
SENATE BILL 5323

State of Washington

67th Legislature

2021 Regular Session

By Senator Rolfes; by request of Office of Financial Management

1 AN ACT Relating to freezing wage and salaries and providing for
2 furlough days during the 2021-2023 fiscal biennium; amending RCW
3 28B.50.465, 28B.50.468, 41.06.070, 41.06.500, 43.03.030, and
4 43.03.040; reenacting and amending RCW 41.06.133; creating new
5 sections; providing an effective date; and declaring an emergency.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** (1) Except as provided in this section,
8 from July 1, 2021, through June 30, 2023, all state employees of the
9 executive branch, including employees of state agencies, boards and
10 commissions, and state institutions of higher education, are subject
11 to mandatory furloughs as follows:

12 (a) 12 days of furlough from July 1, 2021, through June 30, 2022;
13 and

14 (b) 12 days of furlough from July 1, 2022, through June 30, 2023.

15 (2) For purposes of subsection (1) of this section, furloughs are
16 required for all state employees in positions designated by the
17 employing entity as not requiring backfill. State employees include:

18 (a) Employees in classified service, as defined in RCW 41.06.020;

19 (b) Managers, as defined in RCW 41.06.022; and

20 (c) Employees in positions exempt from state civil service law,
21 as provided in chapter 41.06 RCW.

1 (3) Furloughs shall be applied as follows:

2 (a) For full-time employees, one furlough day is equal to eight
3 hours.

4 (b) For part-time employees, furloughs are prorated according to
5 the employee's full-time equivalent percentage.

6 (4) The following employees are not subject to subsection (1) of
7 this section:

8 (a) Employees who are in agency or higher education institution
9 designated backfill positions;

10 (b) Employees of the University of Washington medical center and
11 Harborview medical center;

12 (c) Elected officials whose salaries are set by the citizens'
13 commission on salaries for elected officials; and

14 (d) Employees in positions covered by a collective bargaining
15 agreement if the collective bargaining agreement prevents the
16 implementation of subsection (1) of this section.

17 (5) The office of financial management may adopt rules, if
18 needed, to implement this section and to address any employment
19 impacts.

20 **Sec. 2.** RCW 28B.50.465 and 2013 2nd sp.s. c 5 s 2 are each
21 amended to read as follows:

22 (1) Academic employees of community and technical college
23 districts shall be provided an annual salary cost-of-living increase
24 in accordance with this section. For purposes of this section,
25 "academic employee" has the same meaning as defined in RCW
26 28B.52.020.

27 (a) Beginning with the 2001-2002 fiscal year, and for each
28 subsequent fiscal year, except as provided in (d) of this subsection,
29 each college district shall receive a cost-of-living allocation
30 sufficient to increase academic employee salaries, including
31 mandatory salary-related benefits, by the rate of the yearly increase
32 in the cost-of-living index.

33 (b) A college district shall distribute its cost-of-living
34 allocation for salaries and salary-related benefits in accordance
35 with the district's salary schedules, collective bargaining
36 agreements, and other compensation policies. No later than the end of
37 the fiscal year, each college district shall certify to the college
38 board that it has spent funds provided for cost-of-living increases
39 on salaries and salary-related benefits.

1 (c) The college board shall include any funded cost-of-living
2 increase in the salary base used to determine cost-of-living
3 increases for academic employees in subsequent years.

4 (d) Beginning with the 2001-2002 fiscal year, and for each
5 subsequent fiscal year except for the 2013-2014 and 2014-2015 fiscal
6 years, the state shall fully fund the cost-of-living increase set
7 forth in this section.

8 (2) For the purposes of this section, "cost-of-living index"
9 means, for any fiscal year, the previous calendar year's annual
10 average consumer price index, using the official current base,
11 compiled by the bureau of labor statistics, United States department
12 of labor for the state of Washington. If the bureau of labor
13 statistics develops more than one consumer price index for areas
14 within the state, the index covering the greatest number of people,
15 covering areas exclusively within the boundaries of the state, and
16 including all items shall be used for the cost-of-living index in
17 this section.

