



OFFICE OF  
**F**INANCIAL **M**ANAGEMENT

# PERSONNEL SERVICES FUNDS

June 22, 2016

# History

In 2011, the Legislature eliminated the Department of Personnel and distributed its responsibilities to the Office of Financial Management and the Department of Enterprise Services.

OFM is now responsible for state HR policy functions.

# General Government Rate

- The statutory rate maximum for general government agencies cannot exceed **1.5%** of the salaries and wages for all positions in the classified service, per Chapter 41.06.280 RCW.
- The current rate charged to state general government agencies is **0.43%**.
- These rates include revenue to support the Public Employment Relations Commission.

# Higher Education Rate

- The statutory rate maximum for higher education institutions cannot exceed **0.5%** of the salaries and wages for all positions in the classified service, per Chapter 41.06.285 RCW.
- The current rate charged to higher education institutions is **0.38%**.
- These rates include revenue to support the Public Employment Relations Commission.

# Core Services For Personnel Funding Sources

- Maintains and administers the state's classification and compensation structures.
- Provides HR analytics, analysis and monitoring on the state's workforce.
- Maintains the civil service personnel rules.
- Administers the state employee engagement survey.
- Oversees the Director's Review Program and Personnel Resources Board's appeal process.
- Provides HR leadership and support to HR governance working committees to help make the state an employer of choice.

# Core Services For Personnel Funding Sources

- Provides leadership as the business owner for the state's human resource information technology systems (HRMS and financial and budgeting projections for employee compensation).
- Manages the state's veterans' and affirmative action-related initiatives.
- Develops and delivers core HR training.
- Provides oversight for Washington Management Service, Exempt Management Service and state salary surveys.
- Delivers statewide strategic HR initiatives.

# Cost Determination

Total cost associated with the personnel services funds depends on the appropriation authority approved by the Legislature.

The cost per agency/institution is determined by allocating the appropriations across all general government agencies/higher education institutions, based on each agency's proportion of salary expenses for the prior biennium.

# Rate Control

Individual agencies/institutions cannot control the amount they will be charged for their share of personnel services.

This portion of the division's budget is set by the Legislature. It depends on new legislation, policy initiatives and changes in agency costs.



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OFFICE OF  
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# LABOR RELATIONS SERVICE ACCOUNT

June 22, 2016

# History

The Legislature passed the Personnel System Reform Act in 2002.

As a result, the Governor's Office, supported by OFM's State Human Resources, negotiates collective bargaining agreements for state agencies and some higher education institutions.

# Rates

The rate for general government agencies cannot exceed **0.1%** of the salaries and wages for all bargaining unit positions in the classified service in each of the agencies subject to collective bargaining, per Chapter 41.80.140 RCW.

The current rate charged to higher education institutions using the services is **0.17%** of salaries for represented employees at each institution.

These rates are applied to agency/institution submitted data for the Compensation Impact Model. They are reviewed and adjusted based on expenditures.

Interagency agreements are used for some lines of business, such as marine employees, Washington State Patrol and nonstate employee collective bargaining.

# Core Services for Labor Relations Account

- Conducts planning and training sessions with representatives of agencies and institutions of higher education in preparation for collective bargaining.
- Conducts negotiations on behalf of the governor for state agencies and on behalf of higher education institutions, in close coordination with stakeholders.
- Provides “train-the-trainer” support to HR staff on executed agreements after conclusion of labor negotiations.

# Core Services for Labor Relations Account

- Provides advice and expertise to agencies and institutions of higher education staff on matters related to contract language.
- Responds to all demands to bargain over changes to mandatory subjects and leads bargaining until an agreement is reached.
- Provides financial projections for all aspects of state employee collective bargaining.
- Provides classification, compensation and data analysis and reporting related to represented classified employees.

# Rate Control

Individual agencies cannot control the amount they will be charged for their share of the Labor Relations Service Account.

If the number of employees covered by collective bargaining units increases, the agency's proportional share of costs will increase.



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