

# HOUSE BILL REPORT

## ESHB 2054

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As Passed Legislature  
April 22, 1993

**Title:** An act relating to state government.

**Brief Description:** Reforming public employment law.

**Sponsors:** By House Committee on Appropriations (originally sponsored by Representatives Peery, Reams, Anderson, Heavey, R. Fisher, G. Cole, Ogden and Lemmon; by request of Governor Lowry).

**Brief History:**

Reported by House Committee on:  
Appropriations, March 6, 1993, DPS;  
Passed House, March 15, 1993, 54-44;  
Amended by Senate;  
Passed Legislature, April 22, 1993, 94-3.

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Locke, Chair; Valle, Vice Chair; Appelwick; Basich; Dellwo; Dorn; Dunshee; G. Fisher; Jacobsen; Lemmon; Leonard; Linville; Peery; Rust; Sommers; Wang; and Wineberry.

**Minority Report:** Do not pass. Signed by 9 members: Representatives Silver, Ranking Minority Member; Carlson, Assistant Ranking Minority Member; Ballasiotes; Cooke; Sehlin; Sheahan; Stevens; Talcott; and Wolfe.

**Staff:** Dennis Karras (786-7102); Barbara McLain (786-7153); and Chris Cordes (786-7117).

**Background:**

CIVIL SERVICE

State Civil Service System

The State Personnel Board, composed of three members appointed by the governor, sets overall policy for the civil service system as it applies to state employees. The board

has some appeals authority, but most state civil service appeals are heard by the Personnel Appeals Board.

The director of the Department of Personnel (DOP) is responsible for the central administration of the state civil service. The governor appoints the director from a list of three names submitted by the board, which selects candidates based on a competitive examination.

Certain employees are exempt from state civil service. A position may be designated exempt either by statute, or by the State Personnel Board on the request of the governor or another elected executive. The requested exemptions are limited to 187 positions for the governor and 25 for other elected officials. Examples of statutory exemptions include directors and assistant directors of state agencies; assistant attorneys general; officers of the State Patrol; and in agencies with more than 50 employees, deputy and division directors, and up to three principal policy assistants reporting to a director or deputy director.

The Career Executive Program was established in 1980 to promote excellence in managerial skills. No more than 2 percent of civil service employees may participate in the program. Currently, about 600 employees in 50 agencies take part. Other non-exempt management employees are generally treated the same as non-management employees under civil service rules.

DOP is funded through a charge to agencies of not more than 1 percent of the salaries of classified employees.

#### Higher Education Civil Service System

The Higher Education Personnel Board (HEPB) is also composed of three members appointed by the governor. Like the State Personnel Board, HEPB sets overall policy for classified employees of four-year institutions and community colleges. However, administration of the higher education civil service is decentralized and performed by each individual institution.

HEPB is funded through a charge to institutions of not more than 0.5 percent of the salaries of classified employees.

#### **Summary of Bill:**

##### CIVIL SERVICE

#### **Consolidation of Civil Service Systems**

The state civil service system and the higher education personnel law are consolidated into one civil service system. The Higher Education Personnel Board and the State Personnel Board are abolished. The powers and functions of these boards are transferred to the Washington Personnel Resources Board.

The Washington Personnel Resources Board is composed of three members appointed by the governor, subject to Senate confirmation. These requirements are the same as for the current State Personnel Board and the current members will serve out their terms.

The director of personnel is appointed by the governor, subject to Senate confirmation, and serves at the governor's pleasure.

#### **Rules for Agency Managers**

The director is authorized to adopt personnel rules for non-exempt managers in agencies other than institutions of higher education. These rules are separate from the rules adopted by the board and are not subject to review by the board. Managers under these rules may be disciplined or dismissed only for cause.

Training courses for supervisory or management positions will focus on the critical knowledge, skills, and abilities for successful management performance, and include instruction on managing and valuing diversity in the workplace. Civil service rules and agency policies will be reviewed to ensure that they support workplace diversity goals.

The Career Executive Program is repealed.

#### **Exemptions from Civil Service**

The number of exempt positions in the "governor's pool" is increased from 187 positions to 1 percent of the classified service, not including employees of institutions of higher education. An employee whose position is exempted may appeal to the Personnel Appeals Board.

#### **Certification of Names for Vacancies**

The number of names certified for vacancies is increased from 5 names to 7 names of applicants rated highest on eligibility lists.

#### **Other Provisions**

Agencies are directed to use joint employee-management Committees to collaborate on organizational structures and improvements, to solve workplace and system delivery problems, and address other issues including employee empowerment and quality of work life issues.

The charges paid by agencies and institutions of higher education to the Department of Personnel service fund are increased to a maximum of 1.5 percent of the wages in classified service; the current maximum charge is 1 percent for state agencies and 0.5 percent for institutions of higher education.

A task force composed of three House members, three Senate members, five persons appointed by the governor, and representatives from employee organizations with at least 500 dues-paying members, is created to study and make recommendations to the Legislature by December 1, 1993, on all aspects of the provision of personnel resources, including collective bargaining and contracting for services.

**Fiscal Note:** Requested March 8, 1993.

**Effective Date:** The bill contains an emergency clause and takes effect July 1, 1993.

**Testimony For:** The state needs to deliver services in the most effective and efficient way possible. Key to that is reform of the civil service system, including collective bargaining where management and labor come together to create solutions to problems and issues faced by the state. The civil service system gets in the way of the state's ability to manage effectively. There are over 930 management classes, each with specific job descriptions. These need to be consolidated to allow the flexibility simply to get the job done. Removing the prohibition on contracting of services also allows flexibility. It makes good management sense to have a range of options available. In times of imminent layoffs, there is a need to guard against layoffs by seniority only, which might prevent progress toward a diversified workforce. The higher education option represents complete, but voluntary reform. It continues the decentralized model that has worked well for higher education, and eliminates any leftover civil service where that is deemed to be in the best interest of the institution and the employees. Employees need full-scale collective bargaining over all aspects of employee interest.

**Testimony Against:** Maintaining an independent personnel board is still the best way to ensure that high standards of impartiality are maintained. There are already sufficient

management exemptions from civil service. Recruitment of qualified candidates who want to spend a career in public service could be negatively affected if the only way to advancement is through an exempt position with an uncertain future. Broadly defined management service corps have been proposed in the past and rejected by state agencies who favored specific, limited job descriptions. Expanding the hiring list to 15 names will simply slow the filling of vacancies. There is support for a diversified workforce, but agencies need to make better use of the affirmative action tools available in hiring, rather than layoffs. A substantial part of the state budget already goes to the private sector. Competition and efficiency are not necessarily the end result of contracting out of services. This has been clearly shown by federal government studies. The collective bargaining proposal represents the destruction of established bargaining relationships. Employees need to participate at the table; large bargaining units preclude that and reduce agency flexibility.

**Witnesses:** Governor Mike Lowry (for); Gary Moore, Washington Federation of State Employees (against); Leonard Nord (against); Bob Edie, University of Washington (for, higher education collective bargaining); Nancy Bratton, Seattle Chamber of Commerce (for, contracting out); Glen Goldstein, Hospital and Health Care Employees, and Service Employees International Union (against); Susan Johnson, Service Employees International Union (for, higher education collective bargaining); Gene St. John, Mark Lyon, and Wayne Gloger, Washington Public Employees Association (against); and Joe Daniels, Professional and Technical Engineers and United Food and Commercial Workers (expressed concerns).