
Education Committee

HB 1082

Brief Description: Creating a housing allowance program for nonsupervisory educational employees.

Sponsors: Representatives Ruderman, Tom, Hunter, Jarrett, McDermott, Nixon, Clibborn, Sommers, Sullivan, McIntire, O'Brien, Simpson, Hunt, Moeller, Kirby, Cooper, Chase, Wood, Miloscia, Shabro, Hudgins, Kenney, Conway, Kagi and Dickerson.

Brief Summary of Bill

- Authorizes an eligible school district to provide a housing allowance to certificated and classified employees.
- Authorizes an eligible school district to submit to voters a levy to support a housing allowance.
- Requires the Office of the Superintendent of Public Instruction to adopt rules and administer the program.

Hearing Date: 2/3/03

Staff: Sydney Forrester (786-7120).

Background:

In 2000, the Legislature directed the Office of Financial Management (OFM) to conduct a review of K-12 regional cost issues. The OFM's report submitted in response indicated:

- 1) State funding formulas for salaries of school district staff do not currently recognize regional differences in the cost of living;
- 2) Housing costs account for most of the differences in the cost of living among regions in Washington; and
- 3) About two-thirds of teacher households in Washington are homeowner households.

Based on data from the Economic Research Institute (ERI) the OFM estimated the differences in annual homeowner costs ranges from approximately \$8,000 in Klickitat County to more than \$42,000 in King County. The median annual teacher homeowner cost for the 1998-99 school year was \$16,000.

The OFM review also analyzed available measures of cost of living, examined methods for simulating a cost-of-living adjustment by district, and discussed housing allowance implementation issues and other options.

Summary of Bill:

A school district may provide a housing allowance to non-supervisory certificated and classified staff with revenue raised by levy. A district may submit a housing allowance levy separately or as part of a maintenance and operations levy if the housing allowance levy is separately identified. The amount of housing allowance levy a district will be authorized to submit to voters will be the sum of:

Each non-supervisory employee's FTE multiplied by
the statewide median cost of housing minus the district's cost of housing, *or* the
cost of housing in the district in which the employee lives, *whichever is lower*.

The district's cost of housing and the statewide median cost will be determined every four years based on data collected by a nationally-recognized entity selected by the OSPI, subject to approval of the Legislature and the OFM. The difference between the statewide median cost and the district's cost is capped at 50% of the median. A housing allowance levy will not qualify a district for local effort assistance.

A housing allowance will not be considered part of basic education funding, will not be earnable compensation for purposes of retirement, and will not be included as salary for salary limitation purposes.

Appropriation: None.

Fiscal Note: Available.

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