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**SENATE BILL 5323**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Senators Rolfes, Braun, and Padden; by request of Office of Financial Management

Read first time 01/21/21. Referred to Committee on Ways & Means.

1 AN ACT Relating to freezing wage and salaries and providing for  
2 furlough days during the 2021-2023 fiscal biennium; amending RCW  
3 28B.50.465, 28B.50.468, 41.06.070, 41.06.500, 43.03.030, and  
4 43.03.040; reenacting and amending RCW 41.06.133; creating new  
5 sections; providing an effective date; and declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** (1) Except as provided in this section,  
8 from July 1, 2021, through June 30, 2023, all state employees of the  
9 executive branch, including employees of state agencies, boards and  
10 commissions, and state institutions of higher education, are subject  
11 to mandatory furloughs as follows:

12 (a) 12 days of furlough from July 1, 2021, through June 30, 2022;  
13 and

14 (b) 12 days of furlough from July 1, 2022, through June 30, 2023.

15 (2) For purposes of subsection (1) of this section, furloughs are  
16 required for all state employees in positions designated by the  
17 employing entity as not requiring backfill. State employees include:

18 (a) Employees in classified service, as defined in RCW 41.06.020;

19 (b) Managers, as defined in RCW 41.06.022; and

20 (c) Employees in positions exempt from state civil service law,  
21 as provided in chapter 41.06 RCW.

1 (3) Furloughs shall be applied as follows:

2 (a) For full-time employees, one furlough day is equal to eight  
3 hours.

4 (b) For part-time employees, furloughs are prorated according to  
5 the employee's full-time equivalent percentage.

6 (4) The following employees are not subject to subsection (1) of  
7 this section:

8 (a) Employees who are in agency or higher education institution  
9 designated backfill positions;

10 (b) Employees of the University of Washington medical center and  
11 Harborview medical center;

12 (c) Elected officials whose salaries are set by the citizens'  
13 commission on salaries for elected officials; and

14 (d) Employees in positions covered by a collective bargaining  
15 agreement if the collective bargaining agreement prevents the  
16 implementation of subsection (1) of this section.

17 (5) The office of financial management may adopt rules, if  
18 needed, to implement this section and to address any employment  
19 impacts.

20 **Sec. 2.** RCW 28B.50.465 and 2013 2nd sp.s. c 5 s 2 are each  
21 amended to read as follows:

22 (1) Academic employees of community and technical college  
23 districts shall be provided an annual salary cost-of-living increase  
24 in accordance with this section. For purposes of this section,  
25 "academic employee" has the same meaning as defined in RCW  
26 28B.52.020.

27 (a) Beginning with the 2001-2002 fiscal year, and for each  
28 subsequent fiscal year, except as provided in (d) of this subsection,  
29 each college district shall receive a cost-of-living allocation  
30 sufficient to increase academic employee salaries, including  
31 mandatory salary-related benefits, by the rate of the yearly increase  
32 in the cost-of-living index.

33 (b) A college district shall distribute its cost-of-living  
34 allocation for salaries and salary-related benefits in accordance  
35 with the district's salary schedules, collective bargaining  
36 agreements, and other compensation policies. No later than the end of  
37 the fiscal year, each college district shall certify to the college  
38 board that it has spent funds provided for cost-of-living increases  
39 on salaries and salary-related benefits.

1 (c) The college board shall include any funded cost-of-living  
2 increase in the salary base used to determine cost-of-living  
3 increases for academic employees in subsequent years.

4 (d) Beginning with the 2001-2002 fiscal year, and for each  
5 subsequent fiscal year except for the 2013-2014 and 2014-2015 fiscal  
6 years, the state shall fully fund the cost-of-living increase set  
7 forth in this section.

8 (2) For the purposes of this section, "cost-of-living index"  
9 means, for any fiscal year, the previous calendar year's annual  
10 average consumer price index, using the official current base,  
11 compiled by the bureau of labor statistics, United States department  
12 of labor for the state of Washington. If the bureau of labor  
13 statistics develops more than one consumer price index for areas  
14 within the state, the index covering the greatest number of people,  
15 covering areas exclusively within the boundaries of the state, and  
16 including all items shall be used for the cost-of-living index in  
17 this section.

18 (3) Subsection (1) of this section is suspended for the 2021-2023  
19 fiscal biennium, and no cost-of-living increases under this section  
20 will be accrued or provided between July 1, 2021, and June 30, 2023.

