FINAL BILL REPORT
ESSB 5460

C 5 L 09
Synopsis as Enacted

Brief Description: Reducing the administrative cost of state government during the 2007-2009 and 2009-2011 fiscal biennia.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Tom, Zarelli, Prentice, Hewitt and Kline).

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The programs and functions of state government are administered by numerous state agencies and institutions, the costs of which are appropriated by the Legislature. These administrative costs include expenditures for salaries, wages, equipment, personal services contracts, and state employee travel and training.

The salaries and wages of state employees in positions that are classified under the State Civil Service Act are subject to collective bargaining agreements. The salaries and wages of other nonelected employees are determined by their employing agency, the Governor, or the state Department of Personnel.

In September and November 2008, the State Economic and Revenue Forecast Council reported sharp deteriorations in economic conditions in both the nation and the state, resulting in significant downturns in state revenue collections.

In August 2008, the Governor requested that state agencies reduce administrative expenses by freezing the hiring of new employees, nonemergency out-of-state travel, discretionary purchases of new equipment, and the signing of nonemergency personal services contracts, with some exceptions.

Summary: For the 12 months following the enactment of this legislation, state agencies are prohibited from granting salary or wage increases to any employees who are exempt from classification under the State Civil Service Act.

Until July 1, 2009, state agencies are prohibited from establishing new employee positions or filling existing vacant employee positions. Exceptions are provided for specified functions directly related to public health and safety, higher education academic programs, law

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enforcement, revenue collections, the Gambling Commission, and seasonal employment in natural resources agencies and the Department of Transportation maintenance program.

Until July 1, 2009, state agencies are prohibited from signing new contracts for personal services not related to an emergency or not funded from private or federal grants.

Until July 1, 2009, state agencies are prohibited from acquiring items of equipment exceeding $5,000 and not relating to an emergency.

Until July 1, 2009, state agencies are prohibited from making expenditures for state employee out-of-state travel or training not related to an emergency or direct service delivery. Travel costs paid from private or federal grants are not affected.

The hiring, equipment, travel, training, and personal services contract restrictions do not apply to the unemployment insurance program or programs necessary for tax and fee collection or receipt of funds from the federal government.

In institutions of higher education, the restrictions on hiring, personal service contracts, equipment, travel, and training do not apply if the costs are not paid from state funds or tuition.

Exceptions to the prohibitions relating to hiring, contracts, equipment, travel, and training may be granted for executive branch agencies by the Director of Financial Management after five days' notice to the legislative fiscal committees. For the legislative and judicial branches, exceptions will be granted by the Secretary of the Senate, Chief Clerk of the House, and the Chief Justice, respectively.

The act applies to all agencies, offices, and institutions of the executive, legislative, and judicial branches of state government.

Votes on Final Passage:

  Senate   49   0
  House   88   7   (House amended)
  Senate   48   0   (Senate concurred)

Effective: February 18, 2009