State of Washington

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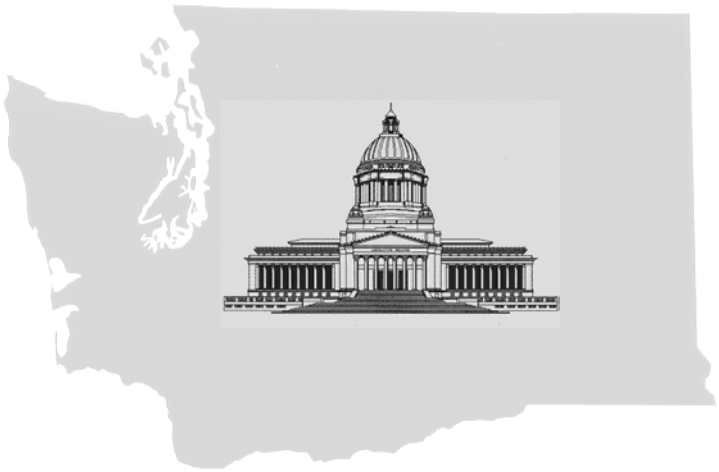

Study of the Washington Management Service

Report 02-2

January 9, 2002

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The Joint Legislative Audit and Review Committee (JLARC) carries out oversight, review and evaluation of state-funded programs and activities on behalf of the Legislature and the citizens of Washington State. This joint, bipartisan committee consists of eight senators and eight representatives, equally divided between the two major political parties. Its statutory authority is established in RCW 44.28.

JLARC staff, under the direction of the Committee and the Legislative Auditor, conduct performance audits, program evaluations, sunset reviews and other policy and fiscal studies. These studies assess the efficiency and effectiveness of agency operations, impacts and outcomes of state programs, and levels of compliance with legislative direction and intent. The Committee makes recommendations to improve state government performance and to correct problems it identifies. The Committee also follows up on these recommendations to determine how they have been implemented. JLARC has, in recent years, received national recognition for a number of its major studies.

STUDY OF THE WASHINGTON MANAGEMENT SERVICE

REPORT 02-2

REPORT DIGEST

JANUARY 9, 2002

STATE OF WASHINGTON

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OVERVIEW

This mandated study focuses on employee and salary growth, and other compensation practices, of the Washington Management Service (WMS). Information is also presented on how the WMS is viewed by human resource staff within the larger state agencies, and on the extent to which other states have similar programs. Major findings include:

- Since its inception, the number of WMS employees has continued to increase steadily, at a rate that exceeds that for non-WMS employees; and
- While average WMS salaries have increased more than non-WMS salaries, the difference has not been substantial – non-WMS employees are not losing ground, either in their rates of increase or in their percentage of the average WMS salary.

Consistent with the study mandate in JLARC's 2001-03 budget, this limited-scope review did not assess the system's overall operations or effectiveness. Consequently, the study does not include recommendations.

BACKGROUND

The Legislature established the Washington Management Service (WMS) in 1993 as a separate personnel system for management positions within the executive branch. Its purpose is to develop and maintain a professional managerial workforce, and to provide agencies increased flexibility for their management positions in the areas of hiring and setting compensation.

The WMS is far-reaching in that it applies to all non-exempt management positions within the state's main civil service system, known as Merit System 1, and because its statutory definition of the term "manager" is broad and encompasses a wide range of responsibilities. As of July 2001, there were approximately 5,000 employees in the WMS, which was just less than 9 percent of the total Merit System 1 workforce of approximately 57,000.

STUDY FINDINGS

Growth in the Number of WMS Employees

This study analyzed WMS growth from several perspectives. Key findings from the analysis include:

- In total, the number of WMS employees increased from 445 when the system was implemented statewide in July 1994, to 4,994 as of July 2001.

- From July 1998 – a point which allows ample time for the system to have been fully implemented – to July 2001, the number of WMS employees increased by 38 percent. This compares to a growth rate of 2.5 percent among non-WMS employees during the same time period.
- Just under half of the growth in WMS employees during this time can be attributed to newly created positions (with the remainder being in positions that had existed previously, but either had their duties revised or were reassessed as meeting WMS criteria). We estimate the growth rate of WMS employees in newly created positions to be approximately 18 percent.
- As a proportion of the total Merit System 1 workforce, WMS employees increased from 6.6 percent in July 1998, to 8.6 percent in July 2001.

WMS Employees By Position Type

The majority of WMS positions are at the lower end of the management hierarchy, with more than 70 percent being viewed as "entry-level management" by their employing agencies. Nearly half of the WMS employees added over the past three years do not directly manage any employees.

WMS Salaries

A major focus of the study was on growth in WMS salaries, and on other compensation practices. Key findings include:

- From July 1996 to July 2001, average WMS salaries increased by 15.1 percent, while average non-WMS salaries increased by 14.4 percent – a difference that is not substantial.
- Most large agencies characterize their practices with respect to WMS salaries as conservative. Most provide for a type of incremental increase referred to as "progression adjustments" but such increases are not automatic and are typically less than 5 percent.
- Although the WMS allows for awarding special recognition, or lump sum pay, such payments have been rare. One relatively small agency, the Housing Finance Commission, provides this type of pay to all of its WMS employees, however.

Agency Perspectives Towards WMS

Human resource staff reported being favorably inclined towards the WMS, believing it has been particularly helpful in recruitment and hiring. Few problem areas were reported.

Similar Programs In Other States

We contacted Personnel Departments in seven western states. None reported having systems comparable to the WMS.

COMMITTEE ADDENDUM:

The Committee approved this addendum to the final report at its January 9, 2002 meeting.

The Joint Legislative Audit and Review Committee, as a result of information gathered in its descriptive study of the Washington Management Service, is concerned about this program's rate of growth. The Committee requests the Department of Personnel (DOP), in collaboration with other state agencies, to examine and assess the extent to which positions within the WMS meet all current statutory and administrative system eligibility requirements, and provide information on WMS employees by gender and by the counties in which they are employed. The assessment can be based either on a sample of all existing WMS positions, or on a review of all WMS positions added over the past three years. This review should include a numerical breakdown of WMS positions in terms of how many fall under each of the criteria specified in RCW 41.06.022. The Committee requests the Department of Personnel to report on the results of this assessment by July 1, 2002.

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CHAPTER I – INTRODUCTION

STUDY MANDATE

This study responds to a provision in the 2001-03 Operating Budget (Chapter 7, Laws of 2001, 2nd Ex. Sess. Section 103(6)) that directs the Joint Legislative Audit and Review Committee (JLARC) to:

> *conduct a study of the Washington management service. The study shall include findings regarding (a) growth in the number of positions in the Washington management service, (b) growth in salary levels and structure since the Washington management service's inception, and (c) other compensation practices.*

THE WASHINGTON MANAGEMENT SERVICE

Overview

The Legislature created the Washington Management Service (WMS) in 1993 as a separate personnel system for management level positions within the executive branch of Washington State government.[1] Its purpose is essentially two-fold; first, to develop and maintain a professional managerial workforce; and second, and perhaps most notably, to give agencies greater flexibility for their management positions in the areas of recruitment and hiring and in setting compensation levels.

The increased flexibility for agencies is accomplished by having a separate set of rules for management positions.[2] Two key examples of how the rules differ are as follows:

- When filling a position under regular civil service rules, agencies can typically only select from among a set number of candidates that have been referred from a register of names that has been established by the Department of Personnel for a particular job class.[3] In contrast, when filling a WMS position, agencies may develop their own position description and requirements, and may select whatever candidate they wish.
- For regular civil service positions, agencies have little flexibility in setting individual salaries; all must be set within a pre-determined salary range as established by the Washington Personnel Resources Board. Within broad system guidelines, agencies may set WMS salaries within broad salary bands (established by the Director of Personnel) based on a number of factors, including how the position compares to others within the agency.

The Washington Management Service was considered innovative when it was established and it has received national recognition, including winning an Exemplary State and Local Program

[1] Chapter 281, Laws of 1993.

[2] Note that while WMS employees are subject to different rules than non-managerial employees, they are still considered civil service employees.

[3] Some agencies develop their own registers through a process called "Local List." This is done primarily by agencies that have job classes specific to them, or for positions located outside Olympia.

Award in 1995 from the National Center for Public Productivity. It was also one of ten western region finalists in 1996 for the Council of State Governments' Innovations Awards Program.

Broad Coverage

The Washington Management Service applies to all management positions within Merit System 1, which is the main civil service system for the executive branch of state government. The only executive branch managers not included within the WMS are those in exempt status,[4] and those who work in other personnel systems, including higher education, marine transportation, and state printer employees. As of July 2001, there were approximately 5,000 employees in the WMS, which was just less than 9 percent of the total Merit System 1 workforce of approximately 57,000.[5]

The wide-ranging coverage of the WMS distinguishes it from "management-type" programs or systems in other states that we identified, which tend to be limited to a much smaller group of high level managers, often no more than a few hundred.[6] (Programs in other states are discussed in greater detail later in this report.)

In addition to this wide-ranging coverage, the scope of the WMS is expanded even further because the statutory definition of "manager" is itself broad. This may be because the WMS was originally proposed as part of a much broader "civil service reform" bill – a bill which also would have expanded collective bargaining for state employees.[7] While the main portion of the original bill did not survive the legislative process, the WMS portion was passed into law. Department of Personnel staff indicated that the definition of "manager" was intended to identify, in addition to *traditional* management positions, those types of positions that should be excluded from collective bargaining. The definition is as follows:

> *For purposes of [Chapter 41.06 RCW], "manager" means any employee who:*
>
> *(1) Formulates statewide policy or directs the work of an agency or agency subdivision;*
>
> *(2) Is responsible to administer one or more statewide policies or programs of any agency or agency subdivision;*
>
> *(3) Manages, administers, and controls a local branch office of an agency or agency subdivision, including the physical, financial, or personnel resources;*
>
> *(4) Has substantial responsibility in personnel administration, legislative relations, public information, or the preparation and administration of budgets; or*

[4] "Exempt status" refers to positions that are statutorily exempted from civil service rules. In the executive branch, this typically includes many of the highest ranking positions within an agency, including agency directors, deputy directors, assistant directors or division directors and high-ranking policy assistants. In total, there are approximately 2,400 exempt positions within the executive branch, of which about 980 may be considered management positions.

[5] By mid-November 2001, the number of WMS employees had increased to 5,169.

[6] This was also the case for Washington's Career Executive Program, which preceded and was replaced by the WMS. That program was not only more limited in scope than the WMS, it was also limited in number to 2 percent of the civil service workforce.

[7] HB 2054, 1993 Legislative Session.

(5) Functionally is above the first level of supervision and exercises authority that is not merely routine or clerical in nature and requires the consistent use of independent judgment.

Decentralized Administration

One of the statutory goals for the WMS is that it provide for "decentralized and regional administration."[8] Because of this, individual agencies are generally free, within broad guidelines, to implement the WMS system in a manner that it deems will best fit its individual needs. As a result, there can be – and often are – differences among agencies in such areas as the numbers and/or types of positions designated as WMS positions and in salary practices.

