

HOUSE BILL REPORT

2SHB 1122

As Passed House:

March 4, 2023

Title: An act relating to granting Washington management service employees the right to collectively bargain.

Brief Description: Granting Washington management service employees the right to collectively bargain.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Doglio, Berry, Reed, Ramel, Simmons, Reeves, Lekanoff, Bergquist, Kloba, Pollet, Donaghy, Fosse and Ormsby).

Brief History:

Committee Activity:

Labor & Workplace Standards: 1/13/23, 1/20/23 [DPS];

Appropriations: 2/1/23, 2/20/23 [DP2S(w/o sub LAWS)].

Floor Activity:

Passed House: 3/4/23, 88-8.

Brief Summary of Second Substitute Bill

- Grants Washington Management Service (WMS) employees the right to collective bargaining, except for WMS employees in positions with salary bands three, four, and medical, and other specified WMS managers.
- Provides that bargaining over wages is limited to salary band levels.
- Provides that collective bargaining agreements with WMS employees may not take effect before July 1, 2025.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

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

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Berry, Chair; Fosse, Vice Chair; Robertson, Ranking Minority Member; Schmidt, Assistant Ranking Minority Member; Bronoske, Connors, Doglio, Ormsby and Ortiz-Self.

Staff: Trudes Tango (786-7384).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Labor & Workplace Standards. Signed by 20 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Berg, Chopp, Davis, Fitzgibbon, Hansen, Lekanoff, Pollet, Riccelli, Rude, Ryu, Senn, Simmons, Slatter, Springer, Stonier and Tharinger.

Minority Report: Do not pass. Signed by 11 members: Representatives Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; Chandler, Connors, Couture, Dye, Harris, Sandlin, Schmick and Steele.

Staff: David Pringle (786-7310).

Background:

The Washington Management Service.

State civil service law governs the appointment, promotion, transfer, layoff, removal, discipline, and other personnel matters of most state agency employees. The Washington Management Service (WMS) is a separate personnel system for managers within the executive branch of state government. Agencies determine if a position is appropriate for the WMS.

Positions in the WMS are grouped into salary range categories known as WMS bands. Management bands are a series of levels, each with a minimum and maximum salary level. Placement in a band reflects the nature of the work responsibilities, management skill requirements, and reporting accountability. The WMS positions requiring a medical degree are placed into the WMS medical band.

Collective bargaining.

The Personnel System Reform Act (PSRA) provides for collective bargaining of wages, hours, and other terms and conditions of employment with classified employees of state agencies and institutions of higher education. Employees covered under the PSRA include all state civil service employees, unless specifically excluded. The PSRA excludes WMS employees from collective bargaining. In addition, the PSRA excludes: employees already

covered under the Public Employee Collective Bargaining Act; confidential employees; internal auditors in any agency; and employees of the Public Employment Relations Commission (PERC), the Office of Financial Management, and the Office of Risk Management within the Department of Enterprise Services.

The PERC administers the PSRA, and among other things, has the authority to determine and certify appropriate bargaining units. Under the PSRA, exclusive bargaining representatives of more than one bargaining unit must negotiate one master collective bargaining agreement covering all of the represented employees.

Summary of Second Substitute Bill:

The provisions prohibiting WMS employees from collective bargaining are amended to allow certain WMS employees the right to collective bargaining. The WMS employees excluded from bargaining are those who are:

- in positions within salary bands three, four, and medical;
- human resource managers;
- budget managers;
- risk and litigation managers;
- employees in positions whose primary official duties include conducting employee-related investigations, including possible unfair practices under the Washington Law Against Discrimination, unlawful conduct, conduct violating an agency's internal policy, or employee misconduct or performance;
- employees in positions that report directly to an assistant secretary, deputy secretary, agency director, or equivalent; and
- employees who are already excluded under the PSRA.

Bargaining over wages is limited to salary band levels, not individual WMS classifications or positions.

Generally, the only bargaining units that may be designated are a supervisory or nonsupervisory unit of all salary band one and salary band two WMS employees within an agency. However, more than two bargaining units may be designated at the following agencies:

- Department of Corrections;
- Department of Social and Health Services;
- Department of Children, Youth and Families;
- Department of Transportation;
- Department of Health;
- Health Care Authority;
- Department of Natural Resources;
- Department of Enterprise Services;
- Department of Ecology;
- Employment Security Department; and

- Department of Fish and Wildlife.

Negotiations for eligible WMS employees must be within the bargaining agreements under the provision requiring one master bargaining agreement when the exclusive bargaining representative represents more than one bargaining unit.

Any agreement entered into with WMS employees may not take effect before July 1, 2025.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on January 1, 2024.

Staff Summary of Public Testimony (Labor & Workplace Standards):

(In support) This bill allows managers to form a union if they choose to, just as managers in cities and counties are able to do. Some employees forego promotions because they do not want to promote out of the ability to bargain. Without the ability to collectively bargain, employees are stuck where they are. Represented employees consistently get salary increases and WMS employees do not. There are some WMS managers who are paid at the same rate or less than the people they are supervising who have bargaining rights.

(Opposed) None.

Staff Summary of Public Testimony (Appropriations):

(In support) The WMS employees continue to fall behind in compensation compared to classified employees. Giving WMS band one and two employees a chance to bargain is a good idea. The Washington Federation of State Employees doesn't expect large numbers of WMS employees to organize into collective bargaining units, but there are some that will.

(Opposed) None.

(Other) There are some contradictions in the bill that remain unresolved. Generally, these employees have gotten the same across-the-board salary increase as classified employees. It isn't clear how this bill will change the likely outcomes for WMS employees. If the bill goes ahead, these employees should have access to secret ballots for representation, just like what was provided to legislative employees last year.

Persons Testifying (Labor & Workplace Standards): Representative Beth Doglio, prime sponsor; Matt Merry; John Conaty; and Mike Poston.

Persons Testifying (Appropriations): (In support) Brandon Anderson, Washington

Federation of State Employees.

(Other) Maxford Nelsen, Freedom Foundation.

Persons Signed In To Testify But Not Testifying (Labor & Workplace Standards):
None.

Persons Signed In To Testify But Not Testifying (Appropriations): None.