18 (3) Subsection (1) of this section is suspended for the 2021-2023
19 fiscal biennium, and no cost-of-living increases under this section
20 will be accrued or provided between July 1, 2021, and June 30, 2023.

21 **Sec. 3.** RCW 28B.50.468 and 2013 2nd sp.s. c 5 s 3 are each
22 amended to read as follows:

23 (1) Classified employees of technical colleges shall be provided
24 an annual salary cost-of-living increase in accordance with this
25 section. For purposes of this section, "technical college" has the
26 same meaning as defined in RCW 28B.50.030. This section applies to
27 only those classified employees under the jurisdiction of chapter
28 41.56 RCW.

29 (a) Beginning with the 2001-2002 fiscal year, and for each
30 subsequent fiscal year, except as provided in (d) of this subsection,
31 each technical college board of trustees shall receive a cost-of-
32 living allocation sufficient to increase classified employee
33 salaries, including mandatory salary-related benefits, by the rate of
34 the yearly increase in the cost-of-living index.

35 (b) A technical college board of trustees shall distribute its
36 cost-of-living allocation for salaries and salary-related benefits in
37 accordance with the technical college's salary schedules, collective
38 bargaining agreements, and other compensation policies. No later than
39 the end of the fiscal year, each technical college shall certify to

1 the college board that it has spent funds provided for cost-of-living
2 increases on salaries and salary-related benefits.

3 (c) The college board shall include any funded cost-of-living
4 increase in the salary base used to determine cost-of-living
5 increases for technical college classified employees in subsequent
6 years.

7 (d) Beginning with the 2001-2002 fiscal year, and for each
8 subsequent fiscal year except for the 2013-2014 and 2014-2015 fiscal
9 years, the state shall fully fund the cost-of-living increase set
10 forth in this section.

11 (2) For the purposes of this section, "cost-of-living index"
12 means, for any fiscal year, the previous calendar year's annual
13 average consumer price index, using the official current base,
14 compiled by the bureau of labor statistics, United States department
15 of labor for the state of Washington. If the bureau of labor
16 statistics develops more than one consumer price index for areas
17 within the state, the index covering the greatest number of people,
18 covering areas exclusively within the boundaries of the state, and
19 including all items shall be used for the cost-of-living index in
20 this section.

21 (3) Subsection (1) of this section is suspended for the 2021-2023
22 fiscal biennium, and no cost-of-living increases under this section
23 will be accrued or provided between July 1, 2021, and June 30, 2023.

24 **Sec. 4.** RCW 41.06.070 and 2019 c 146 s 3 are each amended to
25 read as follows:

26 (1) The provisions of this chapter do not apply to:

27 (a) The members of the legislature or to any employee of, or
28 position in, the legislative branch of the state government including
29 members, officers, and employees of the legislative council, joint
30 legislative audit and review committee, statute law committee, and
31 any interim committee of the legislature;

32 (b) The justices of the supreme court, judges of the court of
33 appeals, judges of the superior courts or of the inferior courts, or
34 to any employee of, or position in the judicial branch of state
35 government;

36 (c) Officers, academic personnel, and employees of technical
37 colleges;

38 (d) The officers of the Washington state patrol;

39 (e) Elective officers of the state;

1 (f) The chief executive officer of each agency;

2 (g) In the departments of employment security and social and
3 health services, the director and the director's confidential
4 secretary; in all other departments, the executive head of which is
5 an individual appointed by the governor, the director, his or her
6 confidential secretary, and his or her statutory assistant directors;

7 (h) In the case of a multimember board, commission, or committee,
8 whether the members thereof are elected, appointed by the governor or
9 other authority, serve ex officio, or are otherwise chosen:

10 (i) All members of such boards, commissions, or committees;

11 (ii) If the members of the board, commission, or committee serve
12 on a part-time basis and there is a statutory executive officer: The
13 secretary of the board, commission, or committee; the chief executive
14 officer of the board, commission, or committee; and the confidential
15 secretary of the chief executive officer of the board, commission, or
16 committee;