STUDY SCOPE AND OBJECTIVES

Consistent with the statutory directive, this study is a limited scope review that examines the Washington Management Service primarily in terms of employee and salary growth, and in its use of other compensation practices. Information is also presented on how the WMS has been implemented in larger state agencies, and on the extent to which other states have systems similar to WMS. A full listing of the study's scope and objectives is presented in Appendix 1.

This limited review, then, neither is a performance audit of the WMS's effectiveness, nor does it make recommendations for changing WMS.

AGENCY RESPONSE

A joint response to the study from the Department of Personnel (DOP) and the Office of Financial Management (OFM) is included in Appendix 2. Also included in the appendix is JLARC's comments to DOP and OFM's joint response.

ACKNOWLEDGEMENTS

We appreciate the substantial assistance provided by Department of Personnel staff in conducting this study. We also appreciate the assistance of staff from other agencies in responding to our requests for information. This study was conducted by Robert Krell of the JLARC staff, with Bob Thomas serving as project supervisor.

Thomas M. Sykes
Legislative Auditor

On January 9, 2002, this report was approved for distribution by the Joint Legislative Audit and Review Committee.

Representative Val Ogden
Chair

[8] A full listing of the program's statutory goals is presented in Appendix 4.

COMMITTEE ADDENDUM:

The Committee approved this addendum to the final report at its January 9, 2002 meeting.

The Joint Legislative Audit and Review Committee, as a result of information gathered in its descriptive study of the Washington Management Service, is concerned about this program's rate of growth. The Committee requests the Department of Personnel (DOP), in collaboration with other state agencies, to examine and assess the extent to which positions within the WMS meet all current statutory and administrative system eligibility requirements, and provide information on WMS employees by gender and by the counties in which they are employed. The assessment can be based either on a sample of all existing WMS positions, or on a review of all WMS positions added over the past three years. This review should include a numerical breakdown of WMS positions in terms of how many fall under each of the criteria specified in RCW 41.06.022. The Committee requests the Department of Personnel to report on the results of this assessment by July 1, 2002.

CHAPTER II – GROWTH IN THE NUMBER OF WMS EMPLOYEES

CHAPTER OVERVIEW

This chapter examines growth in the number of WMS employees from various perspectives.

- In total, the number of WMS employees increased from 445 when the system was launched statewide in July 1994, to 4,994 as of July 2001.
- From July 1998 – a point at which it can be considered that the system was fully implemented – to July 2001, the number of WMS employees increased by 38 percent. This contrasts to a growth rate of just over 2.5 percent among non-WMS employees during the same time period.
- Just under half of the growth in WMS employees during this time can be attributed to *newly created* positions. (The remainder were in positions that had existed previously, but either had their duties revised or were reassessed as meeting WMS criteria.)
- As a proportion of the total Merit System 1 workforce, WMS employees increased from 6.6 percent in July 1998, to 8.6 percent in July 2001.

BACKGROUND

The Washington Management Service was formally launched statewide in July 1994. However, in reviewing the rate of growth within the WMS, it is important to keep in mind that it wasn't implemented all at once. For many agencies, it was an incremental process due, in part, to the need to evaluate each position to determine if it met the appropriate criteria for inclusion in the system. Many agencies, according to human resource and personnel staff we interviewed, were also conservative in terms of their approach in the early years of the WMS. This was so for a number of reasons, including that some employees were reported to be initially reluctant to enter the system fearing that they might lose some of their civil service protections.

In light of these factors, and based on conversations with Department of Personnel and other agency staff, we chose to use July 1998 – four years after *initial* implementation – as the base point for most of the "percentage change" comparisons cited in this chapter. This allows ample time for the system to have been full implemented.

Another consideration when looking at the growth and overall size of the WMS is how it compares to the original expectations when the system was initially proposed. No formal estimates or projections were included in the original bill files or fiscal notes. A single reference to this issue was included, however, in the 1993 Senate Journal. In response to a question, a State Senator stated that the number of employees anticipated to [eventually] be in the system is "somewhere around four thousand – perhaps five thousand . . ."[9]

[9] Senate Journal, State of Washington, Regular Session and First Special Session, 1993, p. 2036.

FINDINGS

This chapter looks at growth in the number of WMS employees from multiple perspectives. These include: 1) total growth, both numerically and on an annual percentage basis, 2) growth and distribution of WMS employees by agency, 3) rate of growth compared to non-WMS employees, and finally, 4) growth in WMS employees as a percentage of the total Merit System 1 workforce.

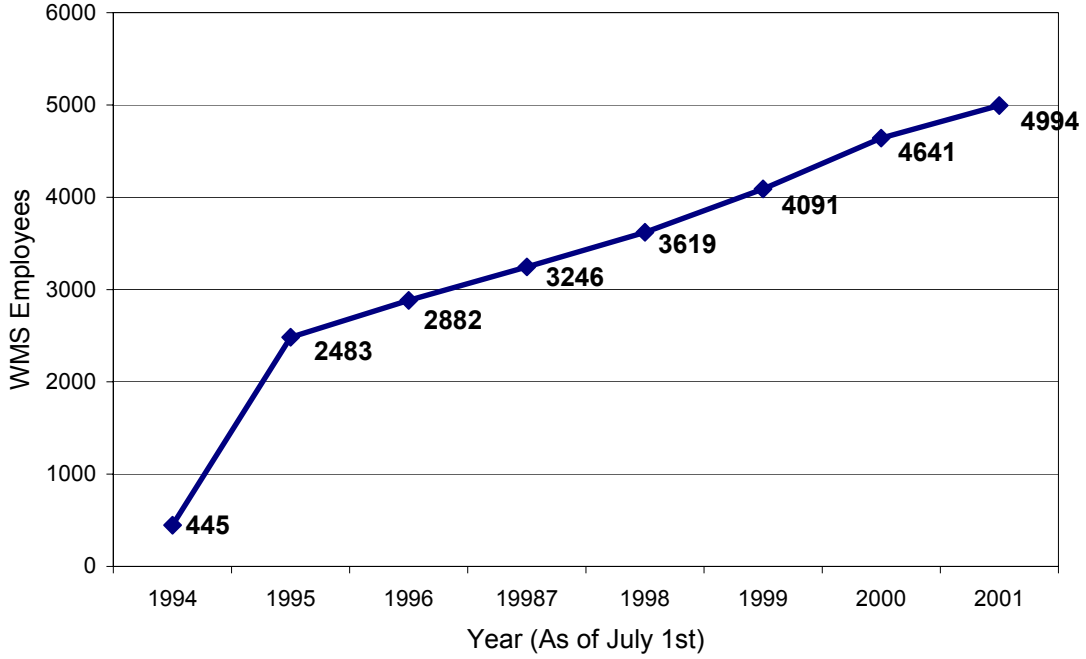
Note that throughout the balance of this report, the term "total employees" or "non-WMS employees" refers only to those employees *within Merit System 1*. Appendix 4 presents a "master list" of system related data upon which the following information is based.

Growth in the Number of WMS Employees

As shown in Figure 1, the number of WMS employees surged during the system's first full year, and has increased at a generally steady rate since, although the rate of growth leveled out somewhat during FY 2001. In total, the number of WMS employees has increased from 445 in 1994 to 4,994 in 2001.

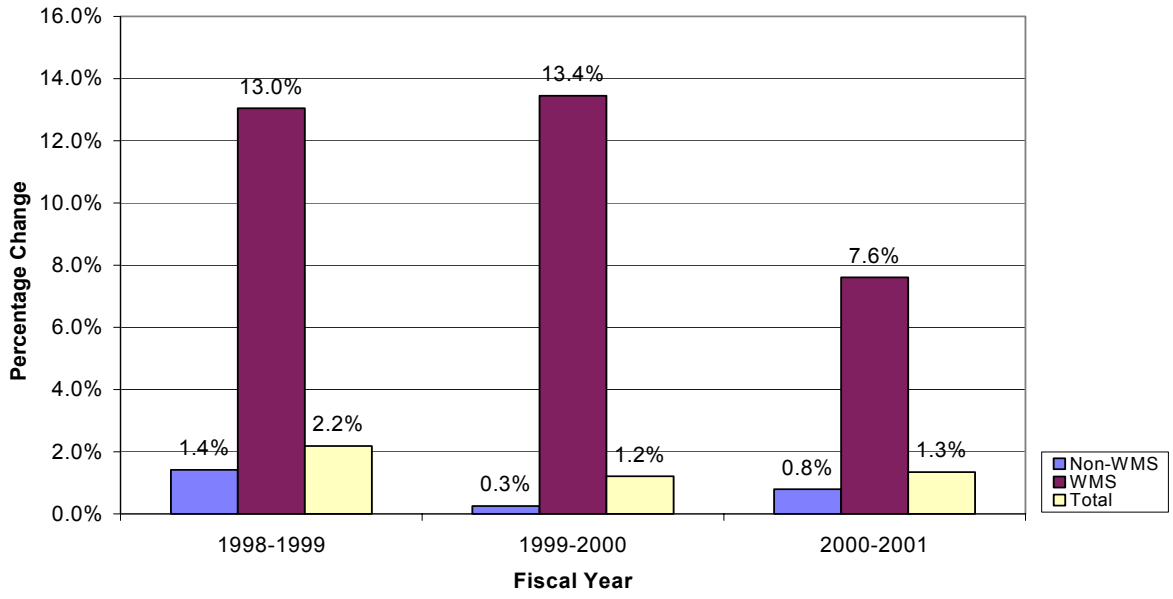
It is not surprising that the WMS would experience fairly rapid growth in its early years, while initially being implemented. However, its growth has continued at a fairly strong pace, even after the point at which initial implementation can be considered to have been completed. Figure 2 on the next page shows the annual increase in WMS employees since July 1998, as compared to the increase in non-WMS and total employees. As can be seen, WMS has exceeded both non-WMS and total employee growth since that time.

Figure 1
Numerical Growth in WMS Employees Since the Program's Inception in 1994



Source: JLARC, based on data provided by DOP.

Figure 2
Annual Percentage Change in WMS, Non-WMS, and Total* Employees: FY 98-01



Source: JLARC, based on data provided by DOP.

Growth in WMS Employees By Agency

Figure 3 on the following page shows, as of July 2001, how WMS employees are distributed among the ten state agencies that have the largest number of WMS employees. Combined, these ten agencies account for 77 percent of all WMS employees (and a like percentage of total Merit System 1 employees).

Figure 3 also shows the numerical and percentage growth in employees between July 1998 and July 2001. As can be seen, the total number of WMS employees during this time increased by 1,375, or 38 percent. By individual agency, percentage growth ranged from a low of 10 percent at the Department of Fish and Wildlife, to a high of 109 percent at the Department of Revenue.

