382** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

\_\_\_\_\_  
**Secretary**

FILED

February 16, 2010

**Secretary of State  
State of Washington**

---

**SUBSTITUTE SENATE BILL 6382**

---

AS AMENDED BY THE HOUSE

Passed Legislature - 2010 Regular Session

**State of Washington                      61st Legislature                      2010 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Prentice and Tom; by request of Governor Gregoire)

READ FIRST TIME 01/22/10.

1            AN ACT Relating to reducing the cost of state government operations  
2 by restricting compensation; amending RCW 41.06.500, 43.03.030,  
3 43.03.040, and 41.60.150; reenacting and amending RCW 41.06.070 and  
4 41.06.133; creating new sections; and declaring an emergency.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6            **Sec. 1.** RCW 41.06.070 and 2009 c 33 s 36 and 2009 c 5 s 1 are each  
7 reenacted and amended to read as follows:

8            (1) The provisions of this chapter do not apply to:

9            (a) The members of the legislature or to any employee of, or  
10 position in, the legislative branch of the state government including  
11 members, officers, and employees of the legislative council, joint  
12 legislative audit and review committee, statute law committee, and any  
13 interim committee of the legislature;

14            (b) The justices of the supreme court, judges of the court of  
15 appeals, judges of the superior courts or of the inferior courts, or to  
16 any employee of, or position in the judicial branch of state  
17 government;

18            (c) Officers, academic personnel, and employees of technical  
19 colleges;

1 (d) The officers of the Washington state patrol;  
2 (e) Elective officers of the state;  
3 (f) The chief executive officer of each agency;  
4 (g) In the departments of employment security and social and health  
5 services, the director and the director's confidential secretary; in  
6 all other departments, the executive head of which is an individual  
7 appointed by the governor, the director, his or her confidential  
8 secretary, and his or her statutory assistant directors;  
9 (h) In the case of a multimember board, commission, or committee,  
10 whether the members thereof are elected, appointed by the governor or  
11 other authority, serve ex officio, or are otherwise chosen:  
12 (i) All members of such boards, commissions, or committees;  
13 (ii) If the members of the board, commission, or committee serve on  
14 a part-time basis and there is a statutory executive officer: The  
15 secretary of the board, commission, or committee; the chief executive  
16 officer of the board, commission, or committee; and the confidential  
17 secretary of the chief executive officer of the board, commission, or  
18 committee;  
19 (iii) If the members of the board, commission, or committee serve  
20 on a full-time basis: The chief executive officer or administrative  
21 officer as designated by the board, commission, or committee; and a  
22 confidential secretary to the chair of the board, commission, or  
23 committee;  
24 (iv) If all members of the board, commission, or committee serve ex  
25 officio: The chief executive officer; and the confidential secretary  
26 of such chief executive officer;  
27 (i) The confidential secretaries and administrative assistants in  
28 the immediate offices of the elective officers of the state;  
29 (j) Assistant attorneys general;  
30 (k) Commissioned and enlisted personnel in the military service of  
31 the state;  
32 (l) Inmate, student, part-time, or temporary employees, and part-  
33 time professional consultants, as defined by the Washington personnel  
34 resources board;  
35 (m) The public printer or to any employees of or positions in the  
36 state printing plant;  
37 (n) Officers and employees of the Washington state fruit  
38 commission;

