S-2154.1

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SUBSTITUTE SENATE BILL 5979

State of Washington 64th Legislature 2015 Regular Session

By Senate Ways & Means (originally sponsored by Senator Braun)

READ FIRST TIME 02/27/15.

AN ACT Relating to providing salary increases in the form of flat dollar monthly increases calculated using the state average wage determined under RCW 50.04.355; reenacting and amending RCW 41.06.070; adding a new section to chapter 28B.52 RCW; adding a new section to chapter 41.76 RCW; adding a new section to chapter 41.80 RCW; adding a new section to chapter 41.56 RCW; providing an effective date; and declaring an emergency.

- 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 9 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 28B.52 10 RCW to read as follows:
- 11 (1) Beginning July 1, 2015, any general salary or wage increase 12 provisions included in a collective bargaining agreement under this 13 chapter must comply with subsection (2) of this section.
- (2) General salary or wage increases negotiated after July 1, 2015, must be provided in the form of an identical dollar increase for all positions covered by a collective bargaining agreement. The agreement must also state the percentage addition that the general salary or wage increase would represent for an employee whose salary was equal to the state average wage under RCW 50.04.355.
- 20 (3) The provisions of this section do not limit positions from 21 receiving increases to address recruitment or retention issues if

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- 1 provided subject to the same conditions and standards used for
- 2 classified employee adjustments under RCW 41.06.152.
- 3 <u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 41.76 4 RCW to read as follows:
- 5 (1) Beginning July 1, 2015, any general salary or wage increase 6 provisions included in a collective bargaining agreement under this 7 chapter must comply with subsection (2) of this section.
- 8 (2) General salary or wage increases negotiated after July 1, 2015, must be provided in the form of an identical dollar increase 10 for all positions covered by a collective bargaining agreement. The 11 agreement must also state the percentage addition that the general 12 salary or wage increase would represent for an employee whose salary 13 was equal to the state average wage under RCW 50.04.355.
- 14 (3) The provisions of this section do not limit positions from 15 receiving increases to address recruitment or retention issues if 16 provided subject to the same conditions and standards used for 17 classified employee adjustments under RCW 41.06.152.
- NEW SECTION. Sec. 3. A new section is added to chapter 41.80 RCW to read as follows:
- 20 (1) Beginning July 1, 2015, any general salary or wage increase 21 provisions included in a collective bargaining agreement under this 22 chapter must comply with subsection (2) of this section.

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- (2) General salary or wage increases negotiated after July 1, 2015, must be provided in the form of an identical dollar increase for all positions covered by a collective bargaining agreement. The agreement must also state the percentage addition that the general salary or wage increase would represent for an employee whose salary was equal to the state average wage under RCW 50.04.355.
- 29 (3) The provisions of this section do not limit positions from 30 receiving increases to address recruitment or retention issues if 31 provided subject to the same conditions and standards used for 32 classified employee adjustments under RCW 41.06.152.
- NEW SECTION. Sec. 4. A new section is added to chapter 41.56 RCW to read as follows:
- 35 (1) Beginning July 1, 2015, any general salary or wage increase 36 provisions included in a collective bargaining agreement for higher 37 education institution and state agency employees under RCW 41.56.021,

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- 1 41.56.022, and 41.56.024 must comply with subsection (2) of this 2 section.
 - (2) General salary or wage increases negotiated after July 1, 2015, must be provided in the form of an identical dollar increase for all positions covered by a collective bargaining agreement. The agreement must also state the percentage addition that the general salary or wage increase would represent for an employee whose salary was equal to the state average wage under RCW 50.04.355.
- 9 (3) The provisions of this section do not limit positions from 10 receiving increases to address recruitment or retention issues if 11 provided subject to the same conditions and standards used for 12 classified employee adjustments under RCW 41.06.152.
- 13 **Sec. 5.** RCW 41.06.070 and 2011 1st sp.s. c 43 s 1010, 2011 1st sp.s. c 39 s 4, and 2011 1st sp.s. c 16 s 22 are each reenacted and amended to read as follows:
 - (1) The provisions of this chapter do not apply to:
 - (a) The members of the legislature or to any employee of, or position in, the legislative branch of the state government including members, officers, and employees of the legislative council, joint legislative audit and review committee, statute law committee, and any interim committee of the legislature;
- (b) The justices of the supreme court, judges of the court of appeals, judges of the superior courts or of the inferior courts, or to any employee of, or position in the judicial branch of state government;
- 26 (c) Officers, academic personnel, and employees of technical 27 colleges;
 - (d) The officers of the Washington state patrol;
 - (e) Elective officers of the state;