Growth in WMS Employees Compared to Growth in Non-WMS Employees

Figure 4 on the next page adds to the information shown in Figure 3 by showing how growth in the number of WMS employees compares to the growth in non-WMS and total Merit System 1 employees.

Among all agencies combined, the number of WMS employees grew at a much higher rate than non-WMS employees during the three-year period – 38 percent compared to 2.5 percent. This general pattern was common to each of the ten largest agencies.

Figure 3 -- Growth in Number of WMS Employees: 1998 – 2001
Top Ten Agencies in Terms of Number of WMS Employees

Agency	WMS Employees		Numerical Change	Percent Change
	7/1/1998	7/1/2001		
Dept. of Social & Health Svcs (DSHS)	1,227	1,709	482	39.3%
Dept. of Transportation (DOT)	366	545	179	48.9%
Dept. of Corrections (DOC)	385	519	134	34.8%
Employment Security Dept. (ESD)	157	200	43	27.4%
Dept. of Fish & Wildlife (DFW)	152	168	16	10.5%
Dept. of Health (DOH)	141	165	24	17.0%
Dept. of Labor & Industries (L&I)	98	161	63	64.3%
Dept. of Ecology (DOE)	98	160	62	63.3%
Dept. of Revenue (DOR)	56	117	61	108.9%
Dept. of Licensing (DOL)	84	113	29	34.5%
All Other Agencies Combined	855	1,137	282	33.0%
Total	3,619	4,994	1,375	38.0%

Figure 4 -- Growth in WMS Employees Compared to Growth in Non-WMS and Total Employees: July 1998 to July 2001

Agency	7/1/1998			7/1/2001			Numerical Change			Percentage Change		
	WMS Emp.	Non-WMS Emp.	Total Emp.	WMS Emp.	Non-WMS Emp.	Total Emp.	WMS Emp.	Non-WMS Emp.	Total Emp.	WMS Emp.	Non-WMS Emp.	Total Emp.
DSHS	1,227	17,702	18,929	1,709	17,542	19,251	482	-160	322	39.3%	-0.9%	1.7%
DOT	366	4,861	5,227	545	5,017	5,562	179	156	335	48.9%	3.2%	6.4%
DOC	385	6,315	6,700	519	6,999	7,518	134	684	818	34.8%	10.8%	12.2%
ESD	157	2,116	2,273	200	2,242	2,442	43	126	169	27.4%	6.0%	7.4%
DFW	152	1,647	1,799	168	1,699	1,867	16	52	68	10.5%	3.2%	3.8%
DOH	141	1,050	1,191	165	1,115	1,280	24	65	89	17.0%	6.2%	7.5%
L&I	98	2,499	2,597	161	2,583	2,744	63	84	147	64.3%	3.4%	5.7%
DOE	98	1,344	1,442	160	1,346	1,506	62	2	64	63.3%	0.1%	4.4%
DOR	56	969	1,025	117	848	965	61	-121	-60	108.9%	-12.5%	-5.9%
DOL	84	1,121	1,205	113	1,172	1,285	29	51	80	34.5%	4.5%	6.6%
All Others	855	11,873	12,728	1,137	12,209	13,346	282	336	618	33.0%	2.8%	4.9%
Total	3,619	51,497	55,116	4,994	52,772	57,766	1,375	1,275	2,650	38.0%	2.5%	4.8%

Source: JLARC, based on data provided by DOP.

WMS Growth Attributed to Newly Created Positions

Figure 4 shows that the number of WMS employees has increased at a much greater rate than non-WMS employees. It cannot be assumed, however, that all additional WMS employees represent newly created positions. They could also represent positions that existed previously as non-WMS positions, but were added to WMS either because of a revision in duties, or because of an internal reassessment that the position met the WMS criteria.

To assess this issue, we requested information from each of the ten largest agencies for all of the new WMS positions that they had established between July 1998 and July 2001.[10] The combined total of new positions that they identified as being *newly created* was 46 percent (compared to 16 percent that were said to be "revised" positions, and 37 percent that were said to have been "reassessed"). By individual agency, the figure for newly created positions ranged from 19 to 68 percent.

This information enabled us to develop *estimates* as to the number of additional WMS employees between 1998 and 2001 that represent newly created positions.[11] The reason we must estimate this is that the agency-provided information on "newly created" positions is based on *positions*, whereas the data presented in Figures 3 and 4 is based on WMS *employees*.[12] These estimates are shown in Figure 5 below.

Figure 5 – Estimated Growth in WMS Employees in Newly Created Positions Only
July 1998 to July 2001

	Actual 1998 Figures	Estimated 2001 Figures	Numerical Change	Percentage Change
WMS	3,619	4,269	650	18.0%
Non-WMS	51,497	53,497	2,000	3.9%
Total	55,116	57,766	2,650	4.8%

Source: Based upon data provided by DOP and ten largest agencies. (See Appendix 5)

As can be seen, WMS employees in newly created positions are estimated to have increased by 650, or 18 percent over the three-year period. This compares to an estimated increase of 3.9 percent among non-WMS employees.

It was shown earlier in Figure 4 that WMS growth substantially exceeded non-WMS growth *on an overall basis* between 1998 and 2001 (38 percent versus 2.5 percent). This analysis shows that this general pattern still holds true *even when looking only at growth in newly created positions*, although the difference decreases by about half.

WMS Employees as a Proportion of the Total Workforce

Figure 6 on the following page shows for the ten largest agencies, and for all agencies combined, WMS employees as a percentage of the total Merit System 1 workforce for the years 1996 through 2001. The proportion of WMS employees has increased steadily over the years, from 5.4 percent in 1996 to 8.6 percent in 2001.

The Department of Personnel has previously cited 10 percent as being a traditional industry standard for *management employees as a proportion of the total workforce*. We were unable to verify this, however, or to identify any other accepted standard to serve as a basis for comparison.

[10] New WMS positions were identified for us by the Department of Personnel, based on position number.
[11] A description of the process used to develop the estimates is provided in Appendix 5.
[12] It was decided early in the study process that WMS *employees* provided an overall better measure of the program than WMS *positions*. Primarily this is due to the fact that at any given time, many positions are vacant; including some that may remain so for lengthy periods of time.

Figure 6 – WMS Employees as a Proportion of the Total Merit System 1 Workforce
July 1996 – July 2001

Agency	As of July 1:					
	1996	1997	1998	1999	2000	2001
DSHS	5.1%	5.8%	6.5%	7.5%	8.3%	8.9%
DOT	5.3%	5.9%	7.0%	8.4%	9.7%	9.8%
DOC	5.5%	5.5%	5.7%	6.1%	7.0%	6.9%
ESD	6.3%	6.2%	6.9%	6.5%	7.4%	8.2%
DFW	7.3%	8.3%	8.4%	8.0%	8.8%	9.0%
DOH	10.8%	10.9%	11.8%	11.8%	12.9%	12.9%
L&I	3.4%	3.3%	3.8%	4.5%	5.2%	5.9%
DOE	5.6%	5.7%	6.8%	8.5%	8.4%	10.6%
DOR	4.5%	4.9%	5.5%	6.0%	11.5%	12.1%
DOL	6.8%	7.4%	7.0%	7.3%	8.1%	8.8%
All Others	5.1%	6.3%	6.7%	7.1%	7.8%	8.5%
Total	5.4%	6.0%	6.6%	7.3%	8.1%	8.6%

Source: JLARC, based on data provided by DOP.

"Exempt" Staff as Management Staff

Washington Management Service employees do not constitute the entirety of the management workforce. A number of exempt positions, including most agency and many division directors, are management employees, yet because of their exempt status they are not part of WMS. As of July 2001, there were 2,420 employees within the Executive Branch in exempt positions. There is, however, no firm count of how many of them can be considered "management level." Based on job title and salary, Department of Personnel staff estimated that approximately 980 of these employees could be considered management level.

The 8.6 percentage figure cited in Figure 6 as being the combined proportion of WMS employees as a percentage of the total Merit System workforce in 2001 is based on 4,994 WMS employees and 57,766 Merit System 1 employees. If the 980 management-level exempt positions were added to the WMS total, the combined percentage of management personnel in executive branch agencies would increase to 10.3 percent.

WMS Employees as a Proportion of the Total Workforce Among Smaller Agencies

Some smaller agencies have much higher rates of *WMS employees as a proportion of their total workforce* than the ten largest agencies. For informational purposes, Figure 7 on the following page shows the 15 smaller agencies with the highest proportion of WMS employees, among agencies with at least 20 employees (based on July 2001 totals).

Figure 7 -- Fifteen Agencies with the Highest Proportion of WMS Employees

Agency	Total Employees	WMS Employees	Percent WMS
Washington Traffic Safety Comm.	22	14	63.6%
Housing Finance Commission	60	35	58.3%
Arts Commission	22	9	40.9%
Criminal Justice Training Commission	48	19	39.6%
Off. Of the Supt. Of Pub. Instr. (OSPI)	323	102	31.6%
Outdoor Recreation Commission	28	8	28.6%
Workforce Trng & Educ. Coord. Bd.	27	7	25.9%
Eastern WA State Historical Society	37	9	24.3%
Utilities and Transportation Comm.	169	41	24.3%
Public Employee Relations Comm.	25	6	24.0%
Public Disclosure Commission	23	4	17.4%
Dept. Of Information Services	429	70	16.3%
Dept. of Services for the Blind	74	12	16.2%
Department of Personnel	213	33	15.5%
Health Care Authority	302	46	15.2%

Source: JLARC, based on data provided by DOP.

Discussion

It's clear from the preceding information that the Washington Management Service has grown considerably since its inception, and at a rate that exceeds that for other Merit System 1 employees. However, because no clear expectations regarding size were originally identified for the system, it's difficult to place that growth in context: that is, to assess whether it's appropriate and consistent with what was originally envisioned, or whether it's potentially excessive.

Further, the scope of this study did not extend to examining a key issue that could shed additional light on the subject; that being the extent to which positions placed within the WMS meet all statutory and administrative requirements relating to system eligibility.

Without this type of information, no conclusions can be drawn as to the appropriateness or inappropriateness of the system's growth.

CHAPTER III – WMS EMPLOYEES BY POSITION TYPE

CHAPTER OVERVIEW

For contextual purposes, this chapter presents basic descriptive information regarding the types of positions included within the WMS. The majority of WMS positions are at what might be considered the lower end of the management hierarchy:

- Over 80 percent are in the lowest two – of four total – salary bands;
- More than 70 percent are viewed as "entry-level management" by their employing agencies (among the ten largest agencies); and
- Nearly half do not directly "manage" any employees (also among the ten largest agencies).

FINDINGS

Unfortunately, information is not available on what might be the important piece of descriptive information relative to WMS positions; that being the number that fall within the different "sub-categories" of the statutory definition of "manager" (see page 2). Some limited information is available, however, and is presented below for informational purposes.

For the most part, the majority of WMS positions are at what might be considered the lower end of the management hierarchy. (As was noted in the preceding chapter, many of the highest level managers, particularly agency and division directors, are in exempt status and, therefore, ineligible for WMS.)

