

State Employee Performance-based Incentives and Recognition Report

Frequently Asked Questions

What is the State Employee Performance-based Incentives and Recognition Report?

This report is required by Engrossed Substitute House Bill 2049, passed by the 2009 Legislature. The law requires the Department of Personnel, in cooperation with state agencies, to report annually on changes in the number of state employees and performance-related discretionary pay.

For purposes of this report, DOP interprets “Performance Based Incentives and Bonuses” to include cash awards or lump sum payments that appointing authorities may grant to employees in recognition of special job performance, outstanding achievements, and special accomplishments.

What time period is covered in this report?

This report covers July 1, 2008 – June 30, 2009 (2009 Fiscal Year). However, the majority of the awards listed were granted in the last half of 2008.

What is included in this report?

- **The number of employees in each agency**, including classified non-management employees, classified Washington Management Service (WMS) employees, and at-will employees (i.e., those exempt from civil service statutes).
- **The number and cost of performance-based incentives and recognition awards** paid to state agency employees and the annual salaries of those employees, including performance recognition awards, cash recognition awards, WMS lump sum recognition awards, State Patrol recognition awards, and recruitment and retention premiums.
- Though not required by ESHB 2049, the Department of Personnel also included **WMS growth and development increases**, as they are discretionary increases to base salaries and are based, in part, on performance.

What is the purpose of these programs?

Just like in the private sector, performance awards are an effective tool in achieving excellence. These awards recognize outstanding job performance and accomplishments, and help to drive superior employee performance.

How much was the average performance award?

The average award amount was \$204. These awards account for 0.09 percent of the state’s payroll.

How many employees received an award?

About 14 percent of the workforce received an award.

How has the current economy affected the state’s pay practices?

The majority of the awards in this report were granted in the first half of FY 2009 (July – December 2008). In February 2009, the Legislature passed, and the Governor signed into law, Engrossed Substitute Senate Bill 5460 (ESSB 5460), which placed a moratorium on all wage and salary increases for managers and at-will employees. This legislation did not amend RCW 41.60.150 which authorizes agencies to give recognition awards for accomplishments, including outstanding achievement, safety performance, longevity, outstanding public service or service

as employee suggestion evaluators and implementers. Recognition awards under RCW 41.60.150 are limited to \$200 per award and may be in the form of cash or other items.,

Are these permanent salary increases?

Performance pay and recognition awards do not become a permanent addition to the employee's base salary. However the increases listed in Section C of this report, WMS Growth & Development Increases, are permanent increases to base salary.

Are all state employees included in the report?

All executive branch employees are included in the employee headcount numbers. However, only those employees receiving awards in the past fiscal year are included in the cash awards section.

What laws govern these awards?

The authority to grant awards is found in both statute and rule:

- RCW 41.60.150 (Cash Recognition)
- WAC 357-28-295, 300; RCW 41.06.133 (Performance Recognition)
- WAC 357-58-135, 140; RCW 41.06.500 (WMS Lump Sum Recognition)
- WAC 357-28-095, 100; RCW 41.06.133 (Recruitment & Retention)

Collective bargaining agreements with the Washington State Patrol provide for specific recognition awards.

When will the Department of Personnel publish the report?

The report is required annually. The report for Fiscal Year 2009 will be available on the Department of Personnel website (www.dop.wa.gov) in January 2010. The next report will be published in late 2010.

How is the data for this report collected?

The primary source of the data is the state's Human Resource Management System (HRMS), which is the central personnel and payroll computer system for state agencies.

How are salaries set for state employees?

For information on the salaries of general government employees, visit the Department of Personnel website at: <http://www.dop.wa.gov/CompClass/Pages/default.aspx>.