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- (f) The chief executive officer of each agency;
- (g) In the departments of employment security and social and health services, the director and the director's confidential secretary; in all other departments, the executive head of which is an individual appointed by the governor, the director, his or her confidential secretary, and his or her statutory assistant directors;
- 36 (h) In the case of a multimember board, commission, or committee, 37 whether the members thereof are elected, appointed by the governor or 38 other authority, serve ex officio, or are otherwise chosen:
 - (i) All members of such boards, commissions, or committees;

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- (ii) If the members of the board, commission, or committee serve on a part-time basis and there is a statutory executive officer: The secretary of the board, commission, or committee; the chief executive officer of the board, commission, or committee; and the confidential secretary of the chief executive officer of the board, commission, or committee;
- (iii) If the members of the board, commission, or committee serve on a full-time basis: The chief executive officer or administrative officer as designated by the board, commission, or committee; and a confidential secretary to the chair of the board, commission, or committee;
- (iv) If all members of the board, commission, or committee serve a ex officio: The chief executive officer; and the confidential secretary of such chief executive officer;
- 15 (i) The confidential secretaries and administrative assistants in 16 the immediate offices of the elective officers of the state;
 - (j) Assistant attorneys general;

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- 18 (k) Commissioned and enlisted personnel in the military service 19 of the state;
- 20 (1) Inmate, student, part-time, or temporary employees, and part-21 time professional consultants, as defined by the Washington personnel 22 resources board;
- 23 (m) Officers and employees of the Washington state fruit 24 commission;
 - (n) Officers and employees of the Washington apple commission;
- 26 (o) Officers and employees of the Washington state dairy products 27 commission;
- (p) Officers and employees of the Washington tree fruit research commission;
- 30 (q) Officers and employees of the Washington state beef 31 commission;
 - (r) Officers and employees of the Washington grain commission;
- 33 (s) Officers and employees of any commission formed under chapter 34 15.66 RCW;
- 35 (t) Officers and employees of agricultural commissions formed 36 under chapter 15.65 RCW;
 - (u) Executive assistants for personnel administration and labor relations in all state agencies employing such executive assistants including but not limited to all departments, offices, commissions, committees, boards, or other bodies subject to the provisions of this

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chapter and this subsection shall prevail over any provision of law inconsistent herewith unless specific exception is made in such law;

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- (v) In each agency with fifty or more employees: Deputy agency heads, assistant directors or division directors, and not more than three principal policy assistants who report directly to the agency head or deputy agency heads;
- (w) Staff employed by the department of commerce to administer energy policy functions;
 - (x) The manager of the energy facility site evaluation council;
- (y) A maximum of ten staff employed by the department of commerce to administer innovation and policy functions, including the three principal policy assistants exempted under (v) of this subsection;
- (z) Staff employed by Washington State University to administer energy education, applied research, and technology transfer programs under RCW 43.21F.045 as provided in RCW 28B.30.900(5);
- (aa) Officers and employees of the consolidated technology services agency created in RCW 43.105.006 that perform the following functions or duties: Systems integration; data center engineering and management; network systems engineering and management; information technology contracting; information technology customer relations management; and network and systems security.
- (2) The following classifications, positions, and employees of institutions of higher education and related boards are hereby exempted from coverage of this chapter:
- (a) Members of the governing board of each institution of higher education and related boards, all presidents, vice presidents, and their confidential secretaries, administrative, and assistants; deans, directors, and chairs; academic personnel; and executive heads of major administrative or academic divisions employed by institutions of higher education; principal assistants to executive heads of major administrative or academic divisions; other managerial or professional employees in an institution or related board having substantial responsibility for directing or controlling program operations and accountable for allocation of resources and program results, or for the formulation of institutional policy, or for carrying out personnel administration or labor functions, legislative relations, public information, development, senior computer systems and network programming, or internal audits and investigations; and any employee of a community college district whose place of work is one which is physically located outside the

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state of Washington and who is employed pursuant to RCW 28B.50.092 and assigned to an educational program operating outside of the state of Washington;