- **By Band**: For salary setting purposes, all WMS positions are placed into one of four broad salary range categories called "bands;" a process that occurs after reviewing and evaluating each position according to specific criteria. As of July 2001, the distribution of WMS employees among the bands was as shown in Figure 8 (along with the current salary range for each band):[13]

Figure 8
WMS Employees by Salary Band: July 2001

Band	Salary Range	% WMS Emp. In Band
1	$36,320 - $62,500	24.3%
2	$47,000 - $76,200	58.0%
3	$58,400 - $90,750	16.2%
4	$70,000 - $108,800	1.5%

Source: JLARC, based on data provided by DOP.

[13] The figures exclude 44 employees in "Band 0," which is a type of holding category for positions until they are fully evaluated and placed within a permanent band.

- **By "Management Level"**: The Department of Personnel has a required coding system for categorizing all Merit System 1 employees among seven different "management levels." Although this system has some shortcomings, it provides the only relatively concise way of labeling or categorizing the relative management level of each employee.[14] We asked the ten largest "WMS agencies" to provide updated management level information for each currently-filled WMS position that had been established in their agency from 1998 through 2001. Their combined responses, covering 1,351 WMS positions, are shown in Figure 9 below.

  It should be noted that the definitions for these different management levels have not been updated in more than 20 years, and thus may not be wholly consistent with how the term "manager" is defined for purposes of the WMS system.

Figure 9
WMS Employees by Management Level: July 2001*

Management Level	Percent of WMS Employees
Agency Director	0 %
Executive Management	1 %
Middle Management	19 %
Entry-Level Management	72 %
Supervision	6 %
Pre-Entry Management	3 %
Non-Management	0 %

* Among the ten agencies with the largest number of WMS employees, for positions established between July 1, 1998 and June 30, 2001 (N=1,351).

Source: JLARC, based on data provided by DOP.

- **By Number of Employees Managed:** Having supervision or management responsibility over other employees is not required under the statutory definition of "manager." Nonetheless, the existence and extent of such responsibility does reflect on the overall nature of a position.

[14] Although it is required that each employee be assigned a management level code upon entering the civil service system, it is essentially an extraneous requirement insofar as the information is not used for anything, and is not updated as individuals move into different positions. An alternative way of looking at the management characteristics of WMS positions would be to examine their distribution among 44 separate Job Value Assessment Chart –or JVAC – categories. While these categories provide far more detailed information on the management aspects of each position, they are simply *too* detailed to be used for broad labeling or categorizing purposes.

As above, we asked the ten largest agencies to indicate the "number of employees managed" for each of the currently filled WMS positions they had established over the past three years.[15] As shown in Figure 10, nearly half – 49 percent – of the WMS employees within these ten agencies do not manage any other employees. The median number of employees managed is one.

It should be noted, however, that these combined figures are skewed substantially by the agency totals for the Department of Social and Health Services, which had a very large proportion of WMS employees – 72 percent – that managed no other employees. Among just the other nine agencies combined, 29 percent of the employees managed no other employees, and the median number managed was five.

Figure 10
Number of Employees Managed By WMS Positions
Established Between July 1998 and July 2001

Agency	Median # of Employees Managed	Percentage of WMS Positions That Manage:			
		0 Employees	1 Employee	From 2 to 4 Employees	5 or More Employees
DSHS	0	72%	3%	7%	18%
DOT	13	13%	5%	11%	71%
DOC	2	26%	18%	24%	32%
ESD	0	54%	0%	16%	30%
DFW	5	34%	6%	9%	51%
DOH	4	32%	5%	18%	45%
L&I	0	60%	4%	7%	29%
DOE	5	33%	5%	11%	51%
DOR	7	9%	3%	3%	84%
DOL	2	41%	8%	18%	33%
Combined	1	49%	6%	11%	35%

[15] This is a data element that is required to be filled out on each position's "Management Position Description" form, but is information not maintained in any centralized database.

CHAPTER IV – WMS SALARIES

CHAPTER OVERVIEW

Consistent with the study mandate, this chapter examines WMS salaries from a number of different perspectives.

- During the five-year period from July 1996 to July 2001, the average WMS salary increased by 15.1 percent. The average non-WMS salary increased by 14.4 percent over this same period. This difference is not substantial.
- Most large agencies characterize their practices with respect to WMS salaries as conservative. Most provide for "progression adjustments," but such increases are not automatic and are typically less than 5 percent.
- Only one of the ten largest agencies utilizes special recognition pay, also known as lump sum pay. One other smaller agency was identified that provides such pay to all of its WMS employees.

BACKGROUND

One of the statutory goals for the WMS system was to provide flexibility in setting and changing salaries. The Department of Personnel has established an overall salary structure and classification system, and has also developed salary guidelines. However, each agency is responsible for developing its own internal policies for applying the guidelines in setting and adjusting individual salaries for WMS employees.

In summary, the WMS compensation system is based on what is termed a "broad banding" approach to job classification. All WMS positions are evaluated using a standardized "job value assessment chart," which results in a "point value" being established for each position. The point value is then used to assign the position to one of four salary bands, each of which has a minimum and maximum salary amount as shown in the preceding chapter. Within the broad limits of the band, actual salaries are set by each individual agency based on their own policies and judgments.

Once a specific salary range is established for a position, the following are the primary types of salary adjustments that can be made (excluding promotions, demotions or legislatively directed increases):

- **Progression Adjustments:** These are the primary type of adjustments, and are intended to be granted in recognition of an employee's demonstrated growth and development. They can be up to 5 percent annually, for a maximum total of 20 percent. While there are some similarities to the periodic salary increments provided for under the regular civil service compensation system, there are two important distinctions: 1) they are not automatic, and 2) the extent of the adjustment can range anywhere from zero to a maximum of 5 percent.
- **Recruitment and/or Retention Adjustments:** These adjustments are intended only for documented problems in recruiting or retaining particular types of positions (e.g., information technology positions).

- **Salary Alignment Adjustments:** These adjustments may be made to alleviate internal salary alignment issues, such as when an employee's salary is greater than or almost the same as a supervisor's salary.

Under the salary guidelines, salary adjustments are not to exceed 10 percent per year without specific approval of the Director of Personnel. (There are some exceptions to this, including promotions and legislatively directed increases such as cost-of-living increases.)

WMS employees are also eligible for "special recognition," or lump sum pay. According to the WMS Handbook, lump sum recognition pay "is meant to acknowledge exceptional performance results, and/or achievements above and beyond the normal accomplishment expectations of the position." This compensation does not become a part of the employee's base salary, but such payments do count against the annual 10 percent limit on salary adjustments.

FINDINGS

Growth in WMS Salary Levels

Figure 11 below shows average monthly salary information for WMS employees compared to non-WMS employees, from 1996 (the first year for which data is available) to 2001, for all agencies combined.[16]

Figure 11
Average Monthly Salaries for WMS and Non-WMS Employees: 1996 – 2001

		Year (As Of July 1):						Total
		1996	1997	1998	1999	2000	2001	Change
Average Monthly Salary	WMS	$4,258	$4,302	$4,454	$4,461	$4,710	$4,900	-
	Non-WMS	$2,830	$2,863	$2,969	$2,985	$3,132	$3,238	-
Dollar Change	WMS	-	$44	$152	$7	$249	$190	$642
	Non-WMS	-	$33	$106	$16	$147	$106	$408
Percentage Change	WMS	-	1.0%	3.5%	0.2%	5.6%	4.0%	15.1%
	Non-WMS	-	1.2%	3.7%	0.5%	4.9%	3.4%	14.4%
Non-WMS as % Of WMS Salary		66.5%	66.6%	66.7%	66.9%	66.5%	66.1%	-

Source: JLARC, based on data provided by DOP.

[16] As used in this chapter, "non-WMS employees" includes Merit System 1 employees in the following "appointment status" codes: (1) Permanent, (2) Probationary, (3) Trial Service, (A) Permanent In-Training, (B) Probationary In-Training, and (C) Trial Service In-Training. This excludes "exempt" positions as well as positions that are of an emergency, seasonal or intermittent nature.

Over the total five-year time period, average WMS salaries increased at a higher rate than non-WMS salaries, but the difference was not substantial: 15.1 versus 14.4 percent. **During the three years 1997 through 1999, average WMS salaries actually increased at a lower percentage rate than non-WMS salaries.** Similarly, non-WMS salaries, as a percentage of WMS salaries, remained nearly unchanged over this period. Overall, while there are differences in salary levels, non-WMS employees, compared to WMS employees, do not appear to be losing ground – in their rates of increase or in their percentage of the average WMS salary.

We also looked at growth in WMS versus non-WMS average salaries among the five agencies with the largest number of WMS employees. In four of the agencies, WMS salaries increased at a greater rate than non-WMS salaries, and by a slightly higher margin than indicated in the combined figures shown in Figure 11. In the largest agency (DSHS), however, WMS salaries increased at a lesser rate than non-WMS salaries. By agency, the increases over the five-year period are shown in Figure 12 below:

Figure 12
Growth in WMS Versus Non-WMS Average Salaries Among the Five Agencies with the Largest Number of WMS Employees

	WMS	Non-WMS
DSHS	10.4%	12.6%
DOT	18.1%	16.9%
DOC	17.0%	15.7%
ESD	15.4%	13.6%
DFW	25.3%	20.3%
Overall	15.1%	14.1%

Source: JLARC, based on data provided by DOP.

Agency Practices With Respect to WMS Salaries

We interviewed human resource staff in each of the ten agencies with the largest number of WMS employees to discuss, among other things, their salary practices with respect to WMS positions. Most characterized their agencies as being conservative in this regard.

Nine of the ten agencies reported that they do utilize progression adjustments, although most stressed that such adjustments were not automatic. Many also reported that the amount of the increases was typically less than the 5 percent maximum allowed. Two agencies reported that individual progression adjustments were internally capped at 3 percent, while a third agency reported that while individual adjustments might be higher, "team" increases could not exceed 3 percent. (The tenth agency reported that progression adjustments were rarely awarded.) Most agencies reported that they rarely, if ever, awarded "recruitment and retention" pay.

Only one of the ten largest agencies, the Department of Ecology, reported that it utilized special recognition/lump sum pay as part of its WMS compensation system (and this is discussed in greater detail below). Two agencies reported that there may have been a single instance where such pay had been awarded, and the remaining seven agencies indicated they do not utilize this type of pay at all.

Proportion of WMS Employees Receiving Annual Salary Adjustments

Based on data provided by the Department of Personnel, it seems likely that a smaller proportion of WMS employees – as compared to regular civil service employees – get some type of annual salary increase other than a legislatively directed cost-of-living increase.

The data indicates that the proportion of WMS employees receiving some type of salary adjustment during each of the last three fiscal years – again, excluding legislatively directed increases – was 28 percent, 42 percent and 38 percent, respectively. The data, however, are based on salary *adjustments*, which can include *decreases* as well as *increases* (resulting, for example, from demotions or returns from temporary assignments). Consequently, the proportion receiving increases is likely to be somewhat less than these amounts.

