

SENATE BILL REPORT

SB 6591

As Reported by Senate Committee On:
Ways & Means, February 7, 2012

Title: An act relating to setting employee salaries upon reallocation or layoff action.

Brief Description: Setting employee salaries upon reallocation or layoff action.

Sponsors: Senators Tom, Kastama, Hatfield, Hobbs, Pflug, Hill and Schoesler.

Brief History:

Committee Activity: Ways & Means: 2/07/12 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6591 be substituted therefor, and the substitute bill do pass.

Signed by Senators Zarelli, Ranking Minority Member; Parlette, Ranking Minority Member Capital; Baumgartner, Brown, Hatfield, Hewitt, Holmquist Newbry, Honeyford, Kastama, Padden, Schoesler and Tom.

Staff: Erik Sund (786-7454)

Background: 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.

General service and WMS employees' basic salaries are established as a salary schedule that includes a minimum and maximum amount for each job class. If an employee is reallocated to a different job class because of a layoff action, the elimination of a position or the abolition of an existing job class, that employee may continue to be paid at a level equal to the employee's previous salary, even if that exceeds the maximum salary for the new job classification. This practice is commonly referred to as y-rating.

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.

The Personnel System Reform Act of 2002 provides for bargaining by the Governor and representatives of classified employee bargaining units. Mandatory subjects of bargaining include wages, hours, terms and conditions of employment, and grievance procedures, as well as dollar amounts expended per employee for health care benefits. Permissive subjects of bargaining are health care or other insurance benefits, certain civil service rules, and union security provisions. Bargaining over management rights is prohibited. Management rights include, but are not limited to, the functions and programs of the employer; the employer's budget and size of the agency's workforce, including the financial basis for layoffs; the right to supervise employees; and retirement benefits.

Summary of Bill (Recommended Substitute): An employee who is reallocated to a job class with a lower salary range or who is appointed to a position with a lower salary range as a result of a layoff action is paid a base salary based on the salary range of the employee's new job class without regard to the employee's previous salary.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): The substitute does not include the original bill's provision establishing the method for determining of a state employee's salary upon reallocation or appointment to a new job class as a result of a layoff action as a management right that is excluded from collective bargaining.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: CON: We appreciate the effort to protect front-line workers; however, this bill would have some unintended consequences. Y-rating is a way to prevent managers from using pay cuts as a way around established disciplinary procedures. Collective bargaining has not increased the cost of these salary provisions, since they were already established in the administrative codes by the Department of Personnel. Y-rated employees don't receive cost-of-living adjustments until their new salary band has caught up to their y-rated salary. Even with y-rating, the state still saves money when a position is eliminated, because bumping eventually results in the displacement of junior employees. This bill takes away the right of represented employees to bargain wages.

Persons Testifying: CON: Vince Oliveri, Professional and Technical Employees; Seamus Walsh Petrie, WA Public Employees' Assn.; Matt Zuvich, WA Federation of State Employees.