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- (b) The governing board of each institution, and related boards, may also exempt from this chapter classifications involving research activities, counseling of students, extension or continuing education activities, graphic arts or publications activities requiring prescribed academic preparation or special training as determined by the board: PROVIDED, That no nonacademic employee engaged in office, clerical, maintenance, or food and trade services may be exempted by the board under this provision;
- (c) Printing craft employees in the department of printing at the University of Washington.
- (3) In addition to the exemptions specifically provided by this chapter, the director may provide for further exemptions pursuant to the following procedures. The governor or other appropriate elected official may submit requests for exemption to the office of financial management stating the reasons for requesting such exemptions. The director shall hold a public hearing, after proper notice, on requests submitted pursuant to this subsection. If the director determines that the position for which exemption is requested is one involving substantial responsibility for the formulation of basic agency or executive policy or one involving directing and controlling program operations of an agency or a major administrative division thereof, or is a senior expert in enterprise information technology infrastructure, engineering, or systems, the director shall grant the request. The total number of additional exemptions permitted under this subsection shall not exceed one percent of the number employees in the classified service not including employees institutions of higher education and related boards for those agencies not directly under the authority of any elected public official other than the governor, and shall not exceed a total of twenty-five for all agencies under the authority of elected public officials other than the governor.

The salary and fringe benefits of all positions presently or hereafter exempted except for the chief executive officer of each agency, full-time members of boards and commissions, administrative assistants and confidential secretaries in the immediate office of an elected state official, and the personnel listed in subsections (1)(j) through (t) and (2) of this section, shall be determined by

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the director. Changes to the classification plan affecting exempt salaries must meet the same provisions for classified salary increases resulting from adjustments to the classification plan as outlined in RCW 41.06.152.

From July 1, 2011, through June 29, 2013, salaries for all positions exempt from classification under this chapter are subject to RCW 41.04.820.

 From February 18, 2009, through June 30, 2013, a salary or wage increase shall not be granted to any position exempt from classification under this chapter, except that a salary or wage increase may be granted to employees pursuant to collective bargaining agreements negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW, and except that increases may be granted for positions for which the employer has demonstrated difficulty retaining qualified employees if the following conditions are met:

- (a) The salary increase can be paid within existing resources;
- 17 (b) The salary increase will not adversely impact the provision 18 of client services; and
 - (c) For any state agency of the executive branch, not including institutions of higher education, the salary increase is approved by the director of the office of financial management.

Any agency granting a salary increase from February 15, 2010, through June 30, 2011, to a position exempt from classification under this chapter shall submit a report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for which salary increases were granted, the size of the increases, and the reasons for giving the increases.

Any agency granting a salary increase from July 1, 2011, through June 30, 2013, to a position exempt from classification under this chapter shall submit a report to the fiscal committees of the legislature by July 31, 2012, and July 31, 2013, detailing the positions for which salary increases were granted during the preceding fiscal year, the size of the increases, and the reasons for giving the increases.

Any person holding a classified position subject to the provisions of this chapter shall, when and if such position is subsequently exempted from the application of this chapter, be afforded the following rights: If such person previously held permanent status in another classified position, such person shall

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1 have a right of reversion to the highest class of position previously held, or to a position of similar nature and salary. 2

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

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

From February 15, 2010, until June 30, 2013, no monetary performance-based awards or incentives may be granted by the director or employers to employees covered by rules adopted under this section. This subsection does not prohibit the payment of awards provided for in chapter 41.60 RCW.

From July 1, 2011, until June 30, 2013, no performance-based awards or incentives may be granted by the director or employers to employees pursuant to a performance management confirmation granted by the department of personnel under WAC 357-37-055.

(4) Beginning July 1, 2015, any general salary or wage increases provided to any positions exempt from classification under this chapter, including general salary or wage increases granted to employees pursuant to collective bargaining agreements negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW that are made applicable to positions under this chapter, must comply with the provisions of this subsection.

General salary or wage increases must be provided in the form of an identical dollar increase for all positions covered by the general salary or wage increase and whose salaries or wages are established pursuant to this section. The director must also state the percentage addition that the general salary or wage increase would represent for an employee whose salary was equal to the state average wage under RCW 50.04.355.

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The provisions of this subsection (4) do not limit exempt 34 positions from receiving increases to address recruitment or 35 retention issues if provided subject to the same conditions and 36 standards used for classified employee adjustments under 37 RCW 41.06.152.

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NEW SECTION. Sec. 6. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2015.

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