

affect dollar rates which other taxing districts may lawfully claim nor cause the combined levies to exceed the constitutional and/or statutory limitations.

Passed the House March 8, 1985.

Passed the Senate April 11, 1985.

Approved by the Governor April 22, 1985.

Filed in Office of Secretary of State April 22, 1985.

## CHAPTER 113

[Substitute House Bill No. 731]

### WASHINGTON-BRED HORSES—DEPARTMENT OF AGRICULTURE— MARKETING PLAN

AN ACT Relating to horse breeding and marketing; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

**NEW SECTION.** Sec. 1. The department of agriculture, through its division on agricultural development, shall examine the various means by which the state may promote and assist in the marketing of Washington-bred horses. For each of those means that have the greatest potential for assisting such marketing, the department shall design a marketing plan, project the effectiveness of the plan, and estimate the cost of implementing the plan. As it identifies such means and designs the various plans, the department shall consult with the committees on agriculture of the state house of representatives and senate. The department shall report its findings, in the form of alternative plans and estimates of the costs and effectiveness of the plans as well as any legislation needed to implement such plans, to the legislature by December 1, 1985.

Passed the House March 12, 1985.

Passed the Senate April 11, 1985.

Approved by the Governor April 22, 1985.

Filed in Office of Secretary of State April 22, 1985.

## CHAPTER 114

[Substitute House Bill No. 220]

### PRODUCTIVITY BOARD—EMPLOYEE INCENTIVES MODIFIED

AN ACT Relating to employee incentives; amending RCW 41.60.015, 41.60.041, 41.60.050, 41.60.100, 41.60.110, and 41.60.120; adding a new section to chapter 41.60 RCW; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 1, chapter 167, Laws of 1982 as last amended by section 72, chapter 287, Laws of 1984 and RCW 41.60.015 are each amended to read as follows:

(1) There is hereby created the productivity board. The board shall administer the employee suggestion program under this chapter and shall review applications for incentive pay for state employees under RCW 41.60.100, 41.60.110, and 41.60.120.

(2) The board shall be composed of:

(a) The secretary of state who shall act as chairperson;

(b) The director of personnel appointed under the provisions of RCW 41.06.130 or the director's designee;

(c) The director of financial management or the director's designee;  
((and))

(d) The personnel director appointed under the provisions of RCW 28B.16.060 or the director's designee; and

(e) Three persons with experience in administering incentives such as those used by industry, with the governor, lieutenant governor, and speaker of the house of representatives each appointing one person. The governor's appointee shall be a representative of an employee organization certified as an exclusive representative of at least one bargaining unit of classified employees, but no one organization may be represented for two consecutive terms.

~~((Initially, the person appointed by the governor shall serve a one-year term, the person appointed by the lieutenant governor shall serve a two-year term, and the person appointed by the speaker shall serve a three-year term. Thereafter,))~~ These members shall serve three-year terms.

Members of the board shall be compensated in accordance with RCW 43.03.240.

Sec. 2. Section 9, chapter 167, Laws of 1982 and RCW 41.60.041 are each amended to read as follows:

(1) Cash awards for suggestions generating net savings to the state shall be ~~((calculated on a sliding scale percentage basis in the following manner:~~

~~(a) Ten percent of the first ten thousand dollars;~~

~~(b) Eight percent of the next twenty thousand dollars;~~

~~(c) Six percent of the next thirty thousand dollars;~~

~~(d) Four percent of the next forty thousand dollars; and~~

~~(e) Two percent of all amounts in excess of one hundred thousand dollars))~~ ten percent of the net savings.

(2) No award may be granted in excess of ten thousand dollars.

(3) If the suggestion is significantly modified when implemented, the percentage((s)) specified in subsection (1) of this section may be decreased at the option of the board.

(4) The board shall establish guidelines for making cash awards for suggestions for which benefits to the state are intangible or for which benefits cannot be calculated.

