

SENATE BILL REPORT

SB 5694

As Reported by Senate Committee On:
State Government & Elections, February 17, 2023

Title: An act relating to public employee salary surveys.

Brief Description: Concerning public employee salary surveys.

Sponsors: Senators Hunt, Saldaña and Wilson, C..

Brief History:

Committee Activity: State Government & Elections: 2/14/23, 2/17/23 [DP-WM, DNP].

Brief Summary of Bill

- Permits the Office of Financial Management (OFM) to adopt job classification revisions, class studies, and salary adjustments due to inequities documented in salary survey data showing specific job classifications that are significantly behind market rate.
- Requires OFM to, before adoption, negotiate any classification plan with the appropriate employee organization representing classified employees.
- Subjects benchmark descriptions and job classifications used by OFM in conducting salary surveys to bargaining.

SENATE COMMITTEE ON STATE GOVERNMENT & ELECTIONS

Majority Report: Do pass and be referred to Committee on Ways & Means.
Signed by Senators Hunt, Chair; Valdez, Vice Chair; Hasegawa and Kuderer.

Minority Report: Do not pass.
Signed by Senators Wilson, J., Ranking Member; Dozier and Fortunato.

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.

Staff: Danielle Creech (786-7412)

Background: State Salary Survey. The Office of Financial Management (OFM) conducts a salary and benefits survey to compare the state's compensation and fringe benefits to other public and private employers within Washington. This survey is conducted biennially. OFM uses benchmark jobs, which are the state's version of a comparable job in the market, to compare base pay among competitors. The survey also collects information about pay practices, retirement benefits, and healthcare benefits. This information is compiled into a report, which does not define the appropriate compensation level for the state's workforce, but is used as a tool to find the appropriate balance among containing government operations costs, compensating state employees fairly, and competing for specialized employees in the job market. The most recent state salary survey report was released in April 2022.

The 2022 report used 197 benchmark jobs to compare base pay among competitors. The report indicates that state salary ranges are more competitive at the bottom of the pay range. When factoring in total compensation, the survey found that the state lags behind the market by negative 16.3 percent across all market segments.

Summary of Bill: OFM may adopt job classification revisions, class studies, and salary adjustments based on documented inequities in salary survey data showing specific job classifications that are significantly behind market rate.

Beginning in 2024, OFM may not adopt any classification plan unless it has been negotiated with the appropriate employee organization representing classified employees. The benchmark descriptions and job classifications that will be used by OFM to conduct salary surveys are subject to bargaining. Negotiations must be conducted between the employer and one coalition of all bargaining representatives representing specific classifications.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: This bill will result in fairer salary comparisons and help relieve the staffing crisis. The private sector pays more than the public sector, which leads to public jobs being mere training grounds instead of long-term careers. Many public job salaries are 30-50% below market rate. State employees who are loyal to their jobs end up being punished by this gap. This bill will allow the Office of Financial Management to be more flexible with addressing the disparity between public and private salaries, but there are still questions about implementation.

Persons Testifying: PRO: Senator Sam Hunt, Prime Sponsor; Chuck Pirtle, Washington Federation of State Employees, WFSE; Daniel Jones; Ruth Daniel; Margaret Hodun, WPEA member.

Persons Signed In To Testify But Not Testifying: No one.