17 (iii) If the members of the board, commission, or committee serve
18 on a full-time basis: The chief executive officer or administrative
19 officer as designated by the board, commission, or committee; and a
20 confidential secretary to the chair of the board, commission, or
21 committee;

22 (iv) If all members of the board, commission, or committee serve
23 ex officio: The chief executive officer; and the confidential
24 secretary of such chief executive officer;

25 (i) The confidential secretaries and administrative assistants in
26 the immediate offices of the elective officers of the state;

27 (j) Assistant attorneys general;

28 (k) Commissioned and enlisted personnel in the military service
29 of the state;

30 (l) Inmate, student, and temporary employees, and part-time
31 professional consultants, as defined by the director;

32 (m) Officers and employees of the Washington state fruit
33 commission;

34 (n) Officers and employees of the Washington apple commission;

35 (o) Officers and employees of the Washington state dairy products
36 commission;

37 (p) Officers and employees of the Washington tree fruit research
38 commission;

39 (q) Officers and employees of the Washington state beef
40 commission;

1 (r) Officers and employees of the Washington grain commission;
2 (s) Officers and employees of any commission formed under chapter
3 15.66 RCW;
4 (t) Officers and employees of agricultural commissions formed
5 under chapter 15.65 RCW;
6 (u) Executive assistants for personnel administration and labor
7 relations in all state agencies employing such executive assistants
8 including but not limited to all departments, offices, commissions,
9 committees, boards, or other bodies subject to the provisions of this
10 chapter and this subsection shall prevail over any provision of law
11 inconsistent herewith unless specific exception is made in such law;
12 (v) In each agency with fifty or more employees: Deputy agency
13 heads, assistant directors or division directors, and not more than
14 three principal policy assistants who report directly to the agency
15 head or deputy agency heads;
16 (w) Staff employed by the department of commerce to administer
17 energy policy functions;
18 (x) The manager of the energy facility site evaluation council;
19 (y) A maximum of ten staff employed by the department of commerce
20 to administer innovation and policy functions, including the three
21 principal policy assistants exempted under (v) of this subsection;
22 (z) Staff employed by Washington State University to administer
23 energy education, applied research, and technology transfer programs
24 under RCW 43.21F.045 as provided in RCW 28B.30.900(5);
25 (aa) Officers and employees of the consolidated technology
26 services agency created in RCW 43.105.006 that perform the following
27 functions or duties: Systems integration; data center engineering and
28 management; network systems engineering and management; information
29 technology contracting; information technology customer relations
30 management; and network and systems security;
31 (bb) The executive director of the Washington statewide reentry
32 council.

33 (2) The following classifications, positions, and employees of
34 institutions of higher education and related boards are hereby
35 exempted from coverage of this chapter:

36 (a) Members of the governing board of each institution of higher
37 education and related boards, all presidents, vice presidents, and
38 their confidential secretaries, administrative, and personal
39 assistants; deans, directors, and chairs; academic personnel; and
40 executive heads of major administrative or academic divisions

1 employed by institutions of higher education; principal assistants to
2 executive heads of major administrative or academic divisions; other
3 managerial or professional employees in an institution or related
4 board having substantial responsibility for directing or controlling
5 program operations and accountable for allocation of resources and
6 program results, or for the formulation of institutional policy, or
7 for carrying out personnel administration or labor relations
8 functions, legislative relations, public information, development,
9 senior computer systems and network programming, or internal audits
10 and investigations; and any employee of a community college district
11 whose place of work is one which is physically located outside the
12 state of Washington and who is employed pursuant to RCW 28B.50.092
13 and assigned to an educational program operating outside of the state
14 of Washington;

15 (b) The governing board of each institution, and related boards,
16 may also exempt from this chapter classifications involving research
17 activities, counseling of students, extension or continuing education
18 activities, graphic arts or publications activities requiring
19 prescribed academic preparation or special training as determined by
20 the board: PROVIDED, That no nonacademic employee engaged in office,
21 clerical, maintenance, or food and trade services may be exempted by
22 the board under this provision;

23 (c) Printing craft employees in the department of printing at the
24 University of Washington.