21 **Sec. 3.** RCW 28B.50.468 and 2013 2nd sp.s. c 5 s 3 are each  
22 amended to read as follows:

23 (1) Classified employees of technical colleges shall be provided  
24 an annual salary cost-of-living increase in accordance with this  
25 section. For purposes of this section, "technical college" has the  
26 same meaning as defined in RCW 28B.50.030. This section applies to  
27 only those classified employees under the jurisdiction of chapter  
28 41.56 RCW.

29 (a) Beginning with the 2001-2002 fiscal year, and for each  
30 subsequent fiscal year, except as provided in (d) of this subsection,  
31 each technical college board of trustees shall receive a cost-of-  
32 living allocation sufficient to increase classified employee  
33 salaries, including mandatory salary-related benefits, by the rate of  
34 the yearly increase in the cost-of-living index.

35 (b) A technical college board of trustees shall distribute its  
36 cost-of-living allocation for salaries and salary-related benefits in  
37 accordance with the technical college's salary schedules, collective  
38 bargaining agreements, and other compensation policies. No later than  
39 the end of the fiscal year, each technical college shall certify to

1 the college board that it has spent funds provided for cost-of-living  
2 increases on salaries and salary-related benefits.

3 (c) The college board shall include any funded cost-of-living  
4 increase in the salary base used to determine cost-of-living  
5 increases for technical college classified employees in subsequent  
6 years.

7 (d) Beginning with the 2001-2002 fiscal year, and for each  
8 subsequent fiscal year except for the 2013-2014 and 2014-2015 fiscal  
9 years, the state shall fully fund the cost-of-living increase set  
10 forth in this section.

11 (2) For the purposes of this section, "cost-of-living index"  
12 means, for any fiscal year, the previous calendar year's annual  
13 average consumer price index, using the official current base,  
14 compiled by the bureau of labor statistics, United States department  
15 of labor for the state of Washington. If the bureau of labor  
16 statistics develops more than one consumer price index for areas  
17 within the state, the index covering the greatest number of people,  
18 covering areas exclusively within the boundaries of the state, and  
19 including all items shall be used for the cost-of-living index in  
20 this section.

21 (3) Subsection (1) of this section is suspended for the 2021-2023  
22 fiscal biennium, and no cost-of-living increases under this section  
23 will be accrued or provided between July 1, 2021, and June 30, 2023.

24 **Sec. 4.** RCW 41.06.070 and 2019 c 146 s 3 are each amended to  
25 read as follows:

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

27 (a) The members of the legislature or to any employee of, or  
28 position in, the legislative branch of the state government including  
29 members, officers, and employees of the legislative council, joint  
30 legislative audit and review committee, statute law committee, and  
31 any interim committee of the legislature;

32 (b) The justices of the supreme court, judges of the court of  
33 appeals, judges of the superior courts or of the inferior courts, or  
34 to any employee of, or position in the judicial branch of state  
35 government;

36 (c) Officers, academic personnel, and employees of technical  
37 colleges;

38 (d) The officers of the Washington state patrol;

39 (e) Elective officers of the state;

1 (f) The chief executive officer of each agency;

2 (g) In the departments of employment security and social and  
3 health services, the director and the director's confidential  
4 secretary; in all other departments, the executive head of which is  
5 an individual appointed by the governor, the director, his or her  
6 confidential secretary, and his or her statutory assistant directors;

7 (h) In the case of a multimember board, commission, or committee,  
8 whether the members thereof are elected, appointed by the governor or  
9 other authority, serve ex officio, or are otherwise chosen:

10 (i) All members of such boards, commissions, or committees;

11 (ii) If the members of the board, commission, or committee serve  
12 on a part-time basis and there is a statutory executive officer: The  
13 secretary of the board, commission, or committee; the chief executive  
14 officer of the board, commission, or committee; and the confidential  
15 secretary of the chief executive officer of the board, commission, or  
16 committee;

17 (iii) If the members of the board, commission, or committee serve  
18 on a full-time basis: The chief executive officer or administrative  
19 officer as designated by the board, commission, or committee; and a  
20 confidential secretary to the chair of the board, commission, or  
21 committee;

22 (iv) If all members of the board, commission, or committee serve  
23 ex officio: The chief executive officer; and the confidential  
24 secretary of such chief executive officer;

25 (i) The confidential secretaries and administrative assistants in  
26 the immediate offices of the elective officers of the state;

27 (j) Assistant attorneys general;

