October 23, 2019

OFM Budget Officers Forum

OFM - State Human Resources

OFM

OFFICE OF FINANCIAL MANAGEMENT

State Human Resources

As the state's central HR policy making body, we provide leadership and support on enterprise HR strategic planning, collective bargaining and oversight of HR systems and structure, rules and policy.

State HR Teams:

- State Labor Relations
- Enterprise Classification, Compensation & HR Analytics
- Workforce Strategies
- Rules & Appeals
- Personnel Resources Board

Collective Bargaining Overview

Background

- OFM negotiates contracts covering workers represented by 38 unions.

- 28 separate agreements (some unions bargain in coalition)

- 18 agreements can be subject to interest arbitration

RCW 41.80

General government

- 7 master agreements (two with interest arbitration)
- 50,000 employees

Higher education (community colleges)

- 2 Master Agreements
- 26 community colleges
- 2 unions
- 4,500 employees

RCW 47.64

Washington State Ferries (WSDOT)

- 10 agreements (with interest arbitration)

- 14 unions

- 1,700 employees

RCW 41.56

Washington State Patrol commissioned officers

- 2 agreements

- 2 unions

- 1,100 employees

RCWs 41.56 and 74.39A

Nonstate employees

- 4 agreements (with interest arbitration)

- DCYF, DSHS and HCA budgets

- 4 unions

- 38,900 home care individual providers

- 2,600 adult family owners

- 1,000 language access providers

- 7,000 family child care providers
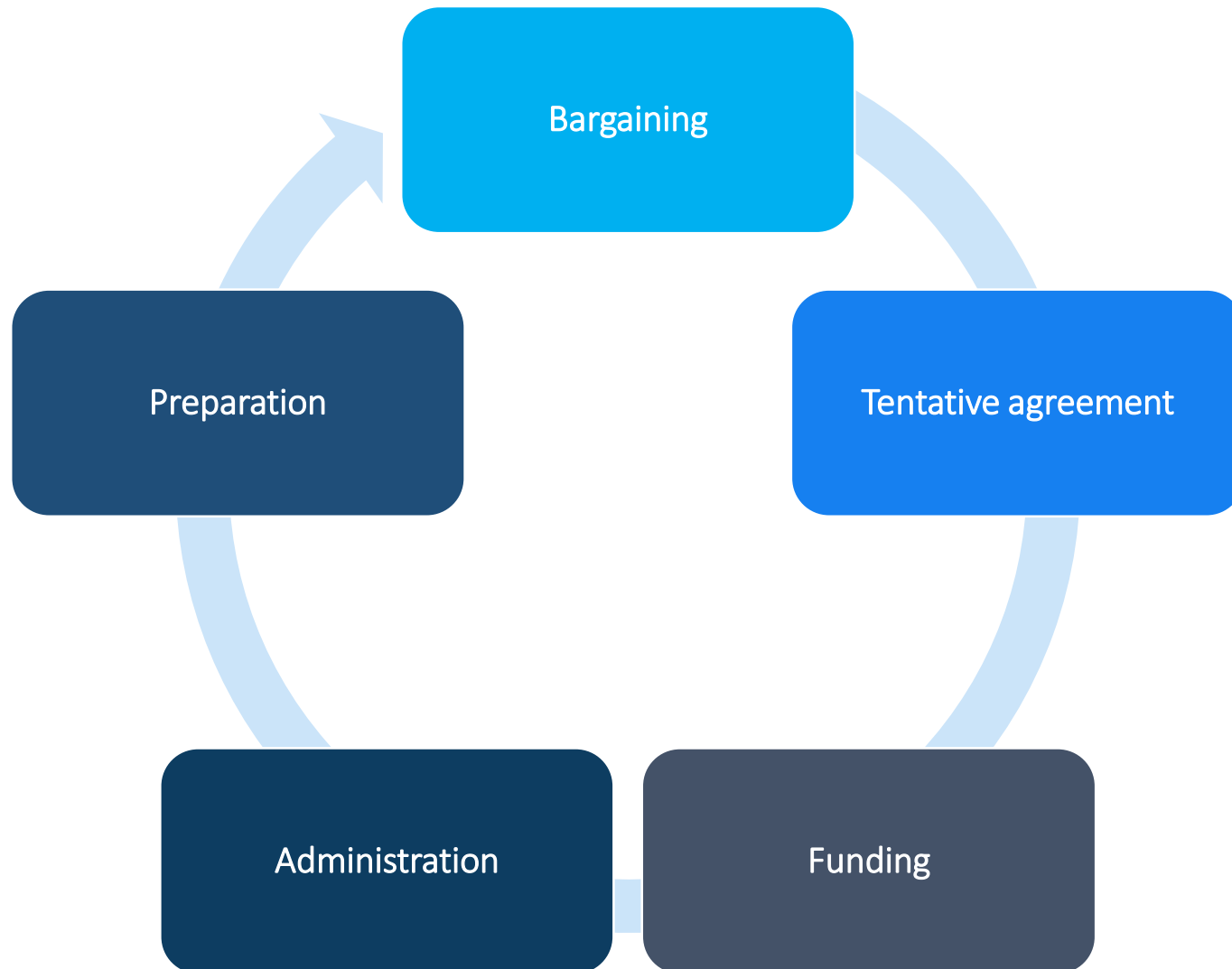
RCW 41.80, 47.64 and 41.59.106