25 (3) In addition to the exemptions specifically provided by this
26 chapter, the director may provide for further exemptions pursuant to
27 the following procedures. The governor or other appropriate elected
28 official may submit requests for exemption to the office of financial
29 management stating the reasons for requesting such exemptions. The
30 director shall hold a public hearing, after proper notice, on
31 requests submitted pursuant to this subsection. If the director
32 determines that the position for which exemption is requested is one
33 involving substantial responsibility for the formulation of basic
34 agency or executive policy or one involving directing and controlling
35 program operations of an agency or a major administrative division
36 thereof, or is a senior expert in enterprise information technology
37 infrastructure, engineering, or systems, the director shall grant the
38 request. The total number of additional exemptions permitted under
39 this subsection shall not exceed one percent of the number of
40 employees in the classified service not including employees of

1 institutions of higher education and related boards for those
2 agencies not directly under the authority of any elected public
3 official other than the governor, and shall not exceed a total of
4 twenty-five for all agencies under the authority of elected public
5 officials other than the governor.

6 (4) The salary and fringe benefits of all positions presently or
7 hereafter exempted except for the chief executive officer of each
8 agency, full-time members of boards and commissions, administrative
9 assistants and confidential secretaries in the immediate office of an
10 elected state official, and the personnel listed in subsections
11 (1)(j) through (t) and (2) of this section, shall be determined by
12 the director. Changes to the classification plan affecting exempt
13 salaries must meet the same provisions for classified salary
14 increases resulting from adjustments to the classification plan as
15 outlined in RCW 41.06.152.

16 Except as otherwise authorized in this act, from July 1, 2021,
17 through June 30, 2023, a salary or wage increase shall not be granted
18 to any position exempt from classification under this chapter.

19 (5) (a) Any person holding a classified position subject to the
20 provisions of this chapter shall, when and if such position is
21 subsequently exempted from the application of this chapter, be
22 afforded the following rights: If such person previously held
23 permanent status in another classified position, such person shall
24 have a right of reversion to the highest class of position previously
25 held, or to a position of similar nature and salary.

26 (b) Any classified employee having civil service status in a
27 classified position who accepts an appointment in an exempt position
28 shall have the right of reversion to the highest class of position
29 previously held, or to a position of similar nature and salary.

30 (c) A person occupying an exempt position who is terminated from
31 the position for gross misconduct or malfeasance does not have the
32 right of reversion to a classified position as provided for in this
33 section.

34 **Sec. 5.** RCW 41.06.133 and 2011 1st sp.s. c 43 s 407 and 2011 1st
35 sp.s. c 39 s 5 are each reenacted and amended to read as follows:

36 (1) The director shall adopt rules, consistent with the purposes
37 and provisions of this chapter and with the best standards of
38 personnel administration, regarding the basis and procedures to be
39 followed for:

1 (a) The reduction, dismissal, suspension, or demotion of an
2 employee;

3 (b) Training and career development;

4 (c) Probationary periods of six to twelve months and rejections
5 of probationary employees, depending on the job requirements of the
6 class, except as follows:

7 (i) Entry-level state park rangers shall serve a probationary
8 period of twelve months; and

9 (ii) The probationary period of campus police officer appointees
10 who are required to attend the Washington state criminal justice
11 training commission basic law enforcement academy shall extend from
12 the date of appointment until twelve months from the date of
13 successful completion of the basic law enforcement academy, or twelve
14 months from the date of appointment if academy training is not
15 required. The director shall adopt rules to ensure that employees
16 promoting to campus police officer who are required to attend the
17 Washington state criminal justice training commission basic law
18 enforcement academy shall have the trial service period extend from
19 the date of appointment until twelve months from the date of
20 successful completion of the basic law enforcement academy, or twelve
21 months from the date of appointment if academy training is not
22 required;

23 (d) Transfers;

24 (e) Promotional preferences;

