
SECOND SUBSTITUTE HOUSE BILL 2262

State of Washington

60th Legislature

2007 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Barlow, McCoy, Hunter, Seaquist, Eddy, Fromhold, Ormsby, Sells and Morrell)

READ FIRST TIME 03/28/07.

1 AN ACT Relating to salary bonuses for individuals certified by the
2 national board for professional teaching standards; reenacting and
3 amending RCW 41.32.010; adding a new section to chapter 28A.405 RCW;
4 and creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds and declares:

7 (1) The national board for professional teaching standards has
8 established high and rigorous standards for what highly accomplished
9 teachers should know and be able to do in order to increase student
10 learning results;

11 (2) The national board certifies teachers who meet these standards
12 through a rigorous, performance-based assessment process;

13 (3) A certificate awarded by the national board attests that a
14 teacher has met high and rigorous standards and has demonstrated the
15 ability to make sound professional judgments about how to best meet
16 students' learning needs and effectively help students meet challenging
17 academic standards; and

18 (4) Teachers who attain national board certification should be

1 acknowledged and rewarded in order to encourage more teachers to pursue
2 certification for the benefit of Washington students.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.405
4 RCW to read as follows:

5 (1) Certificated instructional staff who have attained
6 certification from the national board for professional teaching
7 standards shall receive a bonus each year in which they maintain the
8 certification. The bonus shall be calculated as follows:

9 (a) The annual bonus shall be five thousand two hundred fifty
10 dollars for fiscal year 2008 and five thousand four hundred dollars for
11 fiscal year 2009. Thereafter, the annual bonus shall be an amount
12 established in the omnibus appropriations act, or a pro rata share of
13 that amount subject to the conditions of (b) of this subsection; and

14 (b) State appropriations for this bonus may be limited to the
15 amount of funding required to provide the full amount of the bonus to
16 five percent of the certificated instructional staff who are eligible
17 to receive certification from the national board for professional
18 teaching standards. If the percentage of certificated instructional
19 staff who attain certification from the national board for professional
20 teaching standards exceeds five percent of those eligible to attain
21 such certification, and if providing a full bonus to all eligible
22 certificated instructional staff will exceed the amount of funding
23 appropriated by the legislature for the bonuses, each eligible
24 certificated instructional staff shall receive a pro rata share of the
25 amount provided.

26 (2) Certificated instructional staff who have attained
27 certification from the national board for professional teaching
28 standards shall be eligible for one or more bonuses in addition to that
29 provided by subsection (1) of this section if the individual:

30 (a) Is in an instructional assignment in a school in which at least
31 seventy percent of the students qualify for the free and reduced-price
32 lunch program; and

33 (b) Has attained certification from the national board for
34 professional teaching standards in middle level and/or high school
35 level mathematics and/or science and is in a mathematics and/or science
36 instructional assignment in a school in which at least seventy percent
37 of the students qualify for the free and reduced-price lunch program.

1 (3) The amount of the additional bonus under subsection (2) of this
2 section for those meeting the qualifications of subsection (2)(a) of
3 this section is five thousand dollars. The amount of the additional
4 bonus for those meeting the qualifications of subsection (2)(a) and (b)
5 of this section is ten thousand dollars.

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

11 (5) The bonuses provided under this section shall be paid in a lump
12 sum amount and shall not be included in the definition of "earnable
13 compensation" under RCW 41.32.010(10).

14 **Sec. 3.** RCW 41.32.010 and 2005 c 131 s 8 and 2005 c 23 s 1 are
15 each reenacted and amended to read as follows:

16 As used in this chapter, unless a different meaning is plainly
17 required by the context:

18 (1)(a) "Accumulated contributions" for plan 1 members, means the
19 sum of all regular annuity contributions and, except for the purpose of
20 withdrawal at the time of retirement, any amount paid under RCW
21 41.50.165(2) with regular interest thereon.