In contrast, as of July 1, 2001, the Department of Personnel reports that 41 percent of all Merit System 1 employees (excluding exempt and WMS employees) were below what is referred to as Step K of their assigned pay range, and as such, were entitled to receive an incremental salary increase.

Special Recognition/Lump Sum Pay

As noted, WMS employees are eligible for special recognition, or lump sum pay, which is intended to acknowledge exceptional performance or achievements above and beyond the normal expectations for a position. Indeed, the WMS handbook states that "[t]he use of recognition compensation to motivate and reward team efforts is highly encouraged."

Data provided by the Department of Personnel indicates that there had only been 82 instances of these types of payment between July 1997 and July 2001, made by nine separate agencies. Of note, however, is that the data only showed a single payment of this type having been made by the Department of Ecology, whereas staff from that agency reported that more payments had, in fact, been made.[17] This omission does raise some question as to the overall inclusiveness of the data. (However, the extent of any additional omissions is unlikely to be too large since nine of the ten largest agencies reported they do not award these types of payments at all.)

Of particular note in the data provided by the Department of Personnel was that a single, small agency – the Housing Finance Commission – was responsible for 38 of the 82 payments (46 percent). Only three other agencies were shown as having made more than two payments: the Department of General Administration (16 payments), the Washington State Patrol (12 payments) and the Liquor Control Board (9 payments).

Because the practices of the Housing Finance Commission and Department of Ecology with respect to this type of pay stand out from other agencies, they are discussed separately on the following pages.

[17] Department of Ecology staff said they were unaware of any requirement to record and report these payments, using a separate code. Such a requirement is noted, however, on page 4-13 of the WMS Handbook.

The Housing Finance Commission

Created in 1983, the Housing Finance Commission (HFC) is a state agency that issues bonds and allocates tax credits to encourage development of affordable housing. While it is a self-supported agency, being funded by fees charged on the bonds it issues, its employees are subject to the same provisions that apply to all other state employees, including those pertaining to the WMS.

Figure 13 below displays the special recognition payments made by the Housing Finance Commission (HFC) over the past three fiscal years (with FY 2002 figures provided by the agency):

Figure 13
Special Recognition Payments Made by the Housing Finance Commission

Fiscal Year	Number of Awards	Total Amount	Average Amount
2000	9	$ 32,728	$ 3,636
2001	29	$ 71,958	$ 2,481
2002	33	$ 110,027	$ 3,334

Source: JLARC, based on upon data provided by DOP and the Housing Finance Commission.

According to the HFC's Executive Director, the use of special recognition pay is a standard part of their WMS compensation system, which he stated was developed in consultation with Department of Personnel staff. WMS staff within the agency are eligible for two types of Recognition pay: 1) an individual achievement award, which can range up to 4 percent of the person's annual base salary; and 2) a team recognition award, which can range up to 3 percent of the person's annual base salary.

According to the agency's policies, the individual award is to be based on factors such as program production that "significantly or dramatically exceeds the established business objectives," and "exceptional performance" in terms of how the business objectives are met. The team award is based on meeting specific team goals. Information provided by the agency shows that each eligible WMS employee received ***both*** types of special recognition pay in FY 2001, with the individual lump sum award averaging 3.3 percent, and the team lump sum award averaging 1.9 percent of the employee's annual salary.[18]

The special recognition payments are *in addition* to progression adjustments, which were also received by each eligible WMS employee during FY 2001 – and which averaged 3 percent.

See the "Special Note" at the end of this chapter.

[18] One WMS employee, who had been employed for less than six months, was not eligible for special recognition pay. Average dollar amounts are based on awards made to 24 WMS employees – this excludes five employees who have since resigned from the agency.

The Department of Ecology

Special recognition payments made by the Department of Ecology from FY 1999 through FY 2001 are shown below in Figure 14.

Figure 14
Special Recognition Payments Made by the Department of Ecology

Fiscal Year	Number of Awards	Total Amount	Average Amount
1999	1	$ 3,000	$ 3,000
2000	16	$ 22,052	$ 1,378
2001	40	$ 61,156	$ 1,529

Source: JLARC, based upon data provided by the Department of Ecology.

According to the Department of Ecology's compensation policies, lump sum payments may be paid to individuals or teams in recognition of "documented exceptional work performance and achievements." The 40 payments made in FY 2001 reflect payment to 33 percent of the total number of WMS employees within the agency (as of the beginning of that fiscal year).

SPECIAL NOTE

In reviewing records related to the Housing Finance Commission's use of special recognition pay, we noted that five HFC employees had received additional salary increases that, when combined with their progression adjustments and special recognition pay, exceeded 10 percent for the fiscal year. (Specifically, the combined amounts ranged from 14.7 to 26.4 percent.) As previously noted, the Washington Administrative Code provides that – with few exceptions – the 10 percent threshold is not to be exceeded without approval of the Director of the Department of Personnel (WAC 356-56-115).

In information provided by the HFC, these increases were initially characterized as being: "due to recruitment and retention difficulties; internal alignment with salaries of comparable positions; and from data collected in an external compensation study."

Our interpretation of the WAC, and that of Department of Personnel (DOP) staff, is that salary adjustments due to "recruitment and retention" problems, or "internal salary alignment" issues, are not exempt from the provision that requires approval of the Director of Personnel for WMS salary increases greater than 10 percent.

In June 2000, Commission staff submitted a letter to the Department of Personnel requesting approval for the increases. The letter was later withdrawn, however, on the basis that the Commission decided the increases were in fact a type of *promotional* increase – one of the few types of increases that are exempt from the ten percent salary limitation – and as such, did not require approval. Department of Personnel staff indicate that it is not their role, after the fact, to comment on whether the increases are appropriately considered promotional increases.

CHAPTER V – AGENCY PERSPECTIVES TOWARDS WMS

CHAPTER OVERVIEW

This chapter presents highlights from interviews we conducted with human resource staff in the ten largest agencies to learn about their views towards, as well as their practices and experiences with, the Washington Management Service.

- Most agency staff reported being favorably inclined towards the WMS, believing it has been particularly helpful in the areas of recruitment and hiring.
- Most agencies have adopted a centralized approach with respect to how they administer the WMS program in terms of determining which positions are appropriate for inclusion, and in setting salaries.
- Few problem areas were noted. Two minor ones that were identified were inconsistencies among agencies in terms of the types of positions included within WMS, and difficulty in applying system criteria to policy positions.

FINDINGS

Overall View

All of the agency staff we met with reported being favorably inclined towards the Washington Management Service. While in some agencies the level of support could be characterized as modest, in most it appeared to be quite strong.

In particular, most agencies indicated that the WMS has been especially helpful in the areas of recruitment and hiring of management level staff, which is one of the main statutory goals for the program.[19] A somewhat smaller number reported that the system has also been helpful in terms of increasing their flexibility with respect to setting and changing salaries, and in promoting upward mobility within an agency. One area in which a number of those we interviewed said the WMS has not been successful in is facilitating the movement of managers between agencies – which is another of the system's statutory goals. The reason is that many WMS positions require some type of programmatic expertise that is often unique to a particular agency.

How the WMS Generally Operates

Each agency is essentially free to establish its own policies and structure with respect to how the WMS system is administered in terms of determining which positions are appropriate for

[19] In a 2001 "Customer Survey" conducted by the Department of Personnel, 90 percent of Agency Human Resource Managers agreed, or "tended to agree" with the statement that "*The WMS broad banded classification system supports and flexes with the changing organizational and business needs of my agency*." In contrast, only 54 percent agreed or tended to agree with the same statement as it was applied to the "non-WMS" classification system.

inclusion, and in setting and changing compensation levels.[20] Based on our interviews, it appears that most have adopted a fairly centralized approach – with the largest agency, the Department of Social and Health Services, being a notable exception.

Nearly all agencies have some type of oversight committee or "team," which consists of human resource staff, and in many instances, various division directors and/or deputy directors. This committee typically has responsibility for reviewing all WMS positions, including the process of "banding" each position, which entails reviewing the position against program criteria and placing it into one of 44 "JVAC" (Job Value Assessment Chart) categories. This is the process that is also used to set the base salary for each position.

Perceived Problem Areas

Only two issues that could be considered potential problem areas were noted by more than a single agency:

- Staff from three agencies reported that sometimes there are inconsistencies between agencies in terms of the types of positions that are included within the WMS, and in some cases, the level at which comparable positions are paid.
- Staff from three other agencies reported that the job value assessment criteria, against which all WMS positions must be reviewed, are not particularly relevant for policy-oriented positions. (Under the statutory definition of manager, policy-oriented positions are often included within the WMS.)

[20] The Department of Personnel (DOP) serves in a consultative capacity to state agencies with respect to the WMS, but it has no direct role in approving or disapproving individual positions for inclusion in the program (other than in an appeals capacity, which has been used very infrequently). Similarly, with the exception of having an automated computer program that "flags" instances of annual pay increases of greater than 10 percent among WMS employees, DOP does not do any type of monitoring of the WMS program to assess whether it is being operated in compliance with applicable laws and regulations.

CHAPTER VI – SIMILAR PROGRAMS IN OTHER STATES

We contacted the Personnel or Human Resource Department in seven western states: Arizona, California, Colorado, Idaho, Montana, Oregon and Utah. None reported having systems comparable to the Washington Management Service. While some of these states had some type of special program for managers, they were either much more limited in scope (i.e., limited to just one area such as training or compensation), or were directed towards a much more select and smaller group of high-level managers. The California Career Executive Program, for example, was reported to include less than 1 percent of that state's civil service positions. Colorado's Senior Executive Service has less than 65 members.

At our request, The National Association of State Personnel Executives asked their members via an e-mail request whether their states had systems similar to the WMS. Only four other states not included above responded, and none of them reported having similar systems. These four states were Oklahoma, Rhode Island, Virginia and Wyoming.

APPENDIX 1: SCOPE AND OBJECTIVES

SCOPE AND OBJECTIVES

Study scope and objectives follow on pages 29 and 30.

Study of the Washington Management Service

SCOPE AND OBJECTIVES

SEPTEMBER 26, 2001

STATE OF WASHINGTON
JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

STUDY TEAM

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MANDATE

The 2001-03 Operating Budget (Chapter 7, Laws of 2001, 2nd Ex. Sess.) directs JLARC to:

> *conduct a study of the Washington management service. The study shall include findings regarding (a) growth in the number of positions in the Washington management service, (b) growth in salary levels and structure since the Washington management service's inception, and (c) other compensation practices.*

The study is due to the fiscal committees of the Legislature by December 21, 2001.

BACKGROUND

Established by the Legislature in 1993, the Washington Management Service (WMS) is a personnel system designed specifically for management-level positions within the executive branch of Washington state government. The system is intended to provide agencies greater flexibility for their management positions in terms of recruitment, hiring, setting compensation levels and career advancement. As of September 2001, there are approximately 5,000 employees in the WMS system – which is just less than 9 percent of the state's regular civil service system (Merit System 1, excluding higher education personnel).