25 (f) Sick leaves and vacations;

26 (g) Hours of work;

27 (h) Layoffs when necessary and subsequent reemployment, except
28 for the financial basis for layoffs;

29 (i) The number of names to be certified for vacancies;

30 (j) Subject to RCW 41.04.820, adoption and revision of a state
31 salary schedule to reflect the prevailing rates in Washington state
32 private industries and other governmental units. The rates in the
33 salary schedules or plans shall be increased if necessary to attain
34 comparable worth under an implementation plan under RCW 41.06.155
35 and, for institutions of higher education and related boards, shall
36 be competitive for positions of a similar nature in the state or the
37 locality in which an institution of higher education or related board
38 is located. Such adoption and revision is subject to approval by the
39 director of financial management in accordance with chapter 43.88
40 RCW;

1 (k) Increment increases within the series of steps for each pay
2 grade based on length of service for all employees whose standards of
3 performance are such as to permit them to retain job status in the
4 classified service. From February 18, 2009, through June 30, 2013,
5 and from July 1, 2021, through June 30, 2023, a salary or wage
6 increase shall not be granted to any exempt position under this
7 chapter, except that a salary or wage increase may be granted to
8 employees pursuant to collective bargaining agreements negotiated
9 under chapter 28B.52, 41.56, 47.64, (~~or~~) 41.76, or 41.80 RCW, and
10 except that increases may be granted for positions for which the
11 employer has demonstrated difficulty retaining qualified employees if
12 the following conditions are met:

- 13 (i) The salary increase can be paid within existing resources;
14 (ii) The salary increase will not adversely impact the provision
15 of client services; and
16 (iii) For any state agency of the executive branch, not including
17 institutions of higher education, the salary increase is approved by
18 the director of the office of financial management;

19 Any agency granting a salary increase from February 15, 2010,
20 through June 30, 2011, to a position exempt under this chapter shall
21 submit a report to the fiscal committees of the legislature no later
22 than July 31, 2011, detailing the positions for which salary
23 increases were granted, the size of the increases, and the reasons
24 for giving the increases;

25 Any agency granting a salary increase from July 1, 2011, through
26 June 30, 2013, to a position exempt under this chapter shall submit a
27 report to the fiscal committees of the legislature by July 31, 2012,
28 and July 31, 2013, detailing the positions for which salary increases
29 were granted during the preceding fiscal year, the size of the
30 increases, and the reasons for giving the increases;

31 (l) Optional lump sum relocation compensation approved by the
32 agency director, whenever it is reasonably necessary that a person
33 make a domiciliary move in accepting a transfer or other employment
34 with the state. An agency must provide lump sum compensation within
35 existing resources. If the person receiving the relocation payment
36 terminates or causes termination with the state, for reasons other
37 than layoff, disability separation, or other good cause as determined
38 by an agency director, within one year of the date of the employment,
39 the state is entitled to reimbursement of the lump sum compensation
40 from the person;

1 (m) Providing for veteran's preference as required by existing
2 statutes, with recognition of preference in regard to layoffs and
3 subsequent reemployment for veterans and their surviving spouses by
4 giving such eligible veterans and their surviving spouses additional
5 credit in computing their seniority by adding to their unbroken state
6 service, as defined by the director, the veteran's service in the
7 military not to exceed five years. For the purposes of this section,
8 "veteran" means any person who has one or more years of active
9 military service in any branch of the armed forces of the United
10 States or who has less than one year's service and is discharged with
11 a disability incurred in the line of duty or is discharged at the
12 convenience of the government and who, upon termination of such
13 service, has received an honorable discharge, a discharge for
14 physical reasons with an honorable record, or a release from active
15 military service with evidence of service other than that for which
16 an undesirable, bad conduct, or dishonorable discharge shall be
17 given. However, the surviving spouse of a veteran is entitled to the
18 benefits of this section regardless of the veteran's length of active
19 military service. For the purposes of this section, "veteran" does
20 not include any person who has voluntarily retired with twenty or
21 more years of active military service and whose military retirement
22 pay is in excess of five hundred dollars per month.

