

SENATE BILL REPORT

ESHB 1361

As Reported by Senate Committee On:
State Government & Elections, March 17, 2023

Title: An act relating to updating statutes related to state employment by removing obsolete language, eliminating unnecessary reports, conforming a reporting period to fiscal year, and modernizing employee pay procedures.

Brief Description: Updating statutes related to state employment by removing obsolete language, eliminating unnecessary reports, conforming a reporting period to fiscal year, and modernizing employee pay procedures.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Abbarno, Rule, Reeves and Gregerson; by request of Office of Financial Management).

Brief History: Passed House: 2/16/23, 98-0.

Committee Activity: State Government & Elections: 3/10/23, 3/17/23 [DP, w/oRec].

Brief Summary of Bill

- Removes obsolete language related to comparable worth and locally competitive higher education salary schedules.
- Removes several temporary salary freeze provisions dating from February 18, 2009, until July 31, 2013.
- Eliminates annual reporting requirements from each state agency to the Office of Financial Management (OFM) on the number of specified types of employees and the use of bonus or incentive awards.
- Requires that state employees appointed on or after July 1, 2023, be paid only through electronic transfers of funds.
- Suspends the right of civil service exempt employees to revert to a classified position if the employee has been notified in writing that they are the subject of a specified workplace investigation.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

SENATE COMMITTEE ON STATE GOVERNMENT & ELECTIONS

Majority Report: Do pass.

Signed by Senators Hunt, Chair; Valdez, Vice Chair; Wilson, J., Ranking Member; Dozier, Fortunato and Kuderer.

Minority Report: That it be referred without recommendation.

Signed by Senator Hasegawa.

Staff: Danielle Creech (786-7412)

Background: The Office of Financial Management (OFM) has, among several duties, responsibility for the direction and supervision of personnel policies and application of the civil service laws of the state. The Department of Enterprise Services directs and supervises the implementation of those laws and policies for the state workforce. Each agency has responsibilities for reporting on and implementing changes to the structure of salaries and employment of the state workforce.

Summary of Bill: Salary schedule language related to comparable worth and locally competitive higher education salary schedules is repealed. Several temporary salary freeze provisions dating from February 2009 to July 2013 are also repealed.

Annual reporting requirement from each state agency to OFM on the number of specified types of employees and the use of bonus or incentive awards are eliminated. Language that prohibits monetary performance-based awards or incentives during the period between February 15, 2010, and June 30, 2013, is repealed.

State employees appointed on or after July 1, 2023, must be paid only through electronic transfers of funds. The requirement to pay new employees by electronic transfer of funds does not apply to new employees at the University of Washington until July 1, 2025.

The right of civil service exempt employees to revert to a classified position is suspended if the employee has been notified in writing that they are the subject of a workplace investigation that could result in a gross misconduct or malfeasance finding. Written notice includes notice sent by email to the employees' work email address.

Submittal requirements for state agency reports to the Department of Social and Health Services and the Governor's Disability Employment Task Force are changed from adhering to a calendar year to a fiscal year.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: This is OFM request legislation that will help OFM complete HR tasks more efficiently, and close a rare, but concerning loophole. The two areas of substantive change in this bill are employees being paid through electronic transfer of funds which increases efficiency and provides a cost-savings, and suspending civil service exempt employees from the ability to revert back to classified positions in situations where they have been notified in writing that there is an ongoing investigation.

Persons Testifying: PRO: Representative Peter Abbarno, Prime Sponsor; K.D. Chapman-See, Office of Financial Management; Michaela Doelman, Office of Financial Management.

Persons Signed In To Testify But Not Testifying: No one.