

HOUSE BILL REPORT

HB 2780

As Reported by House Committee On:
State Government Operations & Accountability
Appropriations

Title: An act relating to authorizing additional payroll deductions for state employees.

Brief Description: Authorizing additional payroll deductions for state employees.

Sponsors: Representatives McDermott, Hunt, Santos, Cody, Sells, Conway, Kenney, Ormsby, Williams, Green, Dunshee, Campbell, Appleton, Chase and Hasegawa.

Brief History:

Committee Activity:

State Government Operations & Accountability: 1/24/06, 1/30/06 [DP];

Appropriations: 2/4/06 [DPS].

Brief Summary of Substitute Bill

- Allows payroll deductions made to a labor or employee organization also to be made to any funds, committees, or subsidiary organizations maintained by that labor or employee organization.

HOUSE COMMITTEE ON STATE GOVERNMENT OPERATIONS & ACCOUNTABILITY

Majority Report: Do pass. Signed by 9 members: Representatives Haigh, Chair; Green, Vice Chair; Nixon, Ranking Minority Member; Clements, Assistant Ranking Minority Member; Hunt, McDermott, Miloscia, Schindler and Sump.

Staff: Marsha Reilly (786-7135).

Background:

At the request of a state employee, deductions may be made from the employees salary for payment for the following:

- credit union deductions;
- parking fee deductions;
- U.S. savings bond deductions;
- board, lodging or uniform deductions when furnished by the state, or deductions for academic tuition or fees or scholarship contributions payable to the employing institution;

- dues and other fees deductions;
- labor or employee organization dues;
- insurance contributions for payment of premiums under contracts authorized by the Health Care Authority;
- deductions to a bank, savings bank, or savings and loan association; and
- contributions to the Washington State Combined Fund Drive.

Deductions for labor or employee organization dues may only be made in the event that a payroll deduction is not provided under a collective bargaining agreement and 25 or more employees of a single agency, or a total of 100 or more employees of several agencies, have authorized such a deduction to the same labor or employee organization.

Summary of Bill:

In addition to labor or employee organization dues, an employee may authorize payroll deductions for contributions to any funds, committees, or subsidiary organizations maintained by that labor or employee organization.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: The Washington Federation of State Employees supports the bill. This is an issue of fairness. Union members are the only group that are prevented from seeking additional deductions. The payroll system already does this so it should not add any additional costs.

Testimony Against: None.

Persons Testifying: Representative McDermott, prime sponsor; and Bev Hermanson, Washington Federation of State Employees.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 19 members: Representatives Sommers, Chair; Fromhold, Vice Chair; McDonald, Assistant Ranking Minority Member; Clements, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, Miloscia, Schual-Berke and P. Sullivan.

Minority Report: Do not pass. Signed by 11 members: Representatives Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Armstrong, Bailey, Buri, Chandler, Hinkle, Pearson, Priest, Talcott and Walsh.

Staff: David Pringle (786-7310).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On State Government Operations & Accountability:

The Appropriations Committee substitute bill limits each labor or employee organization to a choice of one fund to receive voluntary employee payroll deductions, and delays the availability of the voluntary deductions until January 1, 2007.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect January 1, 2007.

Testimony For: This allows voluntary deductions to political action committees and charities, or other funds maintained by labor organizations. Only a small number of employees are likely to use this, but we think that the costs in the fiscal note are overstated. The amendments would eliminate much of the cost concern.

Testimony Against: None.

Persons Testifying: (In support) Dennis Eagle, Washington Federation of State Employees.

Persons Signed In To Testify But Not Testifying: None.