23 (2) Rules adopted under this section by the director shall
24 provide for local administration and management by the institutions
25 of higher education and related boards, subject to periodic audit and
26 review by the director.

27 (3) Rules adopted by the director under this section may be
28 superseded by the provisions of a collective bargaining agreement
29 negotiated under RCW 41.80.001 and 41.80.010 through 41.80.130. The
30 supersession of such rules shall only affect employees in the
31 respective collective bargaining units.

32 (4)(a) The director shall require that each state agency report
33 annually the following data:

34 (i) The number of classified, Washington management service, and
35 exempt employees in the agency and the change compared to the
36 previous report;

37 (ii) The number of bonuses and performance-based incentives
38 awarded to agency staff and the base wages of such employees; and

39 (iii) The cost of each bonus or incentive awarded.

1 (b) A report that compiles the data in (a) of this subsection for
2 all agencies will be provided annually to the governor and the
3 appropriate committees of the legislature and must be posted for the
4 public on the office of financial management's agency website.

5 (5) (a) From February 15, 2010, until June 30, 2013, no monetary
6 performance-based awards or incentives may be granted by the director
7 or employers to employees covered by rules adopted under this
8 section. This subsection does not prohibit the payment of awards
9 provided for in chapter 41.60 RCW.

10 (b) From July 1, 2011, until June 30, 2013, no performance-based
11 awards or incentives may be granted by the director or employers to
12 employees pursuant to a performance management confirmation granted
13 by the department of personnel under WAC 357-37-055.

14 **Sec. 6.** RCW 41.06.500 and 2011 1st sp.s. c 39 s 6 are each
15 amended to read as follows:

16 (1) Except as provided in RCW 41.06.070 and subject to RCW
17 41.04.820, notwithstanding any other provisions of this chapter, the
18 director is authorized to adopt, after consultation with state
19 agencies and employee organizations, rules for managers as defined in
20 RCW 41.06.022. These rules shall not apply to managers employed by
21 institutions of higher education or related boards or whose positions
22 are exempt. The rules shall govern recruitment, appointment,
23 classification and allocation of positions, examination, training and
24 career development, hours of work, probation, certification,
25 compensation, transfer, affirmative action, promotion, layoff,
26 reemployment, performance appraisals, discipline, and any and all
27 other personnel practices for managers. These rules shall be separate
28 from rules adopted for other employees, and to the extent that the
29 rules adopted under this section apply only to managers shall take
30 precedence over rules adopted for other employees, and are not
31 subject to review by the board.

32 (2) In establishing rules for managers, the director shall adhere
33 to the following goals:

34 (a) Development of a simplified classification system that
35 facilitates movement of managers between agencies and promotes upward
36 mobility;

37 (b) Creation of a compensation system that provides flexibility
38 in setting and changing salaries, and shall require review and

1 approval by the director in the case of any salary changes greater
2 than five percent proposed for any group of employees;

3 (c) Establishment of a performance appraisal system that
4 emphasizes individual accountability for program results and
5 efficient management of resources; effective planning, organization,
6 and communication skills; valuing and managing workplace diversity;
7 development of leadership and interpersonal abilities; and employee
8 development;

9 (d) Strengthening management training and career development
10 programs that build critical management knowledge, skills, and
11 abilities; focusing on managing and valuing workplace diversity;
12 empowering employees by enabling them to share in workplace decision
13 making and to be innovative, willing to take risks, and able to
14 accept and deal with change; promoting a workplace where the overall
15 focus is on the recipient of the government services and how these
16 services can be improved; and enhancing mobility and career
17 advancement opportunities;

18 (e) Permitting flexible recruitment and hiring procedures that
19 enable agencies to compete effectively with other employers, both
20 public and private, for managers with appropriate skills and
21 training; allowing consideration of all qualified candidates for
22 positions as managers; and achieving affirmative action goals and
23 diversity in the workplace;

24 (f) Providing that managers may only be reduced, dismissed,
25 suspended, or demoted for cause; and

26 (g) Facilitating decentralized and regional administration.