STUDY SCOPE

Consistent with the statutory mandate, this study will examine the growth in the number and salary levels of Washington Management Service positions since its inception. It will also examine issues pertaining to salary structure and other compensation practices used within the system.

OBJECTIVES

1. Review and assess the growth of WMS positions since the program's inception, both numerically and as a proportion of the total civil service system.
2. Examine the composition of the WMS workforce in terms of such things as the number of positions by agency, and position *type*.
3. Review and assess the growth in salary levels for WMS positions as compared to those in the civil service system.
4. Examine issues pertaining to the salary structure of the WMS, including agency budgeting practices.
5. Identify other compensation practices used within the WMS.
6. Identify the extent to which other states have programs similar to WMS.

Examples of general study questions

- What has been the overall annual growth in WMS positions since the program's inception, both numerically and as a proportion of the total civil service system? What is the distribution and growth pattern of WMS positions by agency and position type? Since initial implementation, where have "new" WMS positions come from; e.g., newly created positions, positions whose duties have changed, or positions that have not changed but have been reassessed as meeting WMS criteria?

- What has been the overall growth in average WMS salaries since the program's inception, and how has it compared to that in the regular civil service system – both in total, and by agency? What proportion of WMS positions get annual salary increases – other than legislatively directed increases - and how does this compare to the regular civil service system?

- Annually, what proportion of WMS positions receive some form of compensation other than regular salary, and what form does this take? How does this compare to the regular civil service system?

- Do agencies budget differently for WMS position salaries than they do for regular civil service position salaries?

Timeframe for the Study

Staff will present the preliminary and proposed final reports at the JLARC meetings scheduled for December 2001 and January 2002, respectively.

JLARC Staff Contact for the Study

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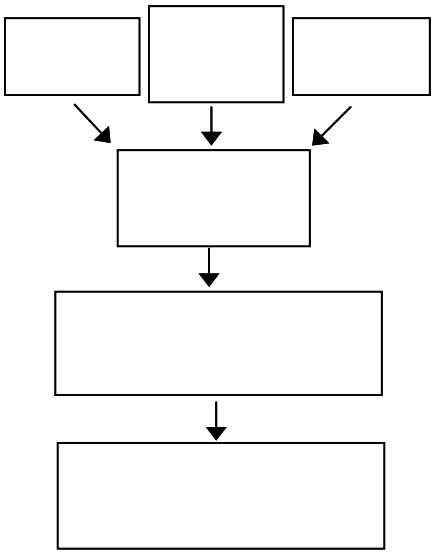
JLARC Study Process



Criteria for Establishing JLARC Work Program Priorities

- Is study consistent with JLARC mission? Is it mandated?
- Is this an area of significant fiscal or program impact, a major policy issue facing the state, or otherwise of compelling public interest?
- Will there likely be substantive findings and recommendations?
- Is this the best use of JLARC resources: For example:
  - Is the JLARC the most appropriate agency to perform the work?
  - Would the study be nonduplicating?
  - Would this study be cost-effective compared to other projects (e.g., larger, more substantive studies take longer and cost more, but might also yield more useful results)?
- Is funding available to carry out the project?

APPENDIX 2: AGENCY RESPONSES

- Department of Personnel (DOP) and Office of Financial Management (OFM) Joint Response

- JLARC's Comments to DOP and OFM Joint Response

STATE OF WASHINGTON

DEPARTMENT OF PERSONNEL

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December 12, 2001

TO: Tom Sykes, Legislative Auditor
Joint Legislative Audit and Review Committee

FROM: Gene Matt, Director
Department of Personnel

Marty Brown, Director
Office of Financial Management

SUBJECT: Response to WMS Preliminary Report

Thank you for the opportunity to review the draft preliminary report of the study of the Washington Management Service (WMS). Overall, we believe the study was well done. The primary staff person for this study, Robert Krell, reviewed a great deal of material and was extremely thorough in his work.

Chapters 3 and 4 concerning WMS management levels and salaries are well-researched and objective. The salary growth information in the report accurately reflects the comparison between WMS and non-WMS employees.

We do, however, have concerns with information provided in Chapter 2 regarding growth in the number of WMS employees and the comparisons made to non-WMS growth rate. We feel that Figure #2 on page 7 of the draft report is misleading. For purposes of explanation, we have duplicated that chart on Attachment A to this letter. Also shown on that attachment is a revised version of Figure #2 that we have created as a proposed replacement.

The original Figure #2 is intended to show annual growth percentage for the total state workforce, non-WMS, and WMS. It shows new position growth for the total state workforce and presumably for non-WMS. However, the growth it portrays for WMS does not reflect the distinction between new WMS positions and existing positions that were moved into WMS, thus inflating the growth percentage.

A clearer perspective would be to show the growth rate of each non-WMS and WMS as components of the total growth rate of the workforce overall. In other words, for FY 99 it would be more logical and informative to show what growth rate percentage of those two components make up the total growth rate of 2.2%.

The revised Figure #2 proposed by DOP and OFM reflects actual growth rate of each the non-WMS and WMS components of the workforce as a portion of the total workforce. That is, if the overall workforce growth for FY 99 was 2.2%, we show the portion of that 2.2% which is non-WMS growth at 1.8%, and then the portion which is WMS growth at 0.4% (adjusted for actual new position growth based on JLARC staff estimates). We believe this chart provides an accurate and reasonable picture of actual growth. In addition, in making this adjustment, our computations found the growth rate of non-WMS to be higher than that reflected in Figure 2 of the preliminary draft report.

We have also noted that in the chart which appears on the lower portion of page 8 of the draft report the change in the number of non-WMS employees does not reflect the percent of existing positions that moved into WMS. Rather, it presumes that the change in the non-WMS position count is all either absolute loss or gain of positions. The narrative on page 9 notes that approximately half of the expanded number of WMS positions is a result of "newly created positions," thus, approximately half of that number consists of existing positions that were moved into WMS.

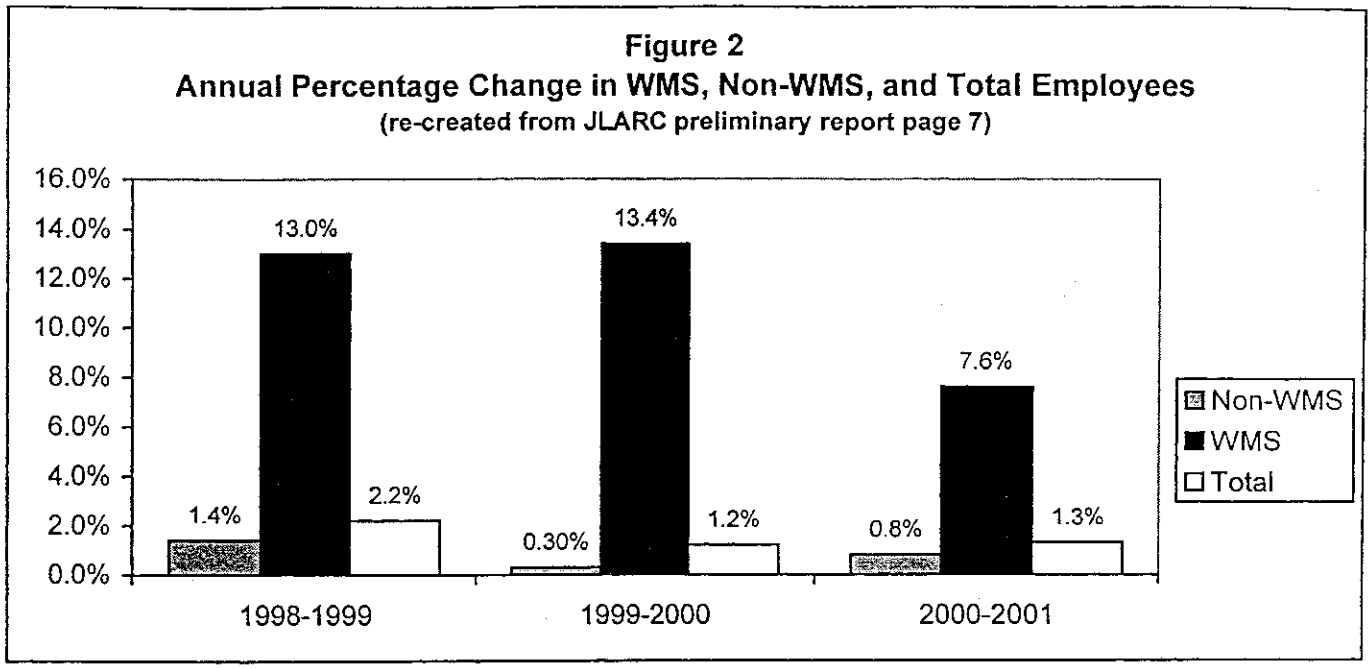
The report contains significant material pertaining to the implementation of the WMS program. We did talk to Mr. Krell about the time that WMS could be considered to be "fully implemented" and he chose to use 1998. However, as we talk with agencies about this, we are reminded that the state's workforce is not static, but dynamic and evolutionary. Especially as agencies are encouraged to downsize and flatten organizations, management responsibility is assigned at lower levels. This fact tends to make additional positions eligible for WMS inclusion.

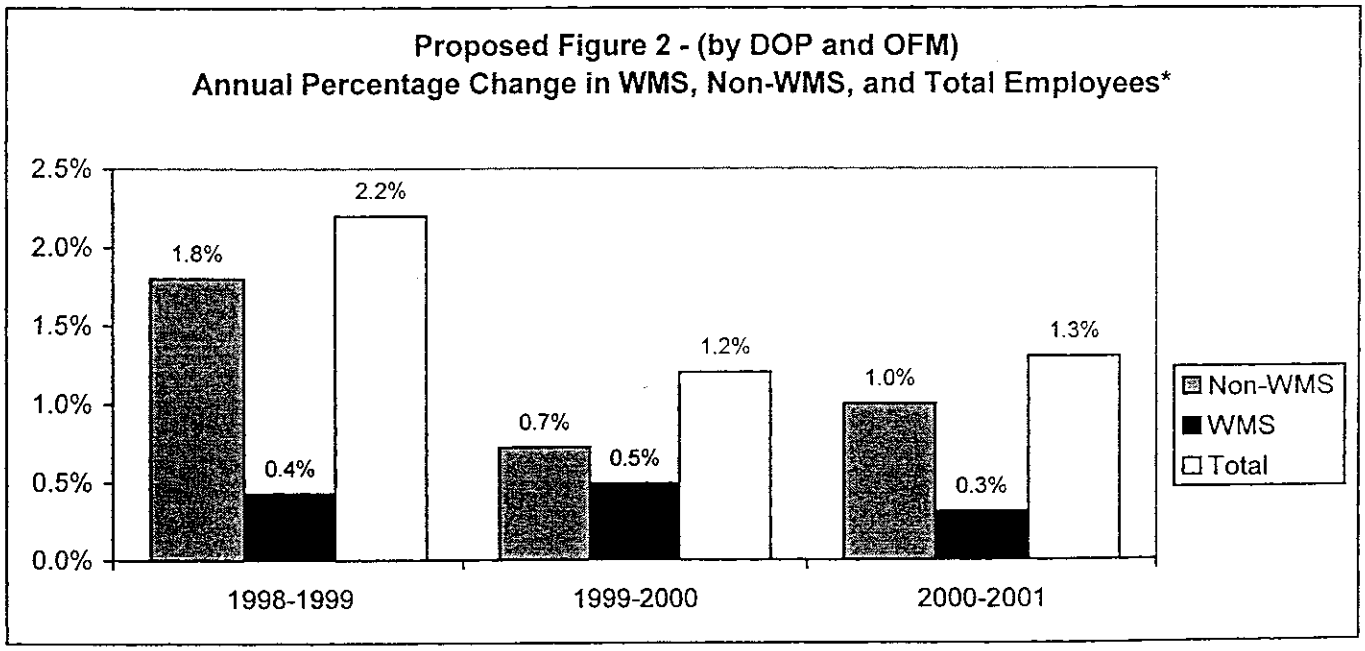
In discussions with several of the ten agencies whose statistics are included in the report, one reported that WMS was not "fully implemented" in that agency until just a few months ago. It is an agency that had been involved in an agency-wide reorganization effort in the late 90's and, thus, WMS implementation was spread over a lengthy time period.

