



June 11, 2010

TO: MARTY BROWN, Director, Office of Financial Management  
FROM: PAULA HAMMOND, Secretary, Department of Transportation  
SUBJECT: ESSB 6503 (Temporary Layoff Implementation)

**Introduction**

The WSDOT executive team has discussed a number of possible implementation scenarios for temporary layoffs in response to ESSB 6503, as guided by input from OFM and the Governor's Office. As you know, ESSB 6503 includes numerous exemptions for work activities at WSDOT. However, the exemptions do not clearly articulate specific actions WSDOT must take to comply with the law. What is clear is that the legislature established a budget reduction target of \$1.4 million and reduced the 2009-2011 budget in numerous overhead programs to reflect that reduction.

Earlier versions of possible implementation scenarios demonstrated the widely differing impacts of layoff implementation and the importance of interpreting exemptions for "the operation maintenance, and construction of state ferries and state highways" consistently and in ways that recognize business needs. For example, strict adherence to legislative budget reductions resulted in a scenario where approximately 900 WSDOT employees are laid off for approximately 6-7 days. Another scenario resulted in almost 4200 employees being laid off for between 1-2 days. Others resulted in over 5000 employees being laid off. Some scenarios could be created that exempt much larger numbers of employees forcing a much smaller sub-set to take the full 10-day temporary layoff.

The reasons for the variance between scenarios stem in fact from two key issues - interpretation of the "exempted activities" language and the dates of the actual layoffs. Regarding the interpretation of the exemption language, it is possible to apply either a narrow or wide construct that results in significantly larger or smaller populations of employees exempted from temporary layoffs, respectively. On the second issue, it is important to note that WSDOT construction activities, in particular, vary significantly between summer and fall and spring and winter. In short, there are more construction activities under way in the summer and fall than in the spring and winter. Depending on what date/dates of lay-off are assumed, there would be significantly more or fewer employees subject to lay off.

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Because of this variability caused by the language in ESSB 6503 and budget language, WSDOT intends to implement a lay off based on good management practices, timed to reduce impacts on service delivery, which results in a lay-off scenario that is rational, logical, defensible and equitable.

In response to further guidance on preparing an implementation schedule for the temporary layoffs as required by ESSB 6503, WSDOT proposes the following approach for two temporary lay-off days on **Monday, October 11, 2010 and Friday, March 11, 2011.**

**Guiding principles:**

ESSB 6503 sets forth that certain activities of state agencies are exempted. For WSDOT these activities include the operation, maintenance, and construction state highways and ferries.

With a narrow approach to the application of the exemption language, WSDOT has interpreted this direction to mean staff engaged in:

- “On the road” maintenance activities
- “On the water” delivery of ferry service
- “On the terminal” delivery of ferry service
- “On the grade” construction activities

Applying these principles yields the following temporary layoff implementation results.

**Maintenance and Operation of State Ferries**

Employees engaged in exempt work activities and not subject to temporary layoffs include – customer service operations, operations service, information agents, dispatch, maintenance activities that take place at the Eagle Harbor Maintenance Facility, safety and security personnel, and all on-board and terminal staffing necessary to provide regularly-scheduled ferry service.

**Construction of State Ferries**

Employees engaged in exempt work activities and not subject to temporary layoffs include - field inspectors at shipyards where ferries are under repair or new construction, including necessary on the water work. In addition, inspectors required for actual terminal construction activities on the selected temporary layoff days are exempted from temporary layoffs.

**Who would be subject to the temporary layoffs at Ferries?**

Employees not engaged in exempt work activities and subject to temporary layoffs at Ferries include - administrative and support staff, including budgeting, accounting, planning, and other staff, operations support staff, terminal and vessel design engineering staff, port engineers, and others. Approximately 224 out of 264 employees presently working at ferries headquarters would be subject to the temporary layoffs. All terminals will remain open, Eagle Harbor Maintenance Facility will remain open, but ferries headquarters in Seattle would be closed.

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### **Construction of State Highways**

Employees engaged in exempt work activities and not subject to temporary layoffs include - chief inspectors, inspectors, environmental and permit compliance staff, and materials testers required for actual field construction activities on the selected temporary layoff day/s. In addition, the Department's Chief Engineer is not subject to the temporary layoffs.

### **IT Staff**

Employees engaged in the IT work activities necessary to protect and operate the department's IT system (at minimum staffing levels) are not subject to the temporary layoff.

### **Maintenance and Operation of State Highways**

Employees engaged in exempt maintenance and operations work activities include - rest area attendants, incident response staff, traffic management center staff, all field maintenance staff including maintenance supervisors and below (including signals, bridge maintenance, equipment mechanics, electronic technicians, etc...) required to complete regularly scheduled maintenance activities on the selected furlough day/s.

### **Who would be subject to the temporary layoffs?**

Employees not engaged in exempt work activities associated with the maintenance program and subject to temporary layoffs include - all maintenance office administrative and support staff, assistant superintendents/superintendents, regional maintenance engineers, all headquarters maintenance staff in any job classification. Oversize and overweight permits will not be sold on these days except for on-line sales. This will result in approximately 100 employees subject to temporary layoffs.

Employees not engaged in exempt work activities associated with highway construction and subject to temporary layoffs include - approximately 90 percent of personnel engaged in highway construction program funded activities around the state would be subject to temporary layoffs. This number varies depending on the selected temporary layoff day/s.

Because the selected temporary layoff day(s) are in the winter of 2011, it is anticipated that minimal highway construction activities will be on-going around the state due to winter weather and contract restrictions. This will result in approximately 2400 employees subject to temporary layoffs.

In addition, the following personnel will be subject to the temporary layoffs: The Secretary's Office, all headquarters administrative and support staff, all IT staff not exempted for protection and operation of the department's IT systems, all freight, rail, and public transportation division personnel, all budget, accounting, communications, all administrative and support staff in highway construction offices, all design offices, plus those engaged in design activities in construction field offices and other offices, traffic offices, all right of way personnel, all environmental personnel (except those for necessary field inspection), all plans, utilities, facilities, program management, planning, bridge design, and other highway construction program support staff. This will result in approximately 1400 employees subject to temporary layoffs.

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All IT employees except those engaged in IT work activities necessary to protect and operate the headquarters data center/EOC and minimal staffing to protect and operate ferries and highways operations. Approximately 12 IT staff would not be subject to the temporary layoffs.

From a public interaction perspective, the Olympia headquarters offices will be closed (including offices in Tumwater and other outlying areas), and all regional offices and maintenance area offices will be closed across the state on our two temporary layoff days.

Thank you for considering this proposal to select the two furlough days, as described, to achieve the \$1.4 Million in budget savings. We look forward to your response and to working with your staff to negotiate lay off impacts with affected unions. Please let us know if you have any questions or need more information.

PJH:jaa