27 (3) (a) From February 18, 2009, through June 30, 2013, a salary or
28 wage increase shall not be granted to any position under this
29 section, except that increases may be granted for positions for which
30 the employer has demonstrated difficulty retaining qualified
31 employees if the following conditions are met:

32 ~~((a))~~ (i) The salary increase can be paid within existing
33 resources;

34 ~~((b))~~ (ii) The salary increase will not adversely impact the
35 provision of client services; and

36 ~~((c))~~ (iii) For any state agency of the executive branch, not
37 including institutions of higher education, the salary increase is
38 approved by the director of the office of financial management.

39 (b) Any agency granting a salary increase from February 15, 2010,
40 through June 30, 2011, to a position under this section shall submit

1 a report to the fiscal committees of the legislature no later than
2 July 31, 2011, detailing the positions for which salary increases
3 were granted, the size of the increases, and the reasons for giving
4 the increases.

5 (c) Any agency granting a salary increase from July 1, 2011,
6 through June 30, 2013, to a position under this section shall submit
7 a report to the fiscal committees of the legislature by July 31,
8 2012, and July 31, 2013, detailing the positions for which salary
9 increases were granted during the preceding fiscal year, the size of
10 the increases, and the reasons for giving the increases.

11 (d) From July 1, 2021, through June 30, 2023, a salary or wage
12 increase shall not be granted to any position under this section,
13 except that increases may be granted for positions for which the
14 employer has demonstrated difficulty retaining qualified employees if
15 the following conditions are met:

16 (i) The salary increase can be paid within existing resources;

17 (ii) The salary increase will not adversely impact the provision
18 of client services; and

19 (iii) For any state agency of the executive branch, not including
20 institutions of higher education, the salary increase is approved by
21 the director of the office of financial management.

22 (4) (a) From February 15, 2010, until June 30, 2013, no monetary
23 performance-based awards or growth and development progression
24 adjustments may be granted by the director or employers to the
25 Washington management service employees covered by the rules adopted
26 under this section. This subsection does not prohibit the payment of
27 awards provided for in chapter 41.60 RCW.

28 (b) From July 1, 2011, until June 30, 2013, no performance-based
29 awards or incentives may be granted by the director or employers to
30 employees pursuant to a performance management confirmation granted
31 by the department of personnel under WAC 357-37-055.

32 (c) From July 1, 2011, through June 29, 2013, salaries for all
33 positions under this section are subject to RCW 41.04.820.

34 **Sec. 7.** RCW 43.03.030 and 2011 1st sp.s. c 39 s 7 are each
35 amended to read as follows:

36 (1) Wherever the compensation of any appointive state officer or
37 employee is fixed by statute, it may be hereafter increased or
38 decreased in the manner provided by law for the fixing of

1 compensation of other appointive state officers or employees; but
2 this subsection shall not apply to the heads of state departments.

3 (2) Wherever the compensation of any state officer appointed by
4 the governor, or of any employee in any office or department under
5 the control of any such officer, is fixed by statute, such
6 compensation may hereafter, from time to time, be changed by the
7 governor, and he or she shall have power to fix such compensation at
8 any amount not to exceed the amount fixed by statute.

9 (3) From February 18, 2009, through June 30, 2013, a salary or
10 wage increase shall not be granted to any position under this
11 section, except that increases may be granted for positions for which
12 the employer has demonstrated difficulty retaining qualified
13 employees if the following conditions are met:

14 (a) The salary increase can be paid within existing resources;

15 (b) The salary increase will not adversely impact the provision
16 of client services; and

17 (c) For any state agency of the executive branch, not including
18 institutions of higher education, the salary increase is approved by
19 the director of the office of financial management.

20 Any agency granting a salary increase from February 15, 2010,
21 through June 30, 2011, to a position exempt under this section shall
22 submit a report to the fiscal committees of the legislature no later
23 than July 31, 2011, detailing the positions for which salary
24 increases were granted, the size of the increases, and the reasons
25 for giving the increases.