We appreciate the opportunity to share these concerns with the Committee and look forward to discussing them further with the Committee and staff.

Attachment

ATTACHMENT A





* Scale adjusted from original Figure 2 to accommodate smaller percentages.

The annual growth percentages in the DOP revised Figure 2 reflect the following number of new positions:

	1998-99	1999-00	2000-01
Non-WMS	965	407	590
WMS	236	275	177
Total	1,201	682	767

State of Washington
Joint Legislative Audit and Review Committee

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December 18, 2001

TO: Eugene Matt, Director
Department of Personnel

Marty Brown, Director
Office of Financial Management

FROM: Thomas M. Sykes, Legislative Auditor

RE: Response to Washington Management Service Study Preliminary Report

Thank you for your comments in response to the preliminary report on the Washington Management Service Study. We appreciate your comment that, overall, you believe the study was well done and that our staff was extremely thorough. We do take issue, however, with your characterization of the information provided in Chapter 2, and Figure 2 in particular, as "misleading." The information presented is both accurate and fully consistent with our study mandate.

The revision you propose for Figure 2 is misdirected in that it focuses on a question that we were not asked to address. Specifically, your proposed change focuses on growth in the ***total Merit System 1 workforce***, and what the components of that growth were. Consistent with the study mandate, JLARC's direction was to examine growth in the number of ***Washington Management Service (WMS) employees***.

Figure 2 focuses on *total* WMS employee growth, and for purposes of context, it compares it to growth among non-WMS and total Merit System 1 employees. Immediately after, information is presented on the extent of growth that can be attributed to newly created positions. Both measures – total growth, and growth that can be attributed to newly created positions – are pertinent to the study mandate.

Again, thank you for your comments in response to this important study.

cc: Sharon Whitehead, Assistant Director, Client Relations, DOP
Dorothy Gerard, Assistant Director, Personnel Services Division, DOP
Fred Hellberg, Executive Policy Advisor, OFM

APPENDIX 3 – STATUTORY GOALS FOR THE WASHINGTON MANAGEMENT SERVICE

(From RCW 41.06.500(2))

2) In establishing rules for managers, the director shall adhere to the following goals:
    a) Development of a simplified classification system that facilitates movement of managers between agencies and promotes upward mobility;
    b) Creation of a compensation system consistent with the policy set forth in RCW 41.06.150(17). The system shall provide flexibility in setting and changing salaries, and shall require review and approval by the director in the case of any salary changes greater than five percent proposed for any group of employees;
    c) Establishment of a performance appraisal system that emphasizes individual accountability for program results and efficient management of resources; effective planning, organization, and communication skills; valuing and managing workplace diversity; development of leadership and interpersonal abilities; and employee development;
    d) Strengthening management training and career development programs that build critical management knowledge, skills, and abilities; focusing on managing and valuing workplace diversity; empowering employees by enabling them to share in workplace decision making and to be innovative, willing to take risks, and able to accept and deal with change; promoting a workplace where the overall focus is on the recipient of the government services and how these services can be improved; and enhancing mobility and career advancement opportunities;
    e) Permitting flexible recruitment and hiring procedures that enable agencies to compete effectively with other employers, both public and private, for managers with appropriate skills and training; allowing consideration of all qualified candidates for positions as managers; and achieving affirmative action goals and diversity in the workplace;
    f) Providing that managers may only be reduced, dismissed, suspended, or demoted for cause; and
    g) Facilitating decentralized and regional administration.

APPENDIX 4: WMS AND TOTAL MERIT SYSTEM 1 EMPLOYEES BY AGENCY BY YEAR: 1996 – 2001*

Agency	WMS and Total Merit System 1 Employees by Agency by Year: 1996 – 2001* (In Order of the Number of WMS Employees as of July 1, 2001)																	
	7/1/1996			7/1/1997			7/1/1998			7/1/1999			7/1/2000			7/1/2001		
	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS
Social and Health Services	17891	904	5.1%	18069	1048	5.8%	18929	1227	6.5%	19404	1456	7.5%	19401	1609	8.3%	19251	1709	8.9%
Dept. of Transportation	5051	266	5.3%	5127	301	5.9%	5227	366	7.0%	5483	461	8.4%	5192	505	9.7%	5562	545	9.8%
Dept. of Corrections	6519	358	5.5%	6529	356	5.5%	6700	385	5.7%	6904	424	6.1%	7332	512	7.0%	7518	519	6.9%
Employment Security Dept.	2511	157	6.3%	2326	145	6.2%	2273	157	6.9%	2372	155	6.5%	2395	177	7.4%	2442	200	8.2%
Dept. of Fish & Wildlife	1851	136	7.3%	1847	153	8.3%	1799	152	8.4%	1768	142	8.0%	1808	160	8.8%	1867	168	9.0%
Dept. of Health	1209	131	10.8%	1208	132	10.9%	1191	141	11.8%	1241	146	11.8%	1243	160	12.9%	1280	165	12.9%
Dept. of Labor & Industries	2617	90	3.4%	2659	88	3.3%	2597	98	3.8%	2629	119	4.5%	2723	142	5.2%	2744	161	5.9%
Dept. of Ecology	1428	80	5.6%	1434	82	5.7%	1442	98	6.8%	1442	122	8.5%	1429	120	8.4%	1506	160	10.6%
Dept. of Revenue	1069	48	4.5%	1036	51	4.9%	1025	56	5.5%	1026	62	6.0%	1032	119	11.5%	965	117	12.1%
Dept. of Licensing	1297	88	6.8%	1244	92	7.4%	1205	84	7.0%	1252	92	7.3%	1255	102	8.1%	1285	113	8.8%
Supt. of Public Instruction	277	29	10.5%	284	85	29.9%	293	82	28.0%	295	78	26.4%	317	87	27.4%	323	102	31.6%
Dept. of General Admin.	676	62	9.2%	712	65	9.1%	708	71	10.0%	717	71	9.9%	719	77	10.7%	732	89	12.2%
Washington State Patrol	1011	26	2.6%	1062	29	2.7%	1064	38	3.6%	1002	50	5.0%	1039	81	7.8%	1012	79	7.8%
Dept. of Natural Resources	1866	58	3.1%	1983	62	3.1%	1880	62	3.3%	1772	61	3.4%	1859	63	3.4%	1916	79	4.1%
Dept. of Info. Services	417	42	10.1%	410	49	12.0%	415	60	14.5%	415	60	14.5%	416	66	15.9%	429	70	16.3%
Liquor Control Board	1112	39	3.5%	1115	39	3.5%	1185	41	3.5%	1282	50	3.9%	1338	50	3.7%	1250	47	3.8%
Health Care Authority	243	31	12.8%	281	37	13.2%	285	38	13.3%	290	39	13.4%	291	43	14.8%	302	46	15.2%

WMS and Total Merit System 1 Employees by Agency by Year: 1996 – 2001*
(In Order of the Number of WMS Employees as of July 1, 2001)

Agency	7/1/1996			7/1/1997			7/1/1998			7/1/1999			7/1/2000			7/1/2001		
	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS
Parks & Recreation Commission	802	19	2.4%	803	27	3.4%	818	35	4.3%	866	43	5.0%	900	46	5.1%	928	46	5.0%
Utilities & Trans. Commission	158	17	10.8%	165	24	14.5%	169	26	15.4%	170	32	18.8%	175	37	21.1%	169	41	24.3%
Dept. of Agriculture	789	45	5.7%	751	42	5.6%	753	47	6.2%	724	44	6.1%	730	40	5.5%	754	41	5.4%
Dept. of Comm. Trade & Econ. Dev.	342	30	8.8%	351	31	8.8%	328	28	8.5%	334	27	8.1%	339	27	8.0%	357	36	10.1%
Dept. of Retirement System	228	13	5.7%	226	18	8.0%	235	20	8.5%	251	25	10.0%	248	27	10.9%	270	35	13.0%
Housing Finance Comm.	37	11	29.7%	42	10	23.8%	46	12	26.1%	46	13	28.3%	53	30	56.6%	60	35	58.3%
State Auditor	298	26	8.7%	306	27	8.8%	341	30	8.8%	328	31	9.5%	327	36	11.0%	338	34	10.1%
Dept. of Personnel	217	27	12.4%	212	29	13.7%	204	31	15.2%	215	35	16.3%	217	35	16.1%	213	33	15.5%
Attorney General	1021	5	0.5%	1029	16	1.6%	1049	18	1.7%	1065	21	2.0%	1117	22	2.0%	1140	28	2.5%
Dept. of Veterans Affairs	515	25	4.9%	509	24	4.7%	524	26	5.0%	530	26	4.9%	539	27	5.0%	544	27	5.0%
Secretary of State	157	0	0.0%	176	24	13.6%	183	25	13.7%	191	25	13.1%	188	24	12.8%	174	24	13.8%
Insurance Commissioner	155	16	10.3%	166	17	10.2%	154	17	11.0%	164	21	12.8%	171	22	12.9%	161	21	13.0%
Criminal Justice Trng. Comm.	32	5	15.6%	36	5	13.9%	33	6	18.2%	30	6	20.0%	36	9	25.0%	48	19	39.6%
Military Department	244	7	2.9%	248	14	5.6%	257	13	5.1%	255	11	4.3%	247	13	5.3%	266	16	6.0%
WA Traffic Safety Comm.	19	9	47.4%	22	11	50.0%	20	10	50.0%	20	12	60.0%	22	14	63.6%	22	14	63.6%
Gambling Commission	133	2	1.5%	133	2	1.5%	138	6	4.3%	159	10	6.3%	181	10	5.5%	185	13	7.0%
Dept. of Srvcs. for the Blind	71	7	9.9%	71	8	11.3%	72	7	9.7%	72	10	13.9%	68	12	17.6%	74	12	16.2%
State Treasurer	74	11	14.9%	73	12	16.4%	70	11	15.7%	74	9	12.2%	74	10	13.5%	75	11	14.7%
Dept. of Financial Inst.	103	6	5.8%	108	6	5.6%	122	7	5.7%	124	7	5.6%	136	10	7.4%	138	10	7.2%