- 1 (o) Officers and employees of the Washington apple commission;
- 2 (p) Officers and employees of the Washington state dairy products  
3 commission;
- 4 (q) Officers and employees of the Washington tree fruit research  
5 commission;
- 6 (r) Officers and employees of the Washington state beef commission;
- 7 (s) Officers and employees of the Washington grain commission;
- 8 (t) Officers and employees of any commission formed under chapter  
9 15.66 RCW;
- 10 (u) Officers and employees of agricultural commissions formed under  
11 chapter 15.65 RCW;
- 12 (v) Officers and employees of the nonprofit corporation formed  
13 under chapter 67.40 RCW;
- 14 (w) Executive assistants for personnel administration and labor  
15 relations in all state agencies employing such executive assistants  
16 including but not limited to all departments, offices, commissions,  
17 committees, boards, or other bodies subject to the provisions of this  
18 chapter and this subsection shall prevail over any provision of law  
19 inconsistent herewith unless specific exception is made in such law;
- 20 (x) In each agency with fifty or more employees: Deputy agency  
21 heads, assistant directors or division directors, and not more than  
22 three principal policy assistants who report directly to the agency  
23 head or deputy agency heads;
- 24 (y) All employees of the marine employees' commission;
- 25 (z) Staff employed by the department of (~~community, trade, and~~  
26 ~~economic development~~) commerce to administer energy policy functions  
27 and manage energy site evaluation council activities under RCW  
28 43.21F.045(2)(m);
- 29 (aa) Staff employed by Washington State University to administer  
30 energy education, applied research, and technology transfer programs  
31 under RCW 43.21F.045 as provided in RCW 28B.30.900(5).
- 32 (2) The following classifications, positions, and employees of  
33 institutions of higher education and related boards are hereby exempted  
34 from coverage of this chapter:
- 35 (a) Members of the governing board of each institution of higher  
36 education and related boards, all presidents, vice presidents, and  
37 their confidential secretaries, administrative, and personal  
38 assistants; deans, directors, and chairs; academic personnel; and

1 executive heads of major administrative or academic divisions employed  
2 by institutions of higher education; principal assistants to executive  
3 heads of major administrative or academic divisions; other managerial  
4 or professional employees in an institution or related board having  
5 substantial responsibility for directing or controlling program  
6 operations and accountable for allocation of resources and program  
7 results, or for the formulation of institutional policy, or for  
8 carrying out personnel administration or labor relations functions,  
9 legislative relations, public information, development, senior computer  
10 systems and network programming, or internal audits and investigations;  
11 and any employee of a community college district whose place of work is  
12 one which is physically located outside the state of Washington and who  
13 is employed pursuant to RCW 28B.50.092 and assigned to an educational  
14 program operating outside of the state of Washington;

15 (b) The governing board of each institution, and related boards,  
16 may also exempt from this chapter classifications involving research  
17 activities, counseling of students, extension or continuing education  
18 activities, graphic arts or publications activities requiring  
19 prescribed academic preparation or special training as determined by  
20 the board: PROVIDED, That no nonacademic employee engaged in office,  
21 clerical, maintenance, or food and trade services may be exempted by  
22 the board under this provision;

23 (c) Printing craft employees in the department of printing at the  
24 University of Washington.

25 (3) In addition to the exemptions specifically provided by this  
26 chapter, the director of personnel may provide for further exemptions  
27 pursuant to the following procedures. The governor or other  
28 appropriate elected official may submit requests for exemption to the  
29 director of personnel stating the reasons for requesting such  
30 exemptions. The director of personnel shall hold a public hearing,  
31 after proper notice, on requests submitted pursuant to this subsection.  
32 If the director determines that the position for which exemption is  
33 requested is one involving substantial responsibility for the  
34 formulation of basic agency or executive policy or one involving  
35 directing and controlling program operations of an agency or a major  
36 administrative division thereof, the director of personnel shall grant  
37 the request and such determination shall be final as to any decision  
38 made before July 1, 1993. The total number of additional exemptions

1 permitted under this subsection shall not exceed one percent of the  
2 number of employees in the classified service not including employees  
3 of institutions of higher education and related boards for those  
4 agencies not directly under the authority of any elected public  
5 official other than the governor, and shall not exceed a total of  
6 twenty-five for all agencies under the authority of elected public  
7 officials other than the governor.