22 (b) "Accumulated contributions" for plan 2 members, means the sum
23 of all contributions standing to the credit of a member in the member's
24 individual account, including any amount paid under RCW 41.50.165(2),
25 together with the regular interest thereon.

26 (2) "Actuarial equivalent" means a benefit of equal value when
27 computed upon the basis of such mortality tables and regulations as
28 shall be adopted by the director and regular interest.

29 (3) "Annuity" means the moneys payable per year during life by
30 reason of accumulated contributions of a member.

31 (4) "Member reserve" means the fund in which all of the accumulated
32 contributions of members are held.

33 (5)(a) "Beneficiary" for plan 1 members, means any person in
34 receipt of a retirement allowance or other benefit provided by this
35 chapter.

36 (b) "Beneficiary" for plan 2 and plan 3 members, means any person

1 in receipt of a retirement allowance or other benefit provided by this
2 chapter resulting from service rendered to an employer by another
3 person.

4 (6) "Contract" means any agreement for service and compensation
5 between a member and an employer.

6 (7) "Creditable service" means membership service plus prior
7 service for which credit is allowable. This subsection shall apply
8 only to plan 1 members.

9 (8) "Dependent" means receiving one-half or more of support from a
10 member.

11 (9) "Disability allowance" means monthly payments during
12 disability. This subsection shall apply only to plan 1 members.

13 (10)(a) "Earnable compensation" for plan 1 members, means:

14 (i) All salaries and wages paid by an employer to an employee
15 member of the retirement system for personal services rendered during
16 a fiscal year. In all cases where compensation includes maintenance
17 the employer shall fix the value of that part of the compensation not
18 paid in money.

19 (ii) For an employee member of the retirement system teaching in an
20 extended school year program, two consecutive extended school years, as
21 defined by the employer school district, may be used as the annual
22 period for determining earnable compensation in lieu of the two fiscal
23 years.

24 (iii) "Earnable compensation" for plan 1 members also includes the
25 following actual or imputed payments, which are not paid for personal
26 services:

27 (A) Retroactive payments to an individual by an employer on
28 reinstatement of the employee in a position, or payments by an employer
29 to an individual in lieu of reinstatement in a position which are
30 awarded or granted as the equivalent of the salary or wages which the
31 individual would have earned during a payroll period shall be
32 considered earnable compensation and the individual shall receive the
33 equivalent service credit.

34 (B) If a leave of absence, without pay, is taken by a member for
35 the purpose of serving as a member of the state legislature, and such
36 member has served in the legislature five or more years, the salary
37 which would have been received for the position from which the leave of
38 absence was taken shall be considered as compensation earnable if the

1 employee's contribution thereon is paid by the employee. In addition,
2 where a member has been a member of the state legislature for five or
3 more years, earnable compensation for the member's two highest
4 compensated consecutive years of service shall include a sum not to
5 exceed thirty-six hundred dollars for each of such two consecutive
6 years, regardless of whether or not legislative service was rendered
7 during those two years.

8 (iv) For members employed less than full time under written
9 contract with a school district, or community college district, in an
10 instructional position, for which the member receives service credit of
11 less than one year in all of the years used to determine the earnable
12 compensation used for computing benefits due under RCW 41.32.497,
13 41.32.498, and 41.32.520, the member may elect to have earnable
14 compensation defined as provided in RCW 41.32.345. For the purposes of
15 this subsection, the term "instructional position" means a position in
16 which more than seventy-five percent of the member's time is spent as
17 a classroom instructor (including office hours), a librarian, a
18 psychologist, a social worker, a nurse, a physical therapist, an
19 occupational therapist, a speech language pathologist or audiologist,
20 or a counselor. Earnable compensation shall be so defined only for the
21 purpose of the calculation of retirement benefits and only as necessary
22 to insure that members who receive fractional service credit under RCW
23 41.32.270 receive benefits proportional to those received by members
24 who have received full-time service credit.

