

JUNE 13, 2018

RATE DAY PRESENTATION

OFM

OFFICE OF FINANCIAL MANAGEMENT



PERSONNEL SERVICES FUNDS



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 responsible for state human resource policy functions.

GENERAL GOVERNMENT RATE

- The statutory rate maximum for general government agencies is not to exceed 1.5% of the salaries and wages for all positions in the classified service, per RCW 41.06.280.
- The current rate charged to state general government agencies is .19%.
- Revenue from this rate also supports the Public Employment Relations Commission.

HIGHER EDUCATION RATE

- The statutory rate maximum for higher education institutions is not to exceed .5% of the salaries and wages for all positions in the classified service, per RCW 41.06.285.
- The current rate charged to higher education institutions is .18%.
- Revenue from this rate also supports the Public Employment Relations Commission.

CORE SERVICES FOR PERSONNEL FUNDING

- Maintains and administers the state's classification and compensation structures.
- Provides HR analytics, analysis and monitoring of 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 leadership and support to HR governance working committees to help make the state an Employer of Choice.

CORE SERVICES FOR PERSONNEL FUNDING

- Provides leadership as the business owner for the state's HR 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 such as those on diversity, equity, inclusion and employee resource groups.

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.

RATE CONTROL

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

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

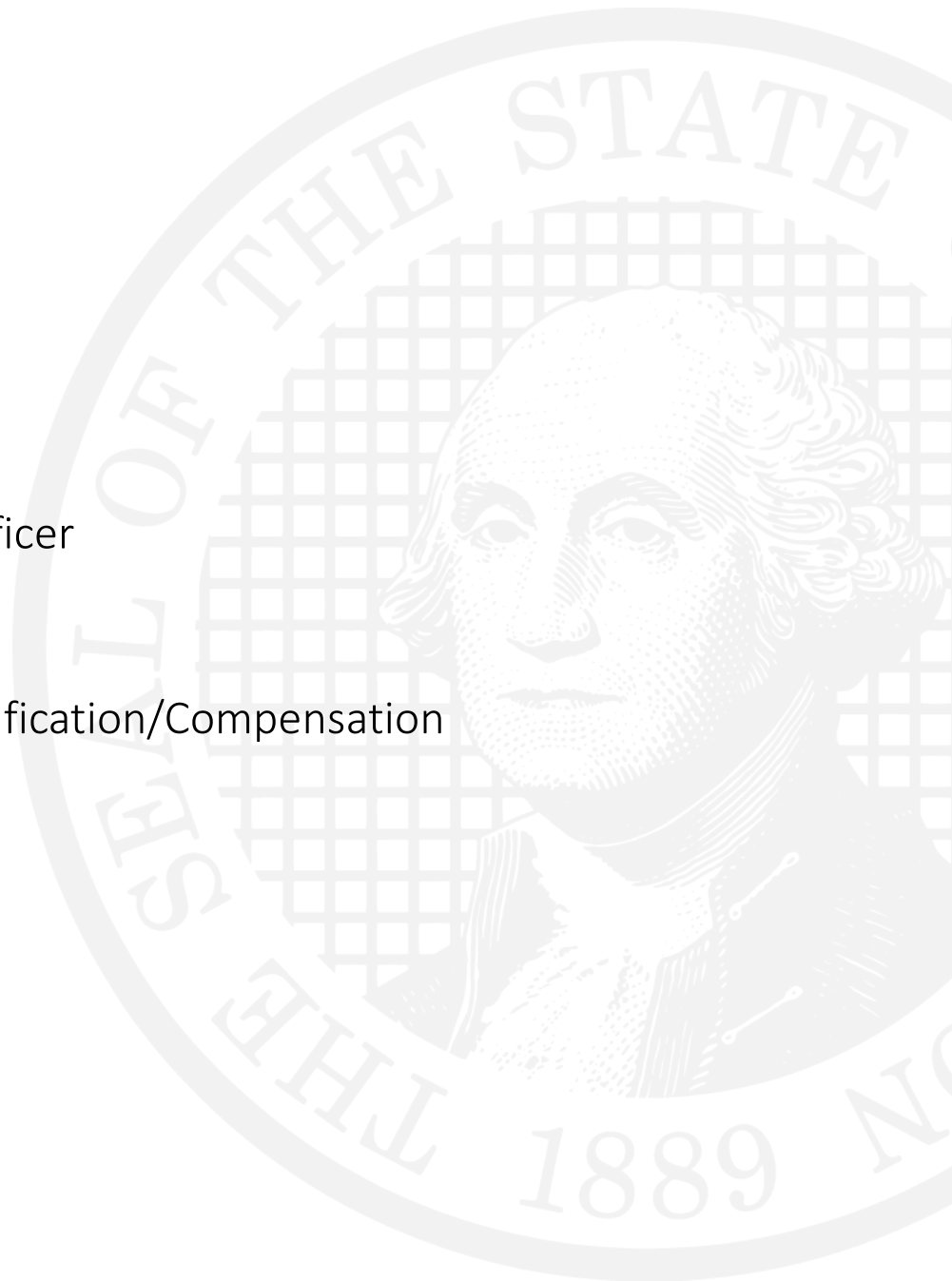
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LABOR RELATIONS SERVICES ACCOUNT



HISTORY

The Washington State Legislature passed the Personnel System Reform Act in 2002.