8 The salary and fringe benefits of all positions presently or  
9 hereafter exempted except for the chief executive officer of each  
10 agency, full-time members of boards and commissions, administrative  
11 assistants and confidential secretaries in the immediate office of an  
12 elected state official, and the personnel listed in subsections (1)(j)  
13 through (v) and (y) and (2) of this section, shall be determined by the  
14 director of personnel. Changes to the classification plan affecting  
15 exempt salaries must meet the same provisions for classified salary  
16 increases resulting from adjustments to the classification plan as  
17 outlined in RCW 41.06.152.

18 ~~((For the twelve months following))~~ From February 18, 2009, through  
19 June 30, 2011, a salary or wage increase shall not be granted to any  
20 position exempt from classification under this chapter, except that a  
21 salary or wage increase may be granted to employees pursuant to  
22 collective bargaining agreements negotiated under chapters 28B.52,  
23 41.56, 47.64, or 41.76 RCW, or negotiated by the nonprofit corporation  
24 formed under chapter 67.40 RCW, and except that increases may be  
25 granted for positions for which the employer has demonstrated  
26 difficulty retaining qualified employees if the following conditions  
27 are met:

- 28 (a) The salary increase can be paid within existing resources; and  
29 (b) The salary increase will not adversely impact the provision of  
30 client services.

31 Any agency granting a salary increase from the effective date of  
32 this section through June 30, 2011, to a position exempt from  
33 classification under this chapter shall submit a report to the fiscal  
34 committees of the legislature no later than July 31, 2011, detailing  
35 the positions for which salary increases were granted, the size of the  
36 increases, and the reasons for giving the increases.

37 Any person holding a classified position subject to the provisions  
38 of this chapter shall, when and if such position is subsequently

1 exempted from the application of this chapter, be afforded the  
2 following rights: If such person previously held permanent status in  
3 another classified position, such person shall have a right of  
4 reversion to the highest class of position previously held, or to a  
5 position of similar nature and salary.

6 Any classified employee having civil service status in a classified  
7 position who accepts an appointment in an exempt position shall have  
8 the right of reversion to the highest class of position previously  
9 held, or to a position of similar nature and salary.

10 A person occupying an exempt position who is terminated from the  
11 position for gross misconduct or malfeasance does not have the right of  
12 reversion to a classified position as provided for in this section.

13 **Sec. 2.** RCW 41.06.133 and 2009 c 534 s 2 and 2009 c 5 s 2 are each  
14 reenacted and amended to read as follows:

15 (1) The director shall adopt rules, consistent with the purposes  
16 and provisions of this chapter and with the best standards of personnel  
17 administration, regarding the basis and procedures to be followed for:

18 (a) The reduction, dismissal, suspension, or demotion of an  
19 employee;

20 (b) Training and career development;

21 (c) Probationary periods of six to twelve months and rejections of  
22 probationary employees, depending on the job requirements of the class,  
23 except that entry level state park rangers shall serve a probationary  
24 period of twelve months;

25 (d) Transfers;

26 (e) Promotional preferences;

27 (f) Sick leaves and vacations;

28 (g) Hours of work;

29 (h) Layoffs when necessary and subsequent reemployment, except for  
30 the financial basis for layoffs;

31 (i) The number of names to be certified for vacancies;

32 (j) Adoption and revision of a state salary schedule to reflect the  
33 prevailing rates in Washington state private industries and other  
34 governmental units. The rates in the salary schedules or plans shall  
35 be increased if necessary to attain comparable worth under an  
36 implementation plan under RCW 41.06.155 and, for institutions of higher  
37 education and related boards, shall be competitive for positions of a

1 similar nature in the state or the locality in which an institution of  
2 higher education or related board is located. Such adoption and  
3 revision is subject to approval by the director of financial management  
4 in accordance with chapter 43.88 RCW;