Health care coalition

- 1 agreement

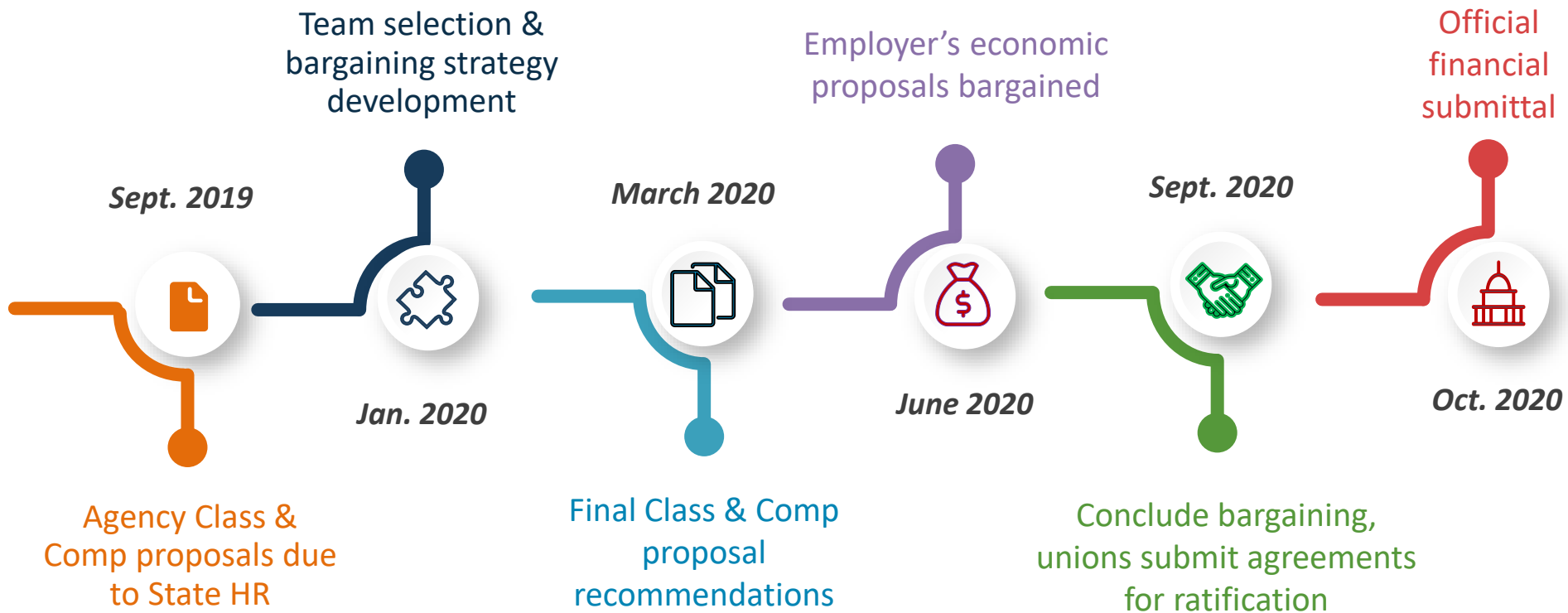- Applies to all state and higher education employees

K-12 school employees health care funding

- 1 agreement

- Applies to classified school district employees.

