
State Government & Tribal Relations Committee

HB 1774

Brief Description: Concerning public employee salary surveys.

Sponsors: Representatives Gregerson, Doglio, Berry, Bronoske, Santos, Fosse, Reed, Ormsby and Pollet.

Brief Summary of Bill

- Requires the Office of Financial Management (OFM), beginning on January 1, 2024, to negotiate the classification plan with bargaining representatives prior to its adoption.
- Authorizes the OFM to specifically consider inequities documented in salary survey data showing specific job classifications that are significantly behind market rate as a basis for adopting job classification revisions, class studies, or salary adjustments to the classification plan.
- Includes as a matter subject to collective bargaining, beginning on January 1, 2024, the benchmark descriptions and job classifications that will be used by the OFM in conducting salary surveys.

Hearing Date: 2/14/23

Staff: Desiree Omli (786-7105).

Background:

Classified Service Employees.

Classified employees are subject to the civil service statute. Most classified employees are union represented and covered by collective bargaining agreements. Washington Management Service

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employees are classified, but not represented. Non-classified covered employees are in positions exempt from the civil service statute, but are covered under a bargaining agreement or regulation. As of January 2023, 93.8 percent of the general government workforce, excluding higher education institutions, are covered by civil service laws or a bargaining agreement.

Office of Financial Management - Human Resources.

Classification plan. As the State Human Resources, the Office of Financial Management (OFM) must adopt and maintain a classification plan for all positions in the classified service; any revisions to the plan must be adopted by the OFM. The plan must be based on a review and analysis of duties and responsibilities of each position, and must include a description of each class. By rule, the classification plan is prepared and revised in consultation with employers, employee organizations, and other interested parties.

With exceptions, the following criteria must be met for the OFM to adopt job classification revisions, class studies, or salary adjustments to the classification plan:

- the OFM has reviewed the fiscal impact statement of the affected employer and concurs that the biennial cost of the revision or salary adjustment is absorbable within the employer's current authorized level of funding for the current fiscal biennium and subsequent fiscal biennia; and
- the revision or salary adjustment is due to one of the following causes:
 - documented recruitment or retention difficulties;
 - salary compression or inversion;
 - classification plan maintenance;
 - higher level duties and responsibilities; or
 - inequities.

Compensation Surveys. The OFM is also required to conduct a salary and benefits survey to compare the state's compensation and fringe benefits in the state's classified structures to other public and private employers in the state. Fringe benefits are the benefits outside of a person's regular pay, such as paid leave, employee training and development, telework, and long-term disability insurance. The OFM also collects information about retirement benefits, health care benefits, and pay practices, such as pay premiums and paid time off. In its 2022 compensation study report, the OFM found that the state's compensation lags behind the market. The OFM's compensation survey is one tool and data source that is used in conjunction with other workforce factors when informing potential changes to pay, benefits, or working conditions. The OFM conducts a compensation survey every two years.

Collective Bargaining.

Generally, the Personnel System Reform Act (PSRA) provides collective bargaining for employees of state agencies who are covered by the civil service laws. Matters subject to collective bargaining under the PSRA include wages, hours, and other terms and conditions of employment and the negotiation of any question arising under a collective bargaining agreement. The employer is not required to bargain over matters related to retirement benefits, healthcare benefits, or other employee insurance benefits. For purposes of negotiations, state

agencies are represented by the Governor. Collective bargaining agreements must be submitted to the OFM by October 1, and to the Legislature as part of the Governor's budget proposal. The Legislature must accept or reject the request for funds necessary to implement the agreements as a whole.

The Public Employment Relations Commission (PERC) has jurisdiction over public sector labor relations and collective bargaining in the state. The PERC determines appropriate bargaining units, certifies exclusive bargaining representatives, administers the eight different collective bargaining laws, and assist parties in resolving labor-management disputes in various areas including contract mediation for collective bargaining agreements, grievance mediation, and unfair labor practice settlement.

Summary of Bill:

Office of Financial Management - Human Resources.

Classification plan. Beginning on January 1, 2024, the OFM may not adopt any classification plan unless the plan has been negotiated with the appropriate bargaining representatives.

The type of inequity that may be a basis for the OFM to adopt job classification revisions, class studies, or salary adjustments is expanded to include inequities documented in salary survey data showing specific job classifications that are significantly behind market rate.

Collective Bargaining.

Beginning January 1, 2024, matters subject to bargaining include the benchmark descriptions and job classifications that will be used by the OFM in conducting salary surveys. Negotiations must be conducted between the employer and one coalition of all bargaining representatives representing specific classifications.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains multiple effective dates.