28 (k) Commissioned and enlisted personnel in the military service  
29 of the state;

30 (l) Inmate, student, and temporary employees, and part-time  
31 professional consultants, as defined by the director;

32 (m) Officers and employees of the Washington state fruit  
33 commission;

34 (n) Officers and employees of the Washington apple commission;

35 (o) Officers and employees of the Washington state dairy products  
36 commission;

37 (p) Officers and employees of the Washington tree fruit research  
38 commission;

39 (q) Officers and employees of the Washington state beef  
40 commission;

1 (r) Officers and employees of the Washington grain commission;  
2 (s) Officers and employees of any commission formed under chapter  
3 15.66 RCW;  
4 (t) Officers and employees of agricultural commissions formed  
5 under chapter 15.65 RCW;  
6 (u) Executive assistants for personnel administration and labor  
7 relations in all state agencies employing such executive assistants  
8 including but not limited to all departments, offices, commissions,  
9 committees, boards, or other bodies subject to the provisions of this  
10 chapter and this subsection shall prevail over any provision of law  
11 inconsistent herewith unless specific exception is made in such law;  
12 (v) In each agency with fifty or more employees: Deputy agency  
13 heads, assistant directors or division directors, and not more than  
14 three principal policy assistants who report directly to the agency  
15 head or deputy agency heads;  
16 (w) Staff employed by the department of commerce to administer  
17 energy policy functions;  
18 (x) The manager of the energy facility site evaluation council;  
19 (y) A maximum of ten staff employed by the department of commerce  
20 to administer innovation and policy functions, including the three  
21 principal policy assistants exempted under (v) of this subsection;  
22 (z) Staff employed by Washington State University to administer  
23 energy education, applied research, and technology transfer programs  
24 under RCW 43.21F.045 as provided in RCW 28B.30.900(5);  
25 (aa) Officers and employees of the consolidated technology  
26 services agency created in RCW 43.105.006 that perform the following  
27 functions or duties: Systems integration; data center engineering and  
28 management; network systems engineering and management; information  
29 technology contracting; information technology customer relations  
30 management; and network and systems security;  
31 (bb) The executive director of the Washington statewide reentry  
32 council.

33 (2) The following classifications, positions, and employees of  
34 institutions of higher education and related boards are hereby  
35 exempted from coverage of this chapter:

36 (a) Members of the governing board of each institution of higher  
37 education and related boards, all presidents, vice presidents, and  
38 their confidential secretaries, administrative, and personal  
39 assistants; deans, directors, and chairs; academic personnel; and  
40 executive heads of major administrative or academic divisions

1 employed by institutions of higher education; principal assistants to  
2 executive heads of major administrative or academic divisions; other  
3 managerial or professional employees in an institution or related  
4 board having substantial responsibility for directing or controlling  
5 program operations and accountable for allocation of resources and  
6 program results, or for the formulation of institutional policy, or  
7 for carrying out personnel administration or labor relations  
8 functions, legislative relations, public information, development,  
9 senior computer systems and network programming, or internal audits  
10 and investigations; and any employee of a community college district  
11 whose place of work is one which is physically located outside the  
12 state of Washington and who is employed pursuant to RCW 28B.50.092  
13 and assigned to an educational program operating outside of the state  
14 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 may provide for further exemptions pursuant to  
27 the following procedures. The governor or other appropriate elected  
28 official may submit requests for exemption to the office of financial  
29 management stating the reasons for requesting such exemptions. The  
30 director shall hold a public hearing, after proper notice, on  
31 requests submitted pursuant to this subsection. If the director  
32 determines that the position for which exemption is requested is one  
33 involving substantial responsibility for the formulation of basic  
34 agency or executive policy or one involving directing and controlling  
35 program operations of an agency or a major administrative division  
36 thereof, or is a senior expert in enterprise information technology  
37 infrastructure, engineering, or systems, the director shall grant the  
38 request. The total number of additional exemptions permitted under  
39 this subsection shall not exceed one percent of the number of  
40 employees in the classified service not including employees of

1 institutions of higher education and related boards for those  
2 agencies not directly under the authority of any elected public  
3 official other than the governor, and shall not exceed a total of  
4 twenty-five for all agencies under the authority of elected public  
5 officials other than the governor.

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

16 Except as otherwise authorized in this act, from July 1, 2021,  
17 through June 30, 2023, a salary or wage increase shall not be granted  
18 to any position exempt from classification under this chapter.