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

RATES

The rate for general government agencies is not to exceed .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 RCW 41.80.140.

The current rate charged to higher education institutions using the services is .17% of salaries for the represented employees at each institution.

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

Interagency agreements are used for some lines of business such as marine employees, Washington State Patrol, and non-state employee and K-12 health care 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 the conclusion of labor negotiations.

CORE SERVICES FOR LABOR RELATIONS ACCOUNT

- Provides advice and expertise to agencies and institutions of higher education staff addressing 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.

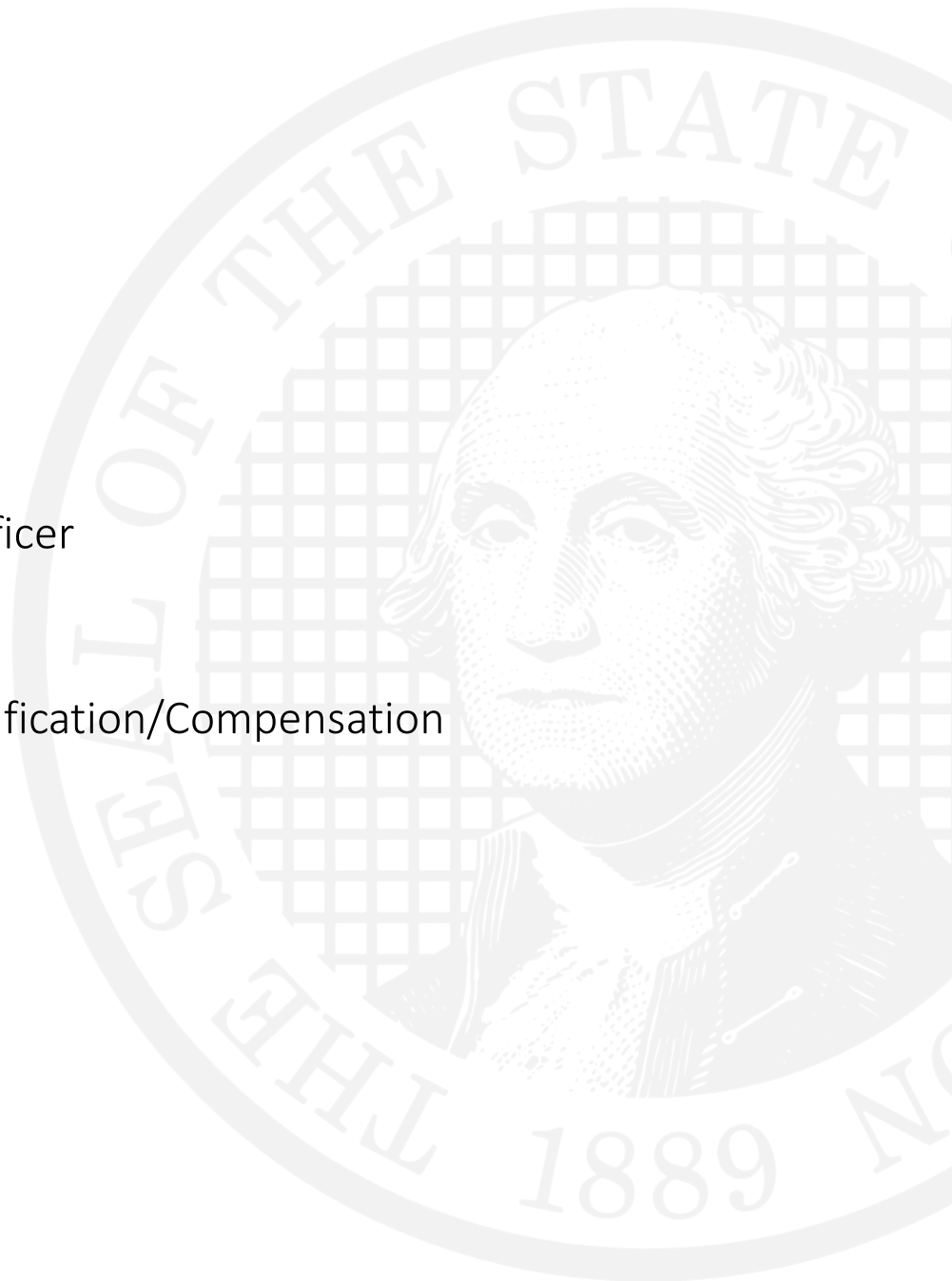
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OFM Central Services



HISTORY

In the 2016 session, the Legislature shifted a portion of OFM's funding from the General Fund to a newly created OFM Central Services account. The funding is to pay for salaries, wages, and other costs required for the operation and maintenance of statewide budgeting, accounting, forecasting, and policy functions and activities within OFM.

