H-0493.1

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**HOUSE BILL 1538**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Representatives Sells, Moscoso, Dunshee, Reykdal, Pollet, S. Hunt, Orwall, Stanford, Robinson, Fey, Tarleton, Ryu, Ortiz-Self, Gregerson, Santos, McBride, Ormsby, Walkinshaw, and Farrell

AN ACT Relating to restoring cost-of-living increases for educational employees; amending RCW 28A.400.205, 28B.50.465, 28B.50.468, and 28A.405.415; and creating a new section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  The legislature finds that, in *McCleary v. State of Washington*, the Washington state supreme court requires that the state must make real and measurable progress on meeting its obligation to provide ample funding for K-12 education, including increasing state allocations for salaries for teachers and other K-12 school employees. In that decision, the supreme court found that the state allocation for salaries fell short of the actual cost of recruiting and retaining high quality educators. The legislature finds that the supreme court's *McCleary* order filed January 9, 2014, reaffirmed that "Quality educators and administrators are the heart of Washington's education system" and found that "the inescapable fact is that salaries for educators in Washington are no better now than when this case went to trial."

Through the passage of Initiative Measure No. 732 by sixty-three percent of voters in 2000, Washington voters approved annual cost-of-living adjustments for K-12 and community and technical college employees. However, the legislature has suspended the salary cost-of-living adjustments for public school and community and technical college employees since 2008. Due to this six-year suspension, educator salaries are thousands less than they should be to keep pace with inflation and state allocations are even further away from setting competitive wages as required by the *McCleary* decision. Unless legislative action is taken, educators will continue to lose that salary throughout their careers and retirement.

The legislature finds that cost-of-living increases are the best way to ensure that the salaries and wages of all educational employees maintain pace with inflation. It is the intent of the legislature that, over four years, salaries for public school employees and community and technical college faculty and staff be increased to levels that restore the inflation adjustments that were originally required under Initiative Measure No. 732 for the 2009-10 school year through the 2014-15 school year.

**Sec.**  RCW 28A.400.205 and 2013 2nd sp.s. c 5 s 1 are each amended to read as follows:

(1) School district employees shall be provided an annual salary cost-of-living increase in accordance with this section.

(a) The cost-of-living increase shall be calculated by applying the rate of the yearly increase in the cost-of-living index to any state-funded salary base used in state funding formulas for teachers and other school district employees. Beginning with the 2001-02 school year, and for each subsequent school year, except for the 2013-14 and 2014-15 school years, each school district shall be provided a cost-of-living allocation sufficient to grant this cost-of-living increase.

(b) A school district shall distribute its cost-of-living allocation for salaries and salary-related benefits in accordance with the district's salary schedules, collective bargaining agreements, and compensation policies. No later than the end of the school year, each school district shall certify to the superintendent of public instruction that it has spent funds provided for cost-of-living increases on salaries and salary-related benefits.

(c) Any funded cost-of-living increase shall be included in the salary base used to determine cost-of-living increases for school employees in subsequent years. For teachers and other certificated instructional staff, the rate of the annual cost-of-living increase funded for certificated instructional staff shall be applied to the base salary used with the statewide salary allocation schedule established under RCW 28A.150.410 and to any other salary models used to recognize school district personnel costs.

(2)(a) Beginning with the 2015-16 school year, school districts shall be provided an incremental increase to base salary allocations for school employees in addition to the cost-of-living adjustments required in subsection (1) of this section. The incremental increase shall be calculated by using the cumulative rate of the increase in the cost-of-living index for the six-year period beginning with the 2009-10 school year through the 2014-15 school year and applying that cumulative rate of increase to any state-funded salary base used in state funding formulas for teachers and other school district employees.

(b) The full adjustment outlined in this subsection (2) shall be phased-in over four years, starting with the 2015-16 school year. The total increase to salary allocations shall be phased-in at a rate of twenty-five percent per year over four years until it is fully provided in the 2018-19 school year.

(c) A school district shall distribute the increased allocation for salaries and salary-related benefits in this subsection (2) in accordance with the district's salary schedules, collective bargaining agreements, and compensation policies. No later than the end of the school year, each school district shall certify to the superintendent of public instruction that it has spent the allocated funds on salaries and salary-related benefits.

(d) The increased salary allocations under this subsection (2) shall be included in the salary base used to determine cost-of-living adjustments as provided in subsection (1) of this section.

(3) For the purposes of this section, "cost-of-living index" means, for any school year, the previous calendar year's annual average consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the cost-of-living index in this section.

**Sec.**  RCW 28B.50.465 and 2013 2nd sp.s. c 5 s 2 are each amended to read as follows:

(1) Academic employees of community and technical college districts shall be provided an annual salary cost-of-living increase in accordance with this section. For purposes of this section, "academic employee" has the same meaning as defined in RCW 28B.52.020.

(a) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year, except as provided in (d) of this subsection, each college district shall receive a cost-of-living allocation sufficient to increase academic employee salaries, including mandatory salary-related benefits, by the rate of the yearly increase in the cost-of-living index.

(b) A college district shall distribute its cost-of-living allocation for salaries and salary-related benefits in accordance with the district's salary schedules, collective bargaining agreements, and other compensation policies. No later than the end of the fiscal year, each college district shall certify to the college board that it has spent funds provided for cost-of-living increases on salaries and salary-related benefits.

(c) The college board shall include any funded cost-of-living increase in the salary base used to determine cost-of-living increases for academic employees in subsequent years.

(d) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year except for the 2013-2014 and 2014-2015 fiscal years, the state shall fully fund the cost-of-living increase set forth in this section.