Bargaining lifecycle

Bargaining timeline

Sept. 2019

Team selection & bargaining strategy development

Agency Class & Comp proposals due to State HR

Jan. 2020

March 2020

Final Class & Comp proposal recommendations

Employer's economic proposals bargained

June 2020

Sept. 2020

Conclude bargaining, unions submit agreements for ratification

Official financial submittal

Oct. 2020

Collective Bargaining Funding Process

December
Governor's budget proposal

December
Financial feasibility determination

January - April
Legislative funding

November
State revenue forecast

April
Budget bill signed

Oct. 1
Submittal

July 1
Implementation of the new CBA

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CBA Funding Process
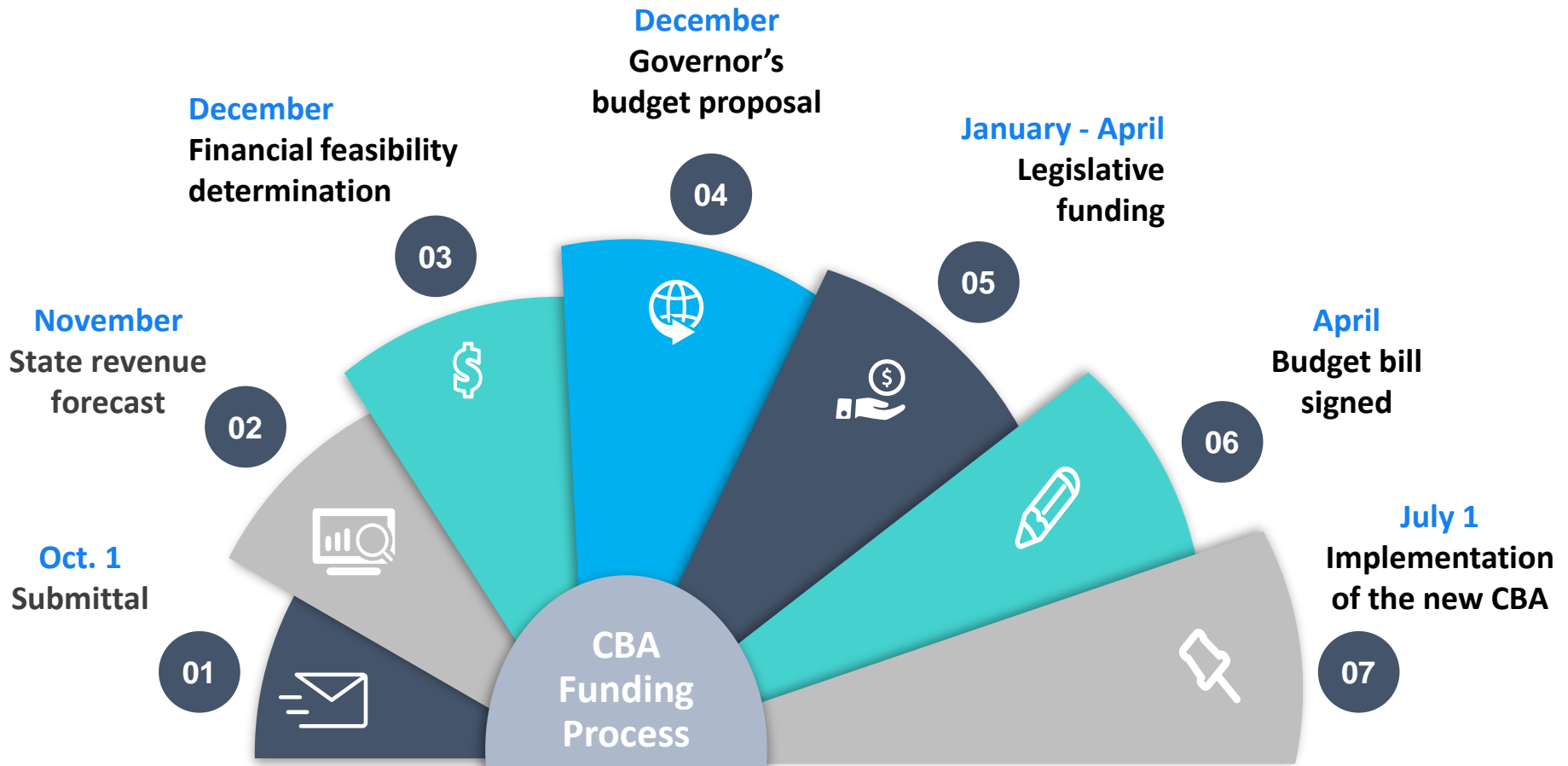
Agency engagement in bargaining