RATE CONTROL

The allocation for this charge is based on budgeted agency FTEs, and is included in the Central Service Model. Agency budgets will be adjusted based on the fund splits you have provided to the OFM Budget Division.

FOR MORE INFORMATION

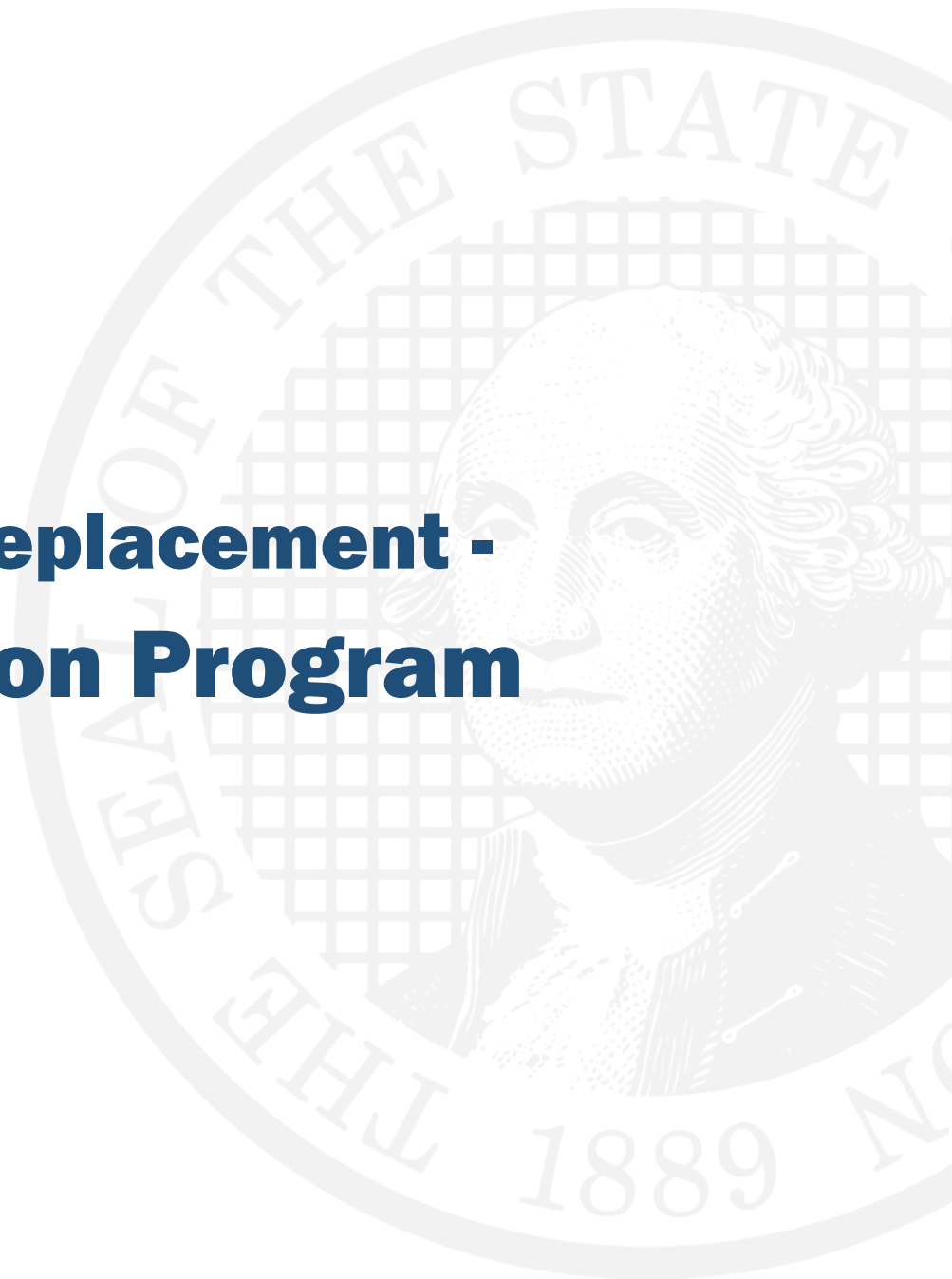
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Core Financial Replacement - One Washington Program



HISTORY

Washington's core financial system is more than 30 years old and long due for an overhaul. We now have an opportunity to transform our business processes through both innovation and improvements supported by technology.

One Washington is a comprehensive business transformation program to modernize and improve aging administrative systems and related business processes that are common across state government.

RATE CONTROL

The allocation for this charge is based on budgeted agency FTEs, and is included in the Central Service Model. Agency budgets will be adjusted based on the fund splits you have provided to the OFM Budget Division.

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