25 (v) "Earnable compensation" does not include:

26 (A) Remuneration for unused sick leave authorized under RCW
27 41.04.340, 28A.400.210, or 28A.310.490;

28 (B) Remuneration for unused annual leave in excess of thirty days
29 as authorized by RCW 43.01.044 and 43.01.041;

30 (C) Bonuses for certification from the national board for
31 professional teaching standards authorized under section 2 of this act.

32 (b) "Earnable compensation" for plan 2 and plan 3 members, means
33 salaries or wages earned by a member during a payroll period for
34 personal services, including overtime payments, and shall include wages
35 and salaries deferred under provisions established pursuant to sections
36 403(b), 414(h), and 457 of the United States Internal Revenue Code, but
37 shall exclude lump sum payments for deferred annual sick leave, unused
38 accumulated vacation, unused accumulated annual leave, bonuses for

1 certification from the national board for professional teaching
2 standards authorized under section 2 of this act, or any form of
3 severance pay.

4 "Earnable compensation" for plan 2 and plan 3 members also includes
5 the following actual or imputed payments which, except in the case of
6 (b)(ii)(B) of this subsection, are not paid for personal services:

7 (i) Retroactive payments to an individual by an employer on
8 reinstatement of the employee in a position or payments by an employer
9 to an individual in lieu of reinstatement in a position which are
10 awarded or granted as the equivalent of the salary or wages which the
11 individual would have earned during a payroll period shall be
12 considered earnable compensation, to the extent provided above, and the
13 individual shall receive the equivalent service credit.

14 (ii) In any year in which a member serves in the legislature the
15 member shall have the option of having such member's earnable
16 compensation be the greater of:

17 (A) The earnable compensation the member would have received had
18 such member not served in the legislature; or

19 (B) Such member's actual earnable compensation received for
20 teaching and legislative service combined. Any additional
21 contributions to the retirement system required because compensation
22 earnable under (b)(ii)(A) of this subsection is greater than
23 compensation earnable under (b)(ii)(B) of this subsection shall be paid
24 by the member for both member and employer contributions.

25 (11) "Employer" means the state of Washington, the school district,
26 or any agency of the state of Washington by which the member is paid.

27 (12) "Fiscal year" means a year which begins July 1st and ends June
28 30th of the following year.

29 (13) "Former state fund" means the state retirement fund in
30 operation for teachers under chapter 187, Laws of 1923, as amended.

31 (14) "Local fund" means any of the local retirement funds for
32 teachers operated in any school district in accordance with the
33 provisions of chapter 163, Laws of 1917 as amended.

34 (15) "Member" means any teacher included in the membership of the
35 retirement system who has not been removed from membership under RCW
36 41.32.878 or 41.32.768. Also, any other employee of the public schools
37 who, on July 1, 1947, had not elected to be exempt from membership and

1 who, prior to that date, had by an authorized payroll deduction,
2 contributed to the member reserve.

3 (16) "Membership service" means service rendered subsequent to the
4 first day of eligibility of a person to membership in the retirement
5 system: PROVIDED, That where a member is employed by two or more
6 employers the individual shall receive no more than one service credit
7 month during any calendar month in which multiple service is rendered.
8 The provisions of this subsection shall apply only to plan 1 members.

9 (17) "Pension" means the moneys payable per year during life from
10 the pension reserve.

11 (18) "Pension reserve" is a fund in which shall be accumulated an
12 actuarial reserve adequate to meet present and future pension
13 liabilities of the system and from which all pension obligations are to
14 be paid.

15 (19) "Prior service" means service rendered prior to the first date
16 of eligibility to membership in the retirement system for which credit
17 is allowable. The provisions of this subsection shall apply only to
18 plan 1 members.

19 (20) "Prior service contributions" means contributions made by a
20 member to secure credit for prior service. The provisions of this
21 subsection shall apply only to plan 1 members.

22 (21) "Public school" means any institution or activity operated by
23 the state of Washington or any instrumentality or political subdivision
24 thereof employing teachers, except the University of Washington and
25 Washington State University.