(2)(a) Beginning with the 2015-2016 fiscal year, each college district shall receive an incremental allocation to increase academic employee salaries, including mandatory salary-related benefits, in addition to the cost-of-living adjustments required in subsection (1) of this section. The incremental allocation shall be calculated by using the cumulative rate of the increase in the cost-of-living index for the six-year period beginning with the 2009-2010 fiscal year through the 2014-2015 fiscal year and applying that cumulative rate of increase to academic employee salary allocations.

(b) The full adjustment outlined in this subsection (2) shall be phased-in over four years, starting with the 2015-2016 fiscal year. The total increase to salaries shall be phased-in at a rate of twenty-five percent per year over four years until it is fully provided in the 2018-2019 fiscal year.

(c) A college district shall distribute the increased allocation for salaries and salary-related benefits in accordance with the district's salary schedules, collective bargaining agreements, and other compensation policies. No later than the end of the fiscal year, each college district shall certify to the college board that it has spent the funds provided on salaries and salary-related benefits.

(d) The college board shall include any funded salary allocation under this subsection (2) in the salary base used to determine cost-of-living increases for academic employees as provided in subsection (1) of this section.

(3) For the purposes of this section, "cost-of-living index" means, for any fiscal year, the previous calendar year's annual average consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the cost-of-living index in this section.

**Sec.**  RCW 28B.50.468 and 2013 2nd sp.s. c 5 s 3 are each amended to read as follows:

(1) Classified employees of technical colleges shall be provided an annual salary cost-of-living increase in accordance with this section. For purposes of this section, "technical college" has the same meaning as defined in RCW 28B.50.030. This section applies to only those classified employees under the jurisdiction of chapter 41.56 RCW.

(a) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year, except as provided in (d) of this subsection, each technical college board of trustees shall receive a cost-of-living allocation sufficient to increase classified employee salaries, including mandatory salary-related benefits, by the rate of the yearly increase in the cost-of-living index.

(b) A technical college board of trustees shall distribute its cost-of-living allocation for salaries and salary-related benefits in accordance with the technical college's salary schedules, collective bargaining agreements, and other compensation policies. No later than the end of the fiscal year, each technical college shall certify to the college board that it has spent funds provided for cost-of-living increases on salaries and salary-related benefits.

(c) The college board shall include any funded cost-of-living increase in the salary base used to determine cost-of-living increases for technical college classified employees in subsequent years.

(d) Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year except for the 2013-2014 and 2014-2015 fiscal years, the state shall fully fund the cost-of-living increase set forth in this section.

(2)(a) Beginning with the 2015-2016 fiscal year, each technical college board of trustees shall receive an incremental allocation to increase classified employee salaries, including mandatory salary-related benefits, in addition to the cost-of-living adjustments required in subsection (1) of this section. The incremental allocation shall be calculated by using the cumulative rate of the increase in the cost-of-living index for the six-year period beginning with the 2009-2010 fiscal year through the 2014-2015 fiscal year and applying that cumulative rate of increase to classified employee salary allocations.

(b) The full adjustment outlined in this subsection (2) shall be phased-in over four years, starting with the 2015-2016 fiscal year. The total increase to salaries shall be phased-in at a rate of twenty-five percent per year over four years until it is fully provided in the 2018-2019 fiscal year.

(c) A technical college board of trustees shall distribute the increased allocation for salaries and salary-related benefits in accordance with the technical college's salary schedules, collective bargaining agreements, and other compensation policies. No later than the end of the fiscal year, each technical college shall certify to the college board that it has spent the funds provided on salaries and salary-related benefits.

(d) The college board of trustees shall include any funded salary allocation under this subsection (2) in the salary base used to determine cost-of-living increases for classified employees as provided in subsection (1) of this section.

(3) For the purposes of this section, "cost-of-living index" means, for any fiscal year, the previous calendar year's annual average consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the cost-of-living index in this section.

**Sec.**  RCW 28A.405.415 and 2013 2nd sp.s. c 5 s 4 are each amended to read as follows:

(1) Certificated instructional staff who have attained certification from the national board for professional teaching standards shall receive a bonus each year in which they maintain the certification. The bonus shall be calculated as ((~~follows:~~)) provided in this subsection (1).(a) The annual bonus shall be five thousand dollars in the 2007-08 school year. Thereafter, the annual bonus shall increase by inflation, except that the bonus shall not be increased during the 2013-14 ((~~and 2014-15~~)) school year((~~s~~)).

(b) For the 2015-16 through 2018-19 school years, the bonus shall be inflated using the cumulative rate of the increase in the cost-of-living index as defined in RCW 28B.50.465(3) for the six-year period beginning with the 2009-10 school year through the 2014-15 school year and applying that cumulative rate of increase to the bonus amount from the 2013-14 school year. The cost-of-living adjustment in this subsection (1)(b) shall be phased-in over four years, starting with the 2015-16 school year. The total increase to salary allocations shall be phased-in at a rate of twenty-five percent per year over four years until it is fully provided in the 2018-19 school year.

(2) Certificated instructional staff who have attained certification from the national board for professional teaching standards shall be eligible for bonuses in addition to that provided by subsection (1) of this section if the individual is in an instructional assignment in a school in which at least seventy percent of the students qualify for the free and reduced-price lunch program.

(3) The amount of the additional bonus under subsection (2) of this section for those meeting the qualifications of subsection (2) of this section is five thousand dollars.

(4) The bonuses provided under this section are in addition to compensation received under a district's salary schedule adopted in accordance with RCW 28A.405.200 and shall not be included in calculations of a district's average salary and associated salary limitations under RCW 28A.400.200.

(5) The bonuses provided under this section shall be paid in a lump sum amount.

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