5 (k) Increment increases within the series of steps for each pay  
6 grade based on length of service for all employees whose standards of  
7 performance are such as to permit them to retain job status in the  
8 classified service. (~~For the twelve months following~~) From February  
9 18, 2009, through June 30, 2011, a salary or wage increase shall not be  
10 granted to any exempt position under this chapter, except that a salary  
11 or wage increase may be granted to employees pursuant to collective  
12 bargaining agreements negotiated under chapters 28B.52, 41.56, 47.64,  
13 or 41.76 RCW, or negotiated by the nonprofit corporation formed under  
14 chapter 67.40 RCW, and except that increases may be granted for  
15 positions for which the employer has demonstrated difficulty retaining  
16 qualified employees if the following conditions are met:

- 17 (i) The salary increase can be paid within existing resources; and  
18 (ii) The salary increase will not adversely impact the provision of  
19 client services;

20 Any agency granting a salary increase from the effective date of  
21 this section through June 30, 2011, to a position exempt under this  
22 chapter shall submit a report to the fiscal committees of the  
23 legislature no later than July 31, 2011, detailing the positions for  
24 which salary increases were granted, the size of the increases, and the  
25 reasons for giving the increases.

26 (l) Optional lump sum relocation compensation approved by the  
27 agency director, whenever it is reasonably necessary that a person make  
28 a domiciliary move in accepting a transfer or other employment with the  
29 state. An agency must provide lump sum compensation within existing  
30 resources. If the person receiving the relocation payment terminates  
31 or causes termination with the state, for reasons other than layoff,  
32 disability separation, or other good cause as determined by an agency  
33 director, within one year of the date of the employment, the state is  
34 entitled to reimbursement of the lump sum compensation from the person;

35 (m) Providing for veteran's preference as required by existing  
36 statutes, with recognition of preference in regard to layoffs and  
37 subsequent reemployment for veterans and their surviving spouses by  
38 giving such eligible veterans and their surviving spouses additional



1 credit in computing their seniority by adding to their unbroken state  
2 service, as defined by the director, the veteran's service in the  
3 military not to exceed five years. For the purposes of this section,  
4 "veteran" means any person who has one or more years of active military  
5 service in any branch of the armed forces of the United States or who  
6 has less than one year's service and is discharged with a disability  
7 incurred in the line of duty or is discharged at the convenience of the  
8 government and who, upon termination of such service, has received an  
9 honorable discharge, a discharge for physical reasons with an honorable  
10 record, or a release from active military service with evidence of  
11 service other than that for which an undesirable, bad conduct, or  
12 dishonorable discharge shall be given. However, the surviving spouse  
13 of a veteran is entitled to the benefits of this section regardless of  
14 the veteran's length of active military service. For the purposes of  
15 this section, "veteran" does not include any person who has voluntarily  
16 retired with twenty or more years of active military service and whose  
17 military retirement pay is in excess of five hundred dollars per month.

18 (2) Rules adopted under this section by the director shall provide  
19 for local administration and management by the institutions of higher  
20 education and related boards, subject to periodic audit and review by  
21 the director.

22 (3) Rules adopted by the director under this section may be  
23 superseded by the provisions of a collective bargaining agreement  
24 negotiated under RCW 41.80.001 and 41.80.010 through 41.80.130. The  
25 supersession of such rules shall only affect employees in the  
26 respective collective bargaining units.

27 (4)(a) The director shall require that each state agency report  
28 annually the following data:

29 (i) The number of classified, Washington management service, and  
30 exempt employees in the agency and the change compared to the previous  
31 report;

32 (ii) The number of bonuses and performance-based incentives awarded  
33 to agency staff and the base wages of such employees; and

34 (iii) The cost of each bonus or incentive awarded.

35 (b) A report that compiles the data in (a) of this subsection for  
36 all agencies will be provided annually to the governor and the  
37 appropriate committees of the legislature and must be posted for the  
38 public on the department of personnel's agency web site.

