

# HOUSE BILL REPORT

## HB 1671

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**As Passed House:**

March 7, 2007

**Title:** An act relating to reclassifications, class studies, and salary adjustments.

**Brief Description:** Modifying provisions relating to reclassifications, class studies, and salary adjustments.

**Sponsors:** By Representative Green; by request of Department of Personnel.

**Brief History:**

**Committee Activity:**

State Government & Tribal Affairs: 2/16/07, 2/20/07 [DP].

**Floor Activity:**

Passed House: 3/7/07, 66-28.

**Brief Summary of Bill**

- Replaces Washington Personnel Resources Board (Resources Board) with the Director of Personnel (Director) in all of RCW 41.06.152.
- Modifies and gives authority to the Director to define the criteria used to adopt classification revisions, class studies, and salary adjustments.
- Deletes the subsections that describe the Resources Board's functions in classification revisions, class studies, and salary adjustments.

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**HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS**

**Majority Report:** Do pass. Signed by 6 members: Representatives Hunt, Chair; Appleton, Vice Chair; Green, McDermott, Miloscia and Ormsby.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Chandler, Ranking Minority Member; Armstrong, Assistant Ranking Minority Member and Kretz.

**Staff:** Alison Hellberg (786-7152).

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

**Background:**

The Personnel System Reform Act (Act) was enacted in 2002. The Act restructured the state civil service system, created a new option for the state to competitively contract work done by state employees, and expanded collective bargaining to include wages and benefits. As part of the restructuring of the state civil service system, the Act transferred rule-making authority from the Washington Personnel Resources Board (Resources Board) to the Department of Personnel, transferred appeal authority from the Personnel Appeals Board (Appeals Board) to the Resources Board, and abolished the Appeals Board.

The Director of Personnel (Director) must also adopt and revise a comprehensive classification plan for all positions in the classified service. When an agency requests revisions, class studies, or salary adjustments, the Director may only adopt the revisions that are due to documented:

- recruitment and retention difficulties;
- salary compression or inversion;
- increased duties and responsibilities; or
- inequities, defined as similar work assigned to different job classes with a salary disparity greater than 7.5 percent.

The Office of Financial Management (OFM) must review the agency's fiscal impact statement and concur that the cost of the revisions can be absorbed by the agency.

When the costs of revisions cannot be absorbed by an agency, the Resources Board may submit a prioritized list of reclassifications, class studies, and salary adjustments to the Governor's Office and the fiscal committees of the Legislature. The Legislature may establish a level of funding to be applied by the Resources Board to the prioritized list.

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**Summary of Bill:**

The Director shall adopt only those job classification revisions, class studies, and salary adjustments that, as defined by the Director, are due to:

- documented recruitment or retention difficulties;
- salary compression or inversion;
- classification plan maintenance;
- higher level duties and responsibilities; or
- inequities.

The OFM must also have reviewed the affected agency's fiscal impact statement and concurred that the affected agency can absorb the cost of the reclassification, class study, or salary adjustment.

The Resources Board is replaced with the Director throughout RCW 41.06.152. The subsections dealing with the following issues are repealed:

- the procedure the Resources Board follows for classification revisions, class studies, or salary adjustments that cannot be absorbed by an agency; and
  - the 1999-2001 biennium.
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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) Most of the changes in this bill are technical to allow for the continued improvement of the state civil service laws. It is a general housekeeping bill related to the Personnel System Reform Act. It repeals language that is superfluous because of the expansion of collective bargaining. It also makes the criteria for classification revisions, class studies, and salary adjustments more flexible and gives the Director authority to define the criteria.

(Opposed) None.

**Persons Testifying:** (In support) Representative Green, prime sponsor; and Mike Sellars, Department of Personnel.

**Persons Signed In To Testify But Not Testifying:** None.