

FINAL BILL REPORT

ESSB 5860

C 39 L 11 E 1

Synopsis as Enacted

Brief Description: Addressing temporary compensation reductions for state government employees during the 2011-2013 fiscal biennium.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senator Murray; by request of Office of Financial Management).

Senate 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 costs include expenditures for salaries, wages, equipment, personal services contracts, and state employee travel and training.

Generally, state employment positions are either exempt, general service, or Washington Management Service (WMS). General service employees are eligible to collectively bargain if they so elect. In higher education, employee positions typically are either exempt or general services; some categories of exempt employees as well as general service employees may collectively bargain if they so elect. For example, higher education faculty and graduate students are exempt employees but may collectively bargain. For employees who collectively bargain, salary and wage increases are determined as provided in the existing contract.

Summary: During the 2011-13 biennium, base salaries are reduced 3 percent for all state employees except for elected officials whose salaries are established by the Commission on Salaries for Elected Officials; employees at state institutions of higher education; certificated employees of the state School for the Blind and the Center for Childhood Deafness and Hearing Loss; commissioned officers of the State Patrol; represented ferry workers of the Department of Transportation; and employees whose monthly full-time equivalent salary is less than \$2,500 per month. Employees subject to the salary reduction accrue additional Temporary Salary Reduction leave at the rate of 5.2 hours per month. Amounts paid during the 2011-13 fiscal biennium to state employees who cash-out annual or sick leave at the time of retirement or sick leave in excess of 60 days at any time are not reduced by temporary compensation reductions.

Agencies that are prevented by the terms of a collective bargaining contract from implementing the 3 percent salary reduction are required to achieve a 3 percent reduction in

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compensation expenditures through employee leave without pay, reduced work hours, temporary layoffs, or other actions consistent with the terms of the collective bargaining agreement.

State institutions of higher education are required to reduce compensation to meet savings targets provided in the Omnibus Appropriations Act.

During the 2011-13 fiscal biennium, no performance-based awards or incentives may be granted to state employees. Agencies are prohibited from granting a salary increase for exempt or WMS employees during the 2011-13 fiscal biennium, except in cases where a demonstrated recruitment and retention issue exists; and, in the case of executive branch agencies, the Director of the Office of Financial Management has approved the increase. Agencies that do give salary increases to exempt or WMS employees are required to submit reports by July 31, 2012, and July 31, 2013, describing the increases given and the reasons for granting them.

Votes on Final Passage:

First Special Session

Senate	36	10
House	72	24

Effective: July 1, 2011.