1       **Sec. 3.** RCW 41.06.500 and 2009 c 5 s 3 are each amended to read as  
2 follows:

3       (1) Except as provided in RCW 41.06.070, notwithstanding any other  
4 provisions of this chapter, the director is authorized to adopt, after  
5 consultation with state agencies and employee organizations, rules for  
6 managers as defined in RCW 41.06.022. These rules shall not apply to  
7 managers employed by institutions of higher education or related boards  
8 or whose positions are exempt. The rules shall govern recruitment,  
9 appointment, classification and allocation of positions, examination,  
10 training and career development, hours of work, probation,  
11 certification, compensation, transfer, affirmative action, promotion,  
12 layoff, reemployment, performance appraisals, discipline, and any and  
13 all other personnel practices for managers. These rules shall be  
14 separate from rules adopted for other employees, and to the extent that  
15 the rules adopted under this section apply only to managers shall take  
16 precedence over rules adopted for other employees, and are not subject  
17 to review by the board.

18       (2) In establishing rules for managers, the director shall adhere  
19 to the following goals:

20       (a) Development of a simplified classification system that  
21 facilitates movement of managers between agencies and promotes upward  
22 mobility;

23       (b) Creation of a compensation system that provides flexibility in  
24 setting and changing salaries, and shall require review and approval by  
25 the director in the case of any salary changes greater than five  
26 percent proposed for any group of employees;

27       (c) Establishment of a performance appraisal system that emphasizes  
28 individual accountability for program results and efficient management  
29 of resources; effective planning, organization, and communication  
30 skills; valuing and managing workplace diversity; development of  
31 leadership and interpersonal abilities; and employee development;

32       (d) Strengthening management training and career development  
33 programs that build critical management knowledge, skills, and  
34 abilities; focusing on managing and valuing workplace diversity;  
35 empowering employees by enabling them to share in workplace decision  
36 making and to be innovative, willing to take risks, and able to accept  
37 and deal with change; promoting a workplace where the overall focus is

1 on the recipient of the government services and how these services can  
2 be improved; and enhancing mobility and career advancement  
3 opportunities;

4 (e) Permitting flexible recruitment and hiring procedures that  
5 enable agencies to compete effectively with other employers, both  
6 public and private, for managers with appropriate skills and training;  
7 allowing consideration of all qualified candidates for positions as  
8 managers; and achieving affirmative action goals and diversity in the  
9 workplace;

10 (f) Providing that managers may only be reduced, dismissed,  
11 suspended, or demoted for cause; and

12 (g) Facilitating decentralized and regional administration.

13 (3) (~~For the twelve months following~~) From February 18, 2009,  
14 through June 30, 2011, a salary or wage increase shall not be granted  
15 to any position under this section, except that increases may be  
16 granted for positions for which the employer has demonstrated  
17 difficulty retaining qualified employees if the following conditions  
18 are met:

19 (a) The salary increase can be paid within existing resources; and

20 (b) The salary increase will not adversely impact the provision of  
21 client services.

22 Any agency granting a salary increase from the effective date of  
23 this section through June 30, 2011, to a position under this section  
24 shall submit a report to the fiscal committees of the legislature no  
25 later than July 31, 2011, detailing the positions for which salary  
26 increases were granted, the size of the increases, and the reasons for  
27 giving the increases.

28 **Sec. 4.** RCW 43.03.030 and 2009 c 549 s 5007 are each amended to  
29 read as follows:

30 (1) Wherever the compensation of any appointive state officer or  
31 employee is fixed by statute, it may be hereafter increased or  
32 decreased in the manner provided by law for the fixing of compensation  
33 of other appointive state officers or employees; but this subsection  
34 shall not apply to the heads of state departments.

35 (2) Wherever the compensation of any state officer appointed by the  
36 governor, or of any employee in any office or department under the  
37 control of any such officer, is fixed by statute, such compensation may

1 hereafter, from time to time, be changed by the governor, and he or she  
2 shall have power to fix such compensation at any amount not to exceed  
3 the amount fixed by statute.

4 (3) (~~For the twelve months following~~) From February 18, 2009,  
5 through June 30, 2011, a salary or wage increase shall not be granted  
6 to any position under this section, except that increases may be  
7 granted for positions for which the employer has demonstrated  
8 difficulty retaining qualified employees if the following conditions  
9 are met:

10 (a) The salary increase can be paid within existing resources; and

11 (b) The salary increase will not adversely impact the provision of  
12 client services.