26 Any agency granting a salary increase from July 1, 2011, through
27 June 30, 2013, to a position exempt under this section shall submit a
28 report to the fiscal committees of the legislature by July 31, 2012,
29 and July 31, 2013, detailing the positions for which salary increases
30 were granted during the preceding fiscal year, the size of the
31 increases, and the reasons for giving the increases.

32 From July 1, 2011, through June 29, 2013, salaries for all
33 positions under this section are subject to RCW 41.04.820.

34 (4) From July 1, 2021, through June 30, 2023, a salary or wage
35 increase shall not be granted to any position under this section,
36 except that increases may be granted for positions for which the
37 employer has demonstrated difficulty retaining qualified employees if
38 the following conditions are met:

39 (a) The salary increase can be paid within existing resources;

1 (b) The salary increase will not adversely impact the provision
2 of client services; and

3 (c) For any state agency of the executive branch, not including
4 institutions of higher education, the salary increase is approved by
5 the director of the office of financial management.

6 **Sec. 8.** RCW 43.03.040 and 2018 c 272 s 1 are each amended to
7 read as follows:

8 (1) Subject to RCW 41.04.820, the directors of the several
9 departments and members of the several boards and commissions, whose
10 salaries are fixed by the governor and the chief executive officers
11 of the agencies named in RCW 43.03.028(1) as now or hereafter amended
12 shall each severally receive such salaries, payable in monthly
13 installments, as shall be fixed by the governor or the appropriate
14 salary fixing authority, and, unless set according to RCW
15 41.26.717(1), in an amount not to exceed the recommendations of the
16 office of financial management.

17 (2) From February 18, 2009, through June 30, 2013, a salary or
18 wage increase shall not be granted to any position under this
19 section, except that increases may be granted for positions for which
20 the employer has demonstrated difficulty retaining qualified
21 employees if the following conditions are met:

22 ~~((1))~~ (a) The salary increase can be paid within existing
23 resources;

24 ~~((2))~~ (b) The salary increase will not adversely impact the
25 provision of client services; and

26 ~~((3))~~ (c) For any state agency of the executive branch, not
27 including institutions of higher education, the salary increase is
28 approved by the director of the office of financial management.

29 (3) Any agency granting a salary increase from February 15, 2010,
30 through June 30, 2011, to a position under this section shall submit
31 a report to the fiscal committees of the legislature no later than
32 July 31, 2011, detailing the positions for which salary increases
33 were granted, the size of the increases, and the reasons for giving
34 the increases.

35 (4) Any agency granting a salary increase from July 1, 2011,
36 through June 30, 2013, to a position under this section shall submit
37 a report to the fiscal committees of the legislature by July 31,
38 2012, and July 31, 2013, detailing the positions for which salary

1 increases were granted during the preceding fiscal year, the size of
2 the increases, and the reasons for giving the increases.

3 (5) From July 1, 2021, through June 30, 2023, a salary or wage
4 increase shall not be granted to any position under this section,
5 except that increases may be granted for positions for which the
6 employer has demonstrated difficulty retaining qualified employees if
7 the following conditions are met:

8 (a) The salary increase can be paid within existing resources;

9 (b) The salary increase will not adversely impact the provision
10 of client services; and

11 (c) Except for institutions of higher education, the salary
12 increase is approved by the director of the office of financial
13 management.

14 NEW SECTION. Sec. 9. If any part of this act is found to be in
15 conflict with federal requirements that are a prescribed condition to
16 the allocation of federal funds to the state, the conflicting part of
17 this act is inoperative solely to the extent of the conflict and with
18 respect to the agencies directly affected, and this finding does not
19 affect the operation of the remainder of this act in its application
20 to the agencies concerned. Rules adopted under this act must meet
21 federal requirements that are a necessary condition to the receipt of
22 federal funds by the state.

23 NEW SECTION. Sec. 10. This act is necessary for the immediate
24 preservation of the public peace, health, or safety, or support of
25 the state government and its existing public institutions, and takes
26 effect July 1, 2021.

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