19 (5)(a) Any person holding a classified position subject to the  
20 provisions of this chapter shall, when and if such position is  
21 subsequently exempted from the application of this chapter, be  
22 afforded the following rights: If such person previously held  
23 permanent status in another classified position, such person shall  
24 have a right of reversion to the highest class of position previously  
25 held, or to a position of similar nature and salary.

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

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

34 **Sec. 5.** RCW 41.06.133 and 2011 1st sp.s. c 43 s 407 and 2011 1st  
35 sp.s. c 39 s 5 are each reenacted and amended to read as follows:

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



1 (a) The reduction, dismissal, suspension, or demotion of an  
2 employee;

3 (b) Training and career development;

4 (c) Probationary periods of six to twelve months and rejections  
5 of probationary employees, depending on the job requirements of the  
6 class, except as follows:

7 (i) Entry-level state park rangers shall serve a probationary  
8 period of twelve months; and

9 (ii) The probationary period of campus police officer appointees  
10 who are required to attend the Washington state criminal justice  
11 training commission basic law enforcement academy shall extend from  
12 the date of appointment until twelve months from the date of  
13 successful completion of the basic law enforcement academy, or twelve  
14 months from the date of appointment if academy training is not  
15 required. The director shall adopt rules to ensure that employees  
16 promoting to campus police officer who are required to attend the  
17 Washington state criminal justice training commission basic law  
18 enforcement academy shall have the trial service period extend from  
19 the date of appointment until twelve months from the date of  
20 successful completion of the basic law enforcement academy, or twelve  
21 months from the date of appointment if academy training is not  
22 required;

23 (d) Transfers;

24 (e) Promotional preferences;

25 (f) Sick leaves and vacations;

26 (g) Hours of work;

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

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

30 (j) Subject to RCW 41.04.820, adoption and revision of a state  
31 salary schedule to reflect the prevailing rates in Washington state  
32 private industries and other governmental units. The rates in the  
33 salary schedules or plans shall be increased if necessary to attain  
34 comparable worth under an implementation plan under RCW 41.06.155  
35 and, for institutions of higher education and related boards, shall  
36 be competitive for positions of a similar nature in the state or the  
37 locality in which an institution of higher education or related board  
38 is located. Such adoption and revision is subject to approval by the  
39 director of financial management in accordance with chapter 43.88  
40 RCW;

1 (k) Increment increases within the series of steps for each pay  
2 grade based on length of service for all employees whose standards of  
3 performance are such as to permit them to retain job status in the  
4 classified service. From February 18, 2009, through June 30, 2013,  
5 and from July 1, 2021, through June 30, 2023, a salary or wage  
6 increase shall not be granted to any exempt position under this  
7 chapter, except that a salary or wage increase may be granted to  
8 employees pursuant to collective bargaining agreements negotiated  
9 under chapter 28B.52, 41.56, 47.64, (~~or~~) 41.76, or 41.80 RCW, and  
10 except that increases may be granted for positions for which the  
11 employer has demonstrated difficulty retaining qualified employees if  
12 the following conditions are met:

13 (i) The salary increase can be paid within existing resources;

14 (ii) The salary increase will not adversely impact the provision  
15 of client services; and

16 (iii) For any state agency of the executive branch, not including  
17 institutions of higher education, the salary increase is approved by  
18 the director of the office of financial management;

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

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

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

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

23 (2) Rules adopted under this section by the director shall  
24 provide for local administration and management by the institutions  
25 of higher education and related boards, subject to periodic audit and  
26 review by the director.

27 (3) Rules adopted by the director under this section may be  
28 superseded by the provisions of a collective bargaining agreement  
29 negotiated under RCW 41.80.001 and 41.80.010 through 41.80.130. The  
30 supersession of such rules shall only affect employees in the  
31 respective collective bargaining units.

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

34 (i) The number of classified, Washington management service, and  
35 exempt employees in the agency and the change compared to the  
36 previous report;

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

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

1 (b) A report that compiles the data in (a) of this subsection for  
2 all agencies will be provided annually to the governor and the  
3 appropriate committees of the legislature and must be posted for the  
4 public on the office of financial management's agency website.

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

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

14 **Sec. 6.** RCW 41.06.500 and 2011 1st sp.s. c 39 s 6 are each  
15 amended to read as follows:

16 (1) Except as provided in RCW 41.06.070 and subject to RCW  
17 41.04.820, notwithstanding any other provisions of this chapter, the  
18 director is authorized to adopt, after consultation with state  
19 agencies and employee organizations, rules for managers as defined in  
20 RCW 41.06.022. These rules shall not apply to managers employed by  
21 institutions of higher education or related boards or whose positions  
22 are exempt. The rules shall govern recruitment, appointment,  
23 classification and allocation of positions, examination, training and  
24 career development, hours of work, probation, certification,  
25 compensation, transfer, affirmative action, promotion, layoff,  
26 reemployment, performance appraisals, discipline, and any and all  
27 other personnel practices for managers. These rules shall be separate  
28 from rules adopted for other employees, and to the extent that the  
29 rules adopted under this section apply only to managers shall take  
30 precedence over rules adopted for other employees, and are not  
31 subject to review by the board.

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

34 (a) Development of a simplified classification system that  
35 facilitates movement of managers between agencies and promotes upward  
36 mobility;

37 (b) Creation of a compensation system that provides flexibility  
38 in setting and changing salaries, and shall require review and

1 approval by the director in the case of any salary changes greater  
2 than five percent proposed for any group of employees;

3 (c) Establishment of a performance appraisal system that  
4 emphasizes individual accountability for program results and  
5 efficient management of resources; effective planning, organization,  
6 and communication skills; valuing and managing workplace diversity;  
7 development of leadership and interpersonal abilities; and employee  
8 development;

9 (d) Strengthening management training and career development  
10 programs that build critical management knowledge, skills, and  
11 abilities; focusing on managing and valuing workplace diversity;  
12 empowering employees by enabling them to share in workplace decision  
13 making and to be innovative, willing to take risks, and able to  
14 accept and deal with change; promoting a workplace where the overall  
15 focus is on the recipient of the government services and how these  
16 services can be improved; and enhancing mobility and career  
17 advancement opportunities;

18 (e) Permitting flexible recruitment and hiring procedures that  
19 enable agencies to compete effectively with other employers, both  
20 public and private, for managers with appropriate skills and  
21 training; allowing consideration of all qualified candidates for  
22 positions as managers; and achieving affirmative action goals and  
23 diversity in the workplace;

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

26 (g) Facilitating decentralized and regional administration.

27 (3) (a) From February 18, 2009, through June 30, 2013, a salary or  
28 wage increase shall not be granted to any position under this  
29 section, except that increases may be granted for positions for which  
30 the employer has demonstrated difficulty retaining qualified  
31 employees if the following conditions are met:

32 ~~((a))~~ (i) The salary increase can be paid within existing  
33 resources;

34 ~~((b))~~ (ii) The salary increase will not adversely impact the  
35 provision of client services; and

36 ~~((c))~~ (iii) For any state agency of the executive branch, not  
37 including institutions of higher education, the salary increase is  
38 approved by the director of the office of financial management.

39 (b) Any agency granting a salary increase from February 15, 2010,  
40 through June 30, 2011, to a position under this section shall submit

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

5 (c) Any agency granting a salary increase from July 1, 2011,  
6 through June 30, 2013, to a position under this section shall submit  
7 a report to the fiscal committees of the legislature by July 31,  
8 2012, and July 31, 2013, detailing the positions for which salary  
9 increases were granted during the preceding fiscal year, the size of  
10 the increases, and the reasons for giving the increases.

11 (d) From July 1, 2021, through June 30, 2023, a salary or wage  
12 increase shall not be granted to any position under this section,  
13 except that increases may be granted for positions for which the  
14 employer has demonstrated difficulty retaining qualified employees if  
15 the following conditions are met:

16 (i) The salary increase can be paid within existing resources;

17 (ii) The salary increase will not adversely impact the provision  
18 of client services; and

19 (iii) For any state agency of the executive branch, not including  
20 institutions of higher education, the salary increase is approved by  
21 the director of the office of financial management.

22 (4) (a) From February 15, 2010, until June 30, 2013, no monetary  
23 performance-based awards or growth and development progression  
24 adjustments may be granted by the director or employers to the  
25 Washington management service employees covered by the rules adopted  
26 under this section. This subsection does not prohibit the payment of  
27 awards provided for in chapter 41.60 RCW.

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

32 (c) From July 1, 2011, through June 29, 2013, salaries for all  
33 positions under this section are subject to RCW 41.04.820.

34 **Sec. 7.** RCW 43.03.030 and 2011 1st sp.s. c 39 s 7 are each  
35 amended to read as follows:

36 (1) Wherever the compensation of any appointive state officer or  
37 employee is fixed by statute, it may be hereafter increased or  
38 decreased in the manner provided by law for the fixing of

1 compensation of other appointive state officers or employees; but  
2 this subsection shall not apply to the heads of state departments.

3 (2) Wherever the compensation of any state officer appointed by  
4 the governor, or of any employee in any office or department under  
5 the control of any such officer, is fixed by statute, such  
6 compensation may hereafter, from time to time, be changed by the  
7 governor, and he or she shall have power to fix such compensation at  
8 any amount not to exceed the amount fixed by statute.

9 (3) From February 18, 2009, through June 30, 2013, a salary or  
10 wage increase shall not be granted to any position under this  
11 section, except that increases may be granted for positions for which  
12 the employer has demonstrated difficulty retaining qualified  
13 employees if the following conditions are met:

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

15 (b) The salary increase will not adversely impact the provision  
16 of client services; and

17 (c) For any state agency of the executive branch, not including  
18 institutions of higher education, the salary increase is approved by  
19 the director of the office of financial management.

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

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

32 From July 1, 2011, through June 29, 2013, salaries for all  
33 positions under this section are subject to RCW 41.04.820.

34 (4) From July 1, 2021, through June 30, 2023, a salary or wage  
35 increase shall not be granted to any position under this section,  
36 except that increases may be granted for positions for which the  
37 employer has demonstrated difficulty retaining qualified employees if  
38 the following conditions are met:

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

1 (b) The salary increase will not adversely impact the provision  
2 of client services; and

3 (c) For any state agency of the executive branch, not including  
4 institutions of higher education, the salary increase is approved by  
5 the director of the office of financial management.

6 **Sec. 8.** RCW 43.03.040 and 2018 c 272 s 1 are each amended to  
7 read as follows:

8 (1) Subject to RCW 41.04.820, the directors of the several  
9 departments and members of the several boards and commissions, whose  
10 salaries are fixed by the governor and the chief executive officers  
11 of the agencies named in RCW 43.03.028(1) as now or hereafter amended  
12 shall each severally receive such salaries, payable in monthly  
13 installments, as shall be fixed by the governor or the appropriate  
14 salary fixing authority, and, unless set according to RCW  
15 41.26.717(1), in an amount not to exceed the recommendations of the  
16 office of financial management.

17 (2) From February 18, 2009, through June 30, 2013, a salary or  
18 wage increase shall not be granted to any position under this  
19 section, except that increases may be granted for positions for which  
20 the employer has demonstrated difficulty retaining qualified  
21 employees if the following conditions are met:

22 ~~((1))~~ (a) The salary increase can be paid within existing  
23 resources;

24 ~~((2))~~ (b) The salary increase will not adversely impact the  
25 provision of client services; and

26 ~~((3))~~ (c) For any state agency of the executive branch, not  
27 including institutions of higher education, the salary increase is  
28 approved by the director of the office of financial management.

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

35 (4) Any agency granting a salary increase from July 1, 2011,  
36 through June 30, 2013, to a position under this section shall submit  
37 a report to the fiscal committees of the legislature by July 31,  
38 2012, and July 31, 2013, detailing the positions for which salary



1 increases were granted during the preceding fiscal year, the size of  
2 the increases, and the reasons for giving the increases.

3 (5) From July 1, 2021, through June 30, 2023, a salary or wage  
4 increase shall not be granted to any position under this section,  
5 except that increases may be granted for positions for which the  
6 employer has demonstrated difficulty retaining qualified employees if  
7 the following conditions are met:

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

9 (b) The salary increase will not adversely impact the provision  
10 of client services; and

11 (c) Except for institutions of higher education, the salary  
12 increase is approved by the director of the office of financial  
13 management.

14 NEW SECTION. Sec. 9. If any part of this act is found to be in  
15 conflict with federal requirements that are a prescribed condition to  
16 the allocation of federal funds to the state, the conflicting part of  
17 this act is inoperative solely to the extent of the conflict and with  
18 respect to the agencies directly affected, and this finding does not  
19 affect the operation of the remainder of this act in its application  
20 to the agencies concerned. Rules adopted under this act must meet  
21 federal requirements that are a necessary condition to the receipt of  
22 federal funds by the state.

23 NEW SECTION. Sec. 10. This act is necessary for the immediate  
24 preservation of the public peace, health, or safety, or support of  
25 the state government and its existing public institutions, and takes  
26 effect July 1, 2021.

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