26 (22) "Regular contributions" means the amounts required to be
27 deducted from the compensation of a member and credited to the member's
28 individual account in the member reserve. This subsection shall apply
29 only to plan 1 members.

30 (23) "Regular interest" means such rate as the director may
31 determine.

32 (24)(a) "Retirement allowance" for plan 1 members, means monthly
33 payments based on the sum of annuity and pension, or any optional
34 benefits payable in lieu thereof.

35 (b) "Retirement allowance" for plan 2 and plan 3 members, means
36 monthly payments to a retiree or beneficiary as provided in this
37 chapter.

1 (25) "Retirement system" means the Washington state teachers'
2 retirement system.

3 (26)(a) "Service" for plan 1 members means the time during which a
4 member has been employed by an employer for compensation.

5 (i) If a member is employed by two or more employers the individual
6 shall receive no more than one service credit month during any calendar
7 month in which multiple service is rendered.

8 (ii) As authorized by RCW 28A.400.300, up to forty-five days of
9 sick leave may be creditable as service solely for the purpose of
10 determining eligibility to retire under RCW 41.32.470.

11 (iii) As authorized in RCW 41.32.065, service earned in an out-of-
12 state retirement system that covers teachers in public schools may be
13 applied solely for the purpose of determining eligibility to retire
14 under RCW 41.32.470.

15 (b) "Service" for plan 2 and plan 3 members, means periods of
16 employment by a member for one or more employers for which earnable
17 compensation is earned subject to the following conditions:

18 (i) A member employed in an eligible position or as a substitute
19 shall receive one service credit month for each month of September
20 through August of the following year if he or she earns earnable
21 compensation for eight hundred ten or more hours during that period and
22 is employed during nine of those months, except that a member may not
23 receive credit for any period prior to the member's employment in an
24 eligible position except as provided in RCW 41.32.812 and 41.50.132;

25 (ii) If a member is employed either in an eligible position or as
26 a substitute teacher for nine months of the twelve month period between
27 September through August of the following year but earns earnable
28 compensation for less than eight hundred ten hours but for at least six
29 hundred thirty hours, he or she will receive one-half of a service
30 credit month for each month of the twelve month period;

31 (iii) All other members in an eligible position or as a substitute
32 teacher shall receive service credit as follows:

33 (A) A service credit month is earned in those calendar months where
34 earnable compensation is earned for ninety or more hours;

35 (B) A half-service credit month is earned in those calendar months
36 where earnable compensation is earned for at least seventy hours but
37 less than ninety hours; and

1 (C) A quarter-service credit month is earned in those calendar
2 months where earnable compensation is earned for less than seventy
3 hours.

4 (iv) Any person who is a member of the teachers' retirement system
5 and who is elected or appointed to a state elective position may
6 continue to be a member of the retirement system and continue to
7 receive a service credit month for each of the months in a state
8 elective position by making the required member contributions.

9 (v) When an individual is employed by two or more employers the
10 individual shall only receive one month's service credit during any
11 calendar month in which multiple service for ninety or more hours is
12 rendered.

13 (vi) As authorized by RCW 28A.400.300, up to forty-five days of
14 sick leave may be creditable as service solely for the purpose of
15 determining eligibility to retire under RCW 41.32.470. For purposes of
16 plan 2 and plan 3 "forty-five days" as used in RCW 28A.400.300 is equal
17 to two service credit months. Use of less than forty-five days of sick
18 leave is creditable as allowed under this subsection as follows:

19 (A) Less than eleven days equals one-quarter service credit month;

20 (B) Eleven or more days but less than twenty-two days equals one-
21 half service credit month;

22 (C) Twenty-two days equals one service credit month;

23 (D) More than twenty-two days but less than thirty-three days
24 equals one and one-quarter service credit month;

25 (E) Thirty-three or more days but less than forty-five days equals
26 one and one-half service credit month.

27 (vii) As authorized in RCW 41.32.065, service earned in an out-of-