(5) Funds for the awards shall be drawn from the appropriation of the agency benefiting from the employee's suggestion. In addition to the amount awarded, the agency shall transfer ~~((two))~~ ten percent of the savings to the department of personnel for deposit in the department of personnel service fund. Moneys so transferred shall be used exclusively for the operations of the productivity board. Any moneys remaining unexpended at the end of the fiscal biennium shall revert to the original fund source.

Sec. 3. Section 5, chapter 142, Laws of 1965 ex. sess. as last amended by section 3, chapter 54, Laws of 1983 and RCW 41.60.050 are each amended to read as follows:

~~((Until June 30, 1985, administrative expenses of the board in administering this chapter shall not exceed fifty thousand dollars per year. After June 30, 1985, such expenses shall not exceed))~~ The legislature may augment the revenue transferred to the department of personnel service fund under RCW 41.60.041(5) and 41.60.120((-Administrative expenses shall be paid from the department of personnel service fund)) with an appropriation. Such appropriation shall be used exclusively for the payment of administrative costs of the productivity board.

Sec. 4. Section 2, chapter 167, Laws of 1982 and RCW 41.60.100 are each amended to read as follows:

With the exception of the legislative and judicial branches ~~((and the offices of elected officials))~~, any organizational unit of any agency of state government having an identifiable budget or having its financial records maintained according to an accounting system which identifies the expenditures and receipts properly attributable to that unit may apply to the board for selection as a candidate for the award of incentive pay to its employees. The application shall be submitted prior to the beginning of any year and shall have the approval of the head of the agency within which the unit is located.

Applications shall be in the form specified by the board and contain such information as the board may require, including but not limited to those evaluation components developed by the applying unit which will provide quantitative measures of program output and performance.

The board shall evaluate the applications submitted. From those proposals which are considered to be reasonable and practical and which are found to include developed performance indicators which lend themselves to a judgment of success or failure, the board shall select the units to participate in the incentive pay program.

Persons who are exempt from civil service under RCW 41.06.070 (5) and (9) may not participate in the employee incentive pay program.

Sec. 5. Section 3, chapter 167, Laws of 1982 and RCW 41.60.110 are each amended to read as follows:

(1) To qualify for the award of incentive pay to its employees, a unit selected shall demonstrate to the satisfaction of the board that it has operated during the year of participation at ((less)) a lower cost ((than the immediately preceding year either)) with either an increase in the level of services rendered or with no decrease in the level of services rendered.

(a) A unit completing its first year of participation shall compare costs during that year of participation to (i) the fiscal year expenditures for the year immediately preceding the first year of participation, or (ii) an average derived from the unit's historical data, or (iii) engineered standards used in conjunction with an average derived from the unit's historical data;

(b) A unit participating in the incentive pay program for more than one year shall compare its costs during the current year of participation with its costs for the immediately preceding year; and

(c) For the purposes of this section, a unit's historical data shall be restricted to data generated during the period of three years or less immediately preceding the unit's first year of participation in the incentive pay program.

(2) The board shall satisfy itself from documentation submitted by the organizational unit that the claimed cost of operation is real and not merely apparent and that it is not, in whole or in part, the result of:

- (a) Chance;
- (b) A lowering of the quality of the service rendered;
- (c) Nonrecurrence of expenditures which were single outlay, or one-time expenditures, in the preceding year;
- (d) Stockpiling inventories in the immediately preceding year so as to reduce requirements in the eligible year;
- (e) Substitution of federal funds, other receipts, or nonstate funds for state appropriations;
- (f) Unreasonable postponement of payments of accounts payable until the year immediately following the eligible year;
- (g) Shifting of expenses to another unit of government; or
- (h) Any other practice, event, or device which the board decides has caused a distortion which makes it falsely appear that a savings or increase in level of services has occurred.

(3) The board shall consider as legitimate savings those reductions in expenditures made possible by such items as the following:

- (a) Reductions in overtime;
- (b) Elimination of consultant fees;
- (c) Less temporary help;
- (d) Improved systems and procedures;
- (e) Better deployment and utilization of personnel;
- (f) Elimination of unnecessary travel;
- (g) Elimination of unnecessary printing and mailing;
- (h) Elimination of unnecessary payments for items such as advertising;

- (i) Elimination of waste, duplication, and operations of doubtful value;
- (j) Improved space utilization; and
- (k) Any other items considered by the board as representing true savings.