WMS and Total Merit System 1 Employees by Agency by Year: 1996 – 2001*
(In Order of the Number of WMS Employees as of July 1, 2001)

Agency	7/1/1996			7/1/1997			7/1/1998			7/1/1999			7/1/2000			7/1/2001		
	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS
Arts Commission	20	8	40.0%	17	7	41.2%	16	8	50.0%	14	8	57.1%	15	8	53.3%	22	9	40.9%
Eastern WA Historical Society	21	1	4.8%	19	3	15.8%	38	4	10.5%	40	4	10.0%	38	8	21.1%	37	9	24.3%
Conservation Comm.	8	0	0.0%	8	0	0.0%	7	1	14.3%	11	3	27.3%	15	6	40.0%	17	9	52.9%
Outdoor Rec. Comm.	21	3	14.3%	22	3	13.6%	23	5	21.7%	23	6	26.1%	28	6	21.4%	28	8	28.6%
Office of the Governor	0	0	0.0%	19	16	84.2%	18	15	83.3%	15	12	80.0%	9	7	77.8%	8	7	87.5%
WA State Lottery	155	2	1.3%	150	3	2.0%	150	4	2.7%	152	5	3.3%	155	6	3.9%	152	7	4.6%
State Investment Board	42	4	9.5%	41	6	14.6%	43	7	16.3%	49	6	12.2%	47	8	17.0%	53	7	13.2%
Workforce Train. & Ed Coordinating Board	28	3	10.7%	28	5	17.9%	26	4	15.4%	21	3	14.3%	24	4	16.7%	27	7	25.9%
WA State Historical Society	58	6	10.3%	75	7	9.3%	65	6	9.2%	73	7	9.6%	83	7	8.4%	92	7	7.6%
County Rd. Admin. Bd.	16	2	12.5%	19	3	15.8%	17	2	11.8%	15	4	26.7%	14	4	28.6%	16	7	43.8%
Board of Industrial Appeals	124	4	3.2%	128	4	3.1%	135	3	2.2%	138	6	4.3%	147	9	6.1%	144	6	4.2%
Public Employment Relations Commission	23	0	0.0%	22	0	0.0 %	23	0	0.0%	23	0	0.0%	24	5	20.8%	25	6	24.0%
School for the Deaf	194	0	0.0%	195	0	0.0%	190	0	0.0%	184	0	0.0%	183	4	2.2%	158	6	3.8%
Public Disclosure Commission	16	3	18.8%	17	3	17.6%	18	4	22.2%	16	4	25.0%	21	4	19.0%	23	4	17.4%
Admin. Hearings Office	125	3	2.4%	126	3	2.4%	139	3	2.2%	137	3	2.2%	136	4	2.9%	138	4	2.9%
Human Rights Comm.	42	3	7.1%	45	3	6.7%	40	2	5.0%	44	3	6.8%	45	4	8.9%	49	4	8.2%
School for the Blind	92	0	0.0%	104	0	0.0%	107	0	0.0%	108	1	0.9%	108	3	2.8%	111	4	3.6%
State Library	129	2	1.6%	129	2	1.6%	124	3	2.4%	127	4	3.1%	132	4	3.0%	145	4	2.8%
Transportation Improvement Board	18	2	11.1%	15	2	13.3%	16	5	31.3%	16	5	31.3%	16	4	25.0%	15	4	26.7%
Office of Minority & Womens Bus. Enterprise	19	3	15.8%	20	4	20.0%	17	3	17.6%	18	3	16.7%	16	2	12.5%	15	2	13.3%
WA Board of Accountancy	4	0	0.0%	4	3	75.0%	4	3	75.0%	4	3	75.0%	4	2	50.0%	6	2	33.3%
Indeterminate Sentence Review Board	13	4	30.8%	12	3	25.0%	12	2	16.7%	10	2	20.0%	10	2	20.0%	10	2	20.0%
Pollution Liability Insurance Agency	3	0	0.0%	3	0	0.0%	6	0	0.0%	7	1	14.3%	9	2	22.2%	8	2	25.0%
Washington Horse Racing Commission	4	1	25.0%	4	1	25.0%	3	1	33.3%	3	1	33.3%	3	1	33.3%	2	1	50.0%

Agency	WMS and Total Merit System 1 Employees by Agency by Year: 1996 – 2001* (In Order of the Number of WMS Employees as of July 1, 2001)																	
	7/1/1996			7/1/1997			7/1/1998			7/1/1999			7/1/2000			7/1/2001		
	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS
Sentencing Guidelines Commission	8	0	0.0%	9	2	22.2%	10	2	20.0%	12	1	8.3%	13	3	23.1%	10	1	10.0%
Asian/American Affairs	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%	1	0	0.0%	1	0	0.0%
Caseload Forecast Council	0	0	0.0%	0	0	0.0%	1	0	0.0%	5	0	0.0%	5	0	0.0%	6	0	0.0%
Forecast Council	5	0	0.0%	5	0	0.0%	5	0	0.0%	5	0	0.0%	5	0	0.0%	5	0	0.0%
Off. of Financial Mngt.	90	1	1.1%	96	1	1.0%	85	0	0.0%	94	0	0.0%	92	0	0.0%	93	0	0.0%
Commission on Hispanic Affairs	1	0	0.0%	0	0	0.00%	1	0	0.0%	0	0	0.0%	2	0	0.0%	3	0	0.0%
Comm. on African-American Affairs	0	0	0.0%	0	0	0.00%	0	0	0.0%	0	0	0.0%	0	0	0.0%	2	0	0.0%
Personnel Appeals Board	6	0	0.0%	8	0	0.0%	8	1	12.5%	7	0	0.0%	7	0	0.0%	7	0	0.0%
Tax Appeals Board	10	0	0.0%	10	0	0.0%	10	0	0.0%	10	0	0.0%	11	0	0.0%	9	0	0.0%
Puget Sound Pilotage Commission	1	0	0.0%	1	0	0.0%	1	0	0.0%	1	0	0.0%	1	0	0.0%	1	0	0.0%
Bd. Vol. Firefighters	1	0	0.0%	1	0	0.0%	1	0	0.0%	1	0	0.0%	1	0	0.0%	1	0	0.0%
Marine Empl. Comm.	2	0	0.0%	2	0	0.0%	2	0	0.0%	2	0	0.0%	2	0	0.0%	2	0	0.0%
Transportation Comm.	10	0	0.0%	11	0	0.0%	12	0	0.0%	11	0	0.0%	9	0	0.0%	10	0	0.0%
Freight Mob. St. Inv. Board	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%	2	0	0.0%	2	0	0.0%
Environmental Hearings Office	7	0	0.0%	6	0	0.0%	8	0	0.0%	8	0	0.0%	8	0	0.0%	8	0	0.0%
Growth Plan Hearings Office	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%	3	0	0.0%
Health Care Facil. Authority	2	1	50.0%	2	1	50.0%	1	0	0.0%	1	0	0.0%	1	0	0.0%	2	0	0.0%
Total	53758	2882	5.4%	54126	3246	6.0%	55116	3619	6.6%	56317	4091	7.3%	56999	4641	8.1%	57766	4994	8.6%

	7/1/1994			7/1/1995		
	Total Emps	WMS Emps	% of WMS	Total Emps	WMS Emps	% of WMS
All Agencies	**52776**	**445**	**0.8%**	**53736**	**2483**	**4.6%**

*Note: The above data is only available by individual agency going back to July 1, 1996. The data below is for all agencies combined.

APPENDIX 5 – METHODOLOGY FOR ESTIMATING GROWTH IN WMS EMPLOYEES ATTRIBUTABLE TO NEWLY CREATED POSITIONS JULY 1988 – JULY 2001

To assess this issue, we requested information from the ten largest agencies on their reason for establishing each of the WMS positions they had established between July 1, 1998 and June 30, 2001. The three possible reasons included:

> *New Position: The position was a new position (i.e., had not existed previously) and was originally determined to meet necessary criteria for designation as a WMS position.*
>
> *Duties Revised: The position existed prior to its designation as a WMS position. The position's duties were revised, and as a result of the revision, it was determined that the position met the necessary criteria for designation as a WMS position.*
>
> *Position Reassessed: The position existed prior to its designation as a WMS position. Although there was no significant revision in duties, it was determined that the position met the necessary criteria for designation as a WMS position*

An individual percentage of "new WMS positions that represent newly created positions" was thus identified for each agency. This percentage was then applied to the total number of additional WMS employees that had been recorded in that agency during the specified time frame. The results of this process are shown in the table below.

	Actual Figures					Estimates	
Agency	WMS Emps. As of 7-98	WMS Emps. As of 7-01	Numerical Change	Prcnt. Change	% of New WMS Positions Reported to Represent Newly Created Positions*	Est. Number of Addl. WMS Employees Attributed to Newly Created Positions	Percent. Change
DSHS	1227	1709	482	39%	52.7%	254	20.7%
DOT	366	545	179	49%	28.1%	50	13.8%
DOC	385	519	134	35%	67.9%	91	23.6%
ESD	157	200	43	27%	42.9%	18	11.7%
DFW	152	168	16	11%	48.6%	8	5.1%
DOH	141	165	24	17%	52.6%	13	9.0%
L&I	98	161	63	64%	33.3%	21	21.4%
DOE	98	160	62	63%	28.8%	18	18.2%
DOR	56	117	61	109%	18.8%	11	20.4%
DOL	84	113	29	35%	41.0%	12	14.2%
Total	2764	3857	1093	40%	46.2%	496	18.0%

*As reported by each agency for each new WMS position established between July 1, 1998 and June 30, 2001.

For all ten agencies combined, the number of additional WMS positions that were attributed to newly created positions was 496, which represented an increase of approximately 18 percent over the 1998 total. This same percentage was then applied to the additional number of WMS employees recorded by all other agencies (i.e., other than the ten largest) to assess the number for those agencies that could be attributed to newly created positions.

855	Additional WMS employees recorded between July 1998 and July 2001 among all agencies other than those shown above
x 17.963%	Percentage from table estimated to represent newly created positions
154	Additional WMS employees estimated to represent newly created positions

Thus, the total number of additional WMS employees between July 1998 and July 2001 estimated to represent newly created positions is 650; 496 among the ten largest agencies, plus 154 among all other agencies.