- Submission of classification & compensation proposals

- Help identify all impacts should proposal be adopted

- Internal HR and budget communication on proposals with statewide impact

- Participate as subject matter experts for bargaining

IT Professional Structure Implementation

Background

- **2005** — Generic IT classification implemented

- **2011-12** — OCIO review finds structure not meeting business needs

- **2013** — Agencies and higher education identify ongoing issues with IT classifications

- **2014** — State HR & OCIO initiate comprehensive study of IT classifications

- **2017** — State HR IT class study completed and IT Professional Structure implementation plan approved

- **2019** — IT Professional Structure implemented

Why did we do it?

- Recruitment and retention problems

- Specialized talent acquisition

- Misallocation of employees

- Generic classification structure

- Lack of alignment with industry and market definitions of IT work

- Unable to compete for specific specialized skills in the job market

- Legislative interest in the management of state government IT workforce

How did we do it?

Strategic principles – IT Professional Structure implementation

Recruitment / retention / adaptability

*Market-informed alignment of jobs
by job family / level
* Improved Opportunities for Career Growth

Comply with statute
* Ability to audit

Consistency
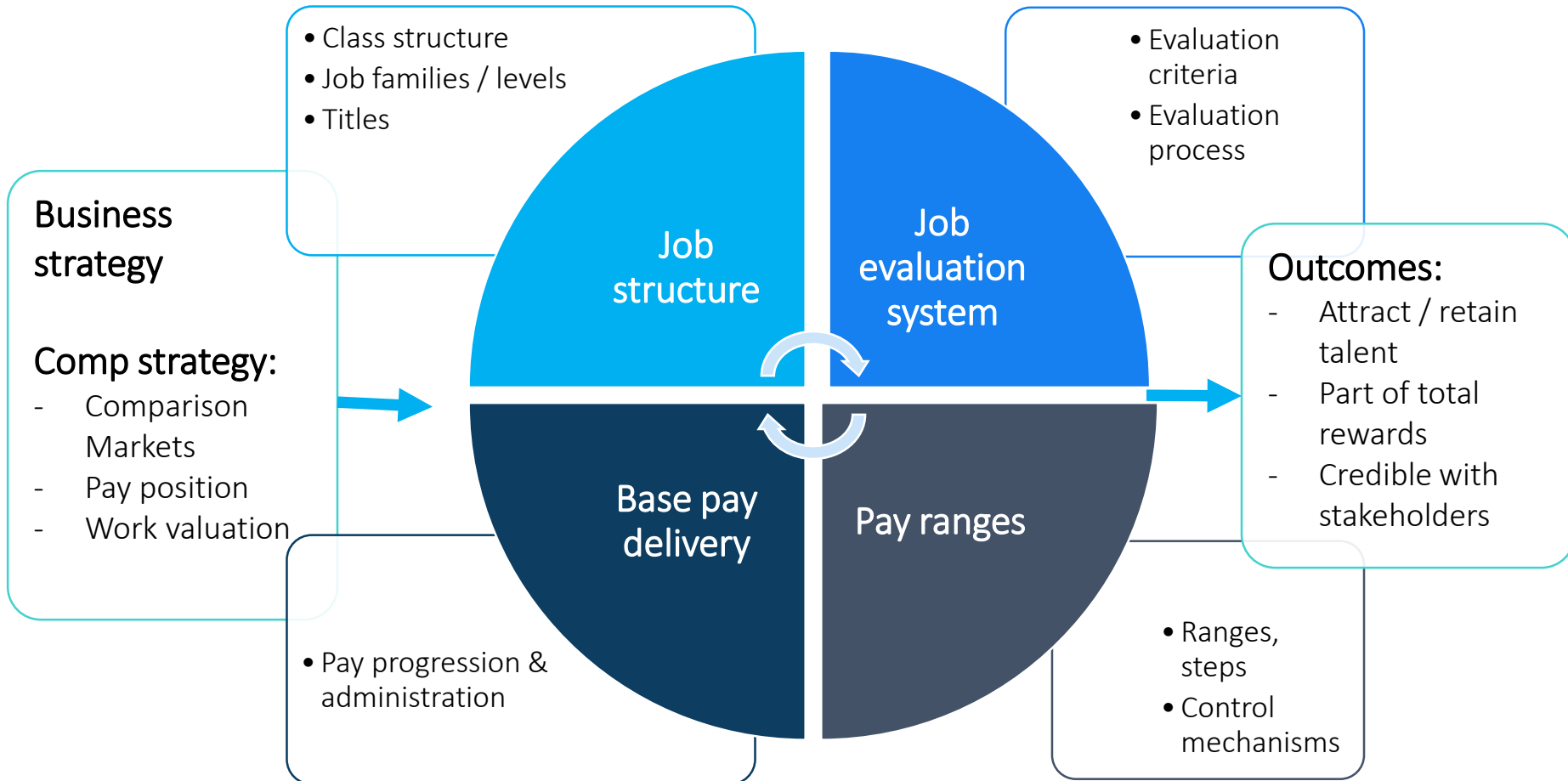*Enterprise-wide similarity in classification

Good policy
*Financially sustainable

Innovation
*Study effectiveness for continuous improvement efforts

The Compensation Architecture

Business strategy

Comp strategy:
- Comparison Markets
- Pay position
- Work valuation

- Class structure
- Job families / levels
- Titles

Job structure

Job evaluation system

- Evaluation criteria
- Evaluation process

Base pay delivery

Pay ranges

Outcomes:
- Attract / retain talent
- Part of total rewards
- Credible with stakeholders

