# **Appropriations** Committee

# HB 2080

Brief Description: Equalizing school district employee salary allocations.

**Sponsors:** Representatives Hunter, Fromhold, Jarrett, Sommers, Anderson, Haigh, Rodne, Kenney, Moeller and Ormsby.

#### **Brief Summary of Bill**

- Declares legislative intent to end teacher salary grandfathering by the 2011-2012 school year.
- Declares legislative intent to reduce the number of grandfathered school districts in half before the end of the FY2007-2009 biennium.
- Establishes two options for ending salary grandfathering: providing additional appropriations to non-grandfathered salary districts, or pro-rating the annual I-732 COLAs for some or all the grandfathered school districts.

### **Hearing Date:** 2/22/07

Staff: Ben Rarick (786-7349).

#### **Background:**

As part of general apportionment payments to school districts under the Basic Education Act, the state allocates salary funding for three types of staff: 1) certificated instructional staff (including mostly teachers), 2) classified staff, and 3) administrative staff. Most school districts receive teacher salary allocations that are based on the statewide salary schedule; however, there are 34 districts that have "grandfathered" salary status. These districts have historically received a higher base salary allocation for teachers than the rest of the state. The highest of these grandfathered districts is the Everett school district, whose salary allocations are approximately 6.3 percent higher than the state salary schedule. Salary allocations are set in the appropriations act and shown for all 296 districts in the LEAP 12E budget document.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Initiative 732 establishes annual cost of living adjustments (COLAs) based on the Seattle CPI for all school district staff, including classified, certificated, and administrative staff. The state must provide an allocation sufficient to fund these COLAs for school district employees in the state-funded salary base, and the COLAs are subject to local collective bargaining. I-732 COLAs are projected at 3.4 percent for FY 2008 and 2.6 percent in FY 2009.

Local school districts determine salaries and compensation for their employees through collective bargaining. State policy determines salary allocations to the school districts. Local collective bargaining and employment contracts determine how much any particular employee is paid.

## Summary of Bill:

Legislative intent is declared to end teacher salary grandfathering in the state's general apportionment formulas for K-12 public school districts. Legislative intent is further declared to reduce the number of grandfathered salary districts by half by the end of the 2007-2009 biennium, and to use the same base salary allocation schedule for all teachers by the 2011-12 school year. Although base salary allocations will be equalized, districts' allocations will continue to be adjusted by a staff mix factor that would vary by district.

The Legislature may end salary grandfathering by either or both of two methods: 1) Providing additional salary allocations for non-grandfathered districts; or 2) Making a pro-rata reduction of all or part of the state's I-732 COLA allocation for grandfathered districts. Any amounts withheld from the COLA allocation will not reduce the state's overall I-732 COLA allocation.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.