Sec. 6. Section 4, chapter 167, Laws of 1982 and RCW 41.60.120 are each amended to read as follows:

At the conclusion of the eligible year, the board shall compare the expenditures for that year of each unit selected against the expenditures of that unit for the immediately preceding year or expenditures determined in accordance with RCW 41.60.110(1) (a) and (b) and, after making such adjustments as in the board's judgment are required to eliminate distortions, shall determine the amount, if any, that the unit has reduced the unit's cost of operations or increased its level of services in the eligible year. Adjustments to eliminate distortions may include any legislative increases in employee compensation and inflationary increases in the cost of services, materials, and supplies. If the board also determines that in the board's judgment a unit qualifies for an award, the board shall award to the employees of that unit a sum equal to twenty-five percent of the amount determined to be the savings to the state for the level of services rendered. The amount awarded shall be divided and distributed in equal shares to the employees of the unit, except that employees who worked for that unit less than the twelve months of the year shall receive only a pro rata share based on the fraction of the year worked for that unit. Funds for this incentive pay shall be drawn from the ~~((appropriation of the))~~ agency in which the unit is located.

In addition to the amount awarded, the agency shall transfer ~~((two))~~ ten percent of the savings to the department of personnel for deposit in the department of personnel service fund. Moneys so transferred shall be used exclusively for the operations of the productivity board. Any moneys remaining unexpended at the end of the fiscal biennium shall revert to the original fund source.

NEW SECTION. Sec. 7. A new section is added to chapter 41.60 RCW to read as follows:

Other than suggestion awards and incentive pay unit awards, agencies shall have the authority to recognize employees for accomplishments including outstanding achievements, safety performance, and longevity. Recognition awards which may not exceed fifty dollars in value per award may include, but not be limited to, cash or such items as pen and desk sets, plaques, pins, framed certificates, clocks, and calculators. Award costs shall be paid by the agency giving the award.

NEW SECTION. Sec. 8. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state

government and its existing public institutions, and shall take effect July 1, 1985.

Passed the House March 14, 1985.

Passed the Senate April 11, 1985.

Approved by the Governor April 22, 1985.

Filed in Office of Secretary of State April 22, 1985.

## CHAPTER 115

[Substitute House Bill No. 596]

### AIRCRAFT NOISE ABATEMENT—TRANSACTION ASSISTANCE

AN ACT Relating to aircraft noise abatement; and amending RCW 53.54.030.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 3, chapter 121, Laws of 1974 ex. sess. and RCW 53-.54.030 are each amended to read as follows:

For the purposes of this chapter, in developing a remedial program, the port commission may utilize one or more of the following programs:

(1) Acquisition of property or property rights within the impacted area, which shall be deemed necessary to accomplish a port purpose. The port district may purchase such property or property rights by time payment notwithstanding the time limitations provided for in RCW 53.08.010. The port district may mortgage or otherwise pledge any such properties acquired to secure such transactions. The port district may assume any outstanding mortgages.

(2) Transaction assistance programs, including assistance with real estate fees and mortgage assistance, and other neighborhood remedial programs as compensation for impacts due to aircraft noise and noise associated conditions. Any such programs shall be in connection with properties located within an impacted area and shall be provided upon terms and conditions as the port district shall determine appropriate.

(3) Programs of soundproofing structures located within an impacted area. Such programs may be executed without regard to the ownership, provided the owner waives all damages and conveys a full and unrestricted easement for the operation of all aircraft, and for all noise and noise associated conditions therewith, to the port district.

~~((3))~~ (4) Mortgage insurance of private owners of lands or improvements within such noise impacted area where such private owners are unable to obtain mortgage insurance solely because of noise impact. In this regard, the port district may establish reasonable regulations and may impose reasonable conditions and charges upon the granting of such mortgage insurance: PROVIDED, That such fees and charges shall at no time exceed fees established for federal mortgage insurance programs for like service.