

HOUSE BILL REPORT

ESHB 1361

As Passed House:

February 16, 2023

Title: An act relating to updating statutes related to state employment by removing obsolete language, eliminating unnecessary reports, conforming a reporting period to fiscal year, and modernizing employee pay procedures.

Brief Description: Updating statutes related to state employment by removing obsolete language, eliminating unnecessary reports, conforming a reporting period to fiscal year, and modernizing employee pay procedures.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Abbarno, Rule, Reeves and Gregerson; by request of Office of Financial Management).

Brief History:

Committee Activity:

Appropriations: 1/26/23, 2/1/23 [DPS].

Floor Activity:

Passed House: 2/16/23, 98-0.

Brief Summary of Engrossed Substitute Bill

- Removes obsolete salary schedule language related to comparable worth and locally competitive higher education salary schedules.
- Removes several temporary salary freeze provisions dating from February 18, 2009, until July 31, 2013.
- Eliminates annual reporting requirements from each state agency to the Office of Financial Management on the number of specified types of employees and the use of bonus or incentive awards.
- Requires that state employees appointed on or after July 1, 2023, be paid only through electronic transfers of funds.
- Suspends the right of civil service exempt employees to revert to a

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classified position if the employee has been notified in writing that they are the subject of a specified workplace investigation.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 30 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; Berg, Chandler, Chopp, Connors, Couture, Davis, Dye, Fitzgibbon, Hansen, Harris, Lekanoff, Pollet, Riccelli, Rude, Ryu, Sandlin, Schmick, Senn, Simmons, Slatter, Springer, Steele, Stonier and Tharinger.

Staff: David Pringle (786-7310).

Background:

The Office of Financial Management (OFM) has, among several duties, responsibility for the direction and supervision of personnel policies and application of the civil service laws of the state. The Department of Enterprise Services directs and supervises the implementation of those laws and policies for the state workforce. Each agency has responsibilities for reporting on and implementing changes to the structure of salaries and employment of the state workforce.

Summary of Engrossed Substitute Bill:

Obsolete salary schedule language related to comparable worth and locally competitive higher education salary schedules is repealed. Several temporary salary freeze provisions dating from February 18, 2009, until July 31, 2013, are also repealed.

Annual reporting requirement from each state agency to the OFM on the number of specified types of employees and the use of bonus or incentive awards are eliminated. Language that prohibits monetary performance-based awards or incentives during the period between February 15, 2010, and June 30, 2013, is repealed.

State employees appointed on or after July 1, 2023, must be paid only through electronic transfers of funds. The requirement to pay new employees by electronic transfer of funds does not apply to new employees at the University of Washington until July 1, 2025.

The right of civil service exempt employees to revert to a classified position is suspended if the employee has been notified in writing that they are the subject of a workplace investigation that could result in a gross misconduct or malfeasance finding. A writing for the purposes of this notice includes an email sent to the employees' work email address.

The year used for state agencies to report information to the Department of Social and Health Services and the Governor's Disability Employment Task Force is changed from a calendar year to a fiscal year.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) It is great that a bill can reduce the cost of administering state government. The direct deposit requirement is certainly one of those changes, and the restriction on reversion to civil service addresses a rare, but significant issue. The bill updates and modernizes state human resources administrative rules in several areas. Far fewer bonuses and incentives are available to employees today, so the reporting that is required by current law is unnecessary. The payroll change is only for new employees, and a payment card will be available for those that need it.

(Opposed) None.

Persons Testifying: Representative Peter Abbarno, prime sponsor; and K.D. Chapman-See and Michaela Doelman, Office of Financial Management.

Persons Signed In To Testify But Not Testifying: None.