NEW SECTION. **Sec. 736.** A new section is added to 2021 c 334 (uncodified) to reach as follows:

**FOR THE OFFICE OF FINANCIAL MANAGEMENT – RECRUITMENT AND RETENTION ADJUSTMENTS**

General Fund – State Appropriation (FY 2023)……$50,000,000

General Fund – Federal Appropriation……………………….$10,978,000

General Fund – Private/Local appropriation…………$808,000

Salary and Insurance Contributions Increase

Revolving Account – State Appropriation……$22,554,000

TOTAL APPROPRIATION………………………………………….$84,340,000

The appropriations in the section are subject to the following conditions and limitations:

(1)Funding is provided solely for the implementation of classification-based salary adjustments for state employees whose jobs are difficult for the state to recruit and retain a competitive workforce. The office of financial management is directed to develop a plan to make appropriate adjustments based on the results of the 2020 state salary survey conducted according to RCW 41.06.160, and make adjustments to the results of the study as the director determines to be well-documented by agency experience due to the SARS-CoV2 (COVID-19) pandemic, including resulting changes in the labor market. Before determining any adjustments, the director must seek input from the exclusive bargaining representatives for any potentially impacted bargaining units. The classification adjustments must uniformly take effect July 1, 2022.

(2)Adjustments are to be made across the state workforce, including both represented and non-represented employees with a goal of addressing those jobs that fall the farthest below market rates, or where the documented agency experience recruiting or retaining employees is the most severe. Adjustments will not be made to job classifications that are exclusive to higher education institutions. In making the adjustments, the director may also include increases to address issues of compression and inversion.

(3)Upon completion of the plan, the director must transmit the plan to the legislative fiscal committee and the joint committee on employment relations. This transmission must identify the job classes, by agency and number of employees, that are impacted by the plan. The transmission also must indicate the proposed increase for each impacted job class.

Where the adjustments affect represented employees, expenditure of the amounts provided for this purpose is contingent upon the execution of an appropriate memorandum of understanding between the governor or the governor’s designee and the exclusive bargaining representative, consistent with the terms of this section.

(5)The office of financial management shall allocate the moneys appropriated in this section to individual agencies in the amounts necessary to fulfill the plan but may not exceed amounts provided in this section.

(6)To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer is directed to transfer sufficient moneys from each dedicated fund or account to the special fund salary and insurance contribution increases revolving fund in accordance with schedules provided by the office of financial management.