- Pay progression & administration

- Ranges, steps
- Control mechanisms

A comprehensive compensation program addresses all the components in this architecture and is aligned with the strategic principles.
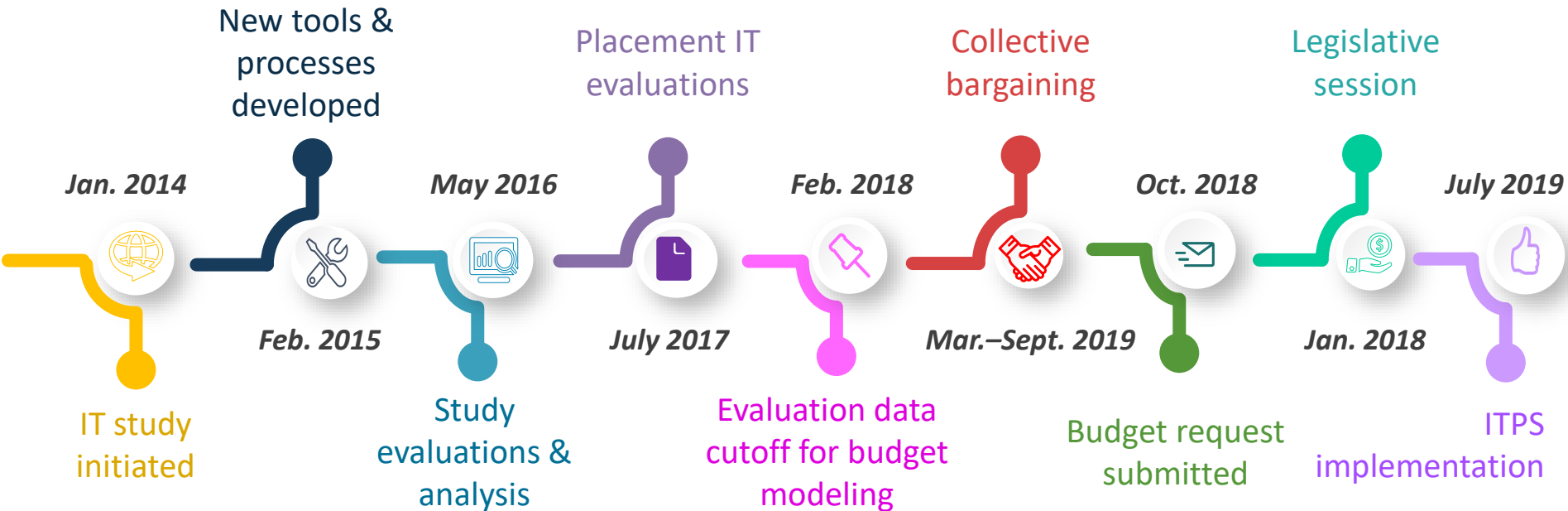
IT Professional Structure goals

Classification goal: Industry-relevant job titles and job levels

- Realign state job classifications to accurately reflect work, enabling comparisons to local public and private sector jobs

- Ability to benchmark work internally and externally

Compensation goal: Market-informed pay range alignment

- State IT ranges vs local public and private sectors

- Enhance state efforts to recruit and retain IT talent

IT Professional Structure timeline

Jan. 2014 — IT study initiated

Feb. 2015 — New tools & processes developed

May 2016 — Study evaluations & analysis

July 2017 — Placement IT evaluations

Feb. 2018 — Evaluation data cutoff for budget modeling

Mar.–Sept. 2019 — Collective bargaining

Oct. 2018 — Budget request submitted

Jan. 2018 — Legislative session

July 2019 — ITPS implementation

IT Position Evaluations

- May-June 2016: IT study evaluations (*approx. 70% of workforce*)
- July 2017: Initial positon evaluations
- Oct. 2017–Feb. 2018: Individual agency & institution consultations
- April 2018–Feb 2019: Quarterly position evaluations
- March–June 2019: Monthly evaluations
- July 2019–ongoing: State HR consultation process

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Current ITPS status

9,549 evaluations submitted since July 2017

Job Family	Entry	Journey	Sr /Specialist	Expert	IT Manager	Sr. IT Manager
Application Development	176	636	210	6	35	4
Customer Support	399	271	14		26	
Data Management	33	261	84	0	23	1
IT Architecture		18	98	12	21	7
IT Business Analyst	52	314	48	0	11	1
IT Policy and Planning	1	9	18	0	36	40
IT Project Management	6	130	65	1	25	6
IT Security		76	54	3	9	8
IT Vendor Management	4	5	1	0	4	1
Network & Telecommunications	43	194	111	0	14	7
Quality Assurance	60	135	11	0	3	0
System Administration	148	606	149	1	19	4

Positive impacts

- Establish foundation to assess market competitiveness of our pay ranges

- Enterprise and organizational alignment and equity

- Ability to implement targeted increases to address areas of concern

- Funding for progression increases (PIDs)

- Ability to respond to workforce issues by providing more detailed classification and compensation data by job family and level of work

- IT Governance Committee oversees management of the ITPS

Challenges

- Adherence to evaluation standards and making consistent allocation decisions

- Employee appeals

- Potential inversion/compression with exempt and/or management positions

- Employee discontent with job class titles

- Employee Y-rating – salary above new pay range

- Employee positions excluded from the ITPS

Questions?