13 Any agency granting a salary increase from the effective date of  
14 this section through June 30, 2011, to a position exempt under this  
15 section shall submit a report to the fiscal committees of the  
16 legislature no later than July 31, 2011, detailing the positions for  
17 which salary increases were granted, the size of the increases, and the  
18 reasons for giving the increases.

19 **Sec. 5.** RCW 43.03.040 and 2009 c 5 s 5 are each amended to read as  
20 follows:

21 The directors of the several departments and members of the several  
22 boards and commissions, whose salaries are fixed by the governor and  
23 the chief executive officers of the agencies named in RCW 43.03.028(2)  
24 as now or hereafter amended shall each severally receive such salaries,  
25 payable in monthly installments, as shall be fixed by the governor or  
26 the appropriate salary fixing authority, in an amount not to exceed the  
27 recommendations of the committee on agency officials' salaries. (~~For~~  
28 ~~the twelve months following~~) From February 18, 2009, through June 30,  
29 2011, a salary or wage increase shall not be granted to any position  
30 under this section, except that increases may be granted for positions  
31 for which the employer has demonstrated difficulty retaining qualified  
32 employees if the following conditions are met:

33 (1) The salary increase can be paid within existing resources; and

34 (2) The salary increase will not adversely impact the provision  
35 client services.

36 Any agency granting a salary increase from the effective date of  
37 this section through June 30, 2011, to a position under this section

1 shall submit a report to the fiscal committees of the legislature no  
2 later than July 31, 2011, detailing the positions for which salary  
3 increases were granted, the size of the increases, and the reasons for  
4 giving the increases.

5 **Sec. 6.** RCW 41.60.150 and 2000 c 139 s 2 are each amended to read  
6 as follows:

7 Other than suggestion awards and incentive pay unit awards,  
8 agencies shall have the authority to recognize employees, either  
9 individually or as a class, for accomplishments including outstanding  
10 achievements, safety performance, longevity, outstanding public  
11 service, or service as employee suggestion evaluators and implementors.  
12 Recognition awards may not exceed two hundred dollars in value per  
13 award. Such awards may include, but not be limited to, cash or such  
14 items as pen and desk sets, plaques, pins, framed certificates, clocks,  
15 and calculators. Award costs shall be paid by the agency giving the  
16 award. From the effective date of this section through June 30, 2011,  
17 recognition awards may not be given in the form of cash or cash  
18 equivalents such as gift certificates or gift cards.

19 NEW SECTION. **Sec. 7.** This act does not apply to a salary or wage  
20 increase that may be granted to employees whose salary or wage is paid  
21 predominately through agriculture commodity assessments under Title 15  
22 RCW.

23 NEW SECTION. **Sec. 8.** (1) Notwithstanding sections 1 through 5 of  
24 this act, institutions of higher education may grant a wage or salary  
25 increase for additional academic responsibilities during the summer  
26 quarter if the following conditions are met:

27 (a) The salary increase can be paid within existing resources; and  
28 (b) The salary increase will not adversely impact the provision of  
29 client services.

30 (2) Any institution granting a wage or salary increase under this  
31 section from the effective date of this section through June 30, 2011,  
32 shall submit a report to the fiscal committees of the legislature no  
33 later than July 31, 2011, detailing the positions for which salary  
34 increases were granted, the size of the increases, and the reasons for  
35 giving the increases.

1        NEW\_SECTION.    **Sec. 9.**    This act is necessary for the immediate  
2    preservation of the public peace, health, or safety, or support of the  
3    state government and its existing public institutions, and takes effect  
4    immediately.

      Passed by the Senate February 9, 2010.

      Passed by the House January 28, 2010.

      Approved by the Governor February 15, 2010.

      Filed in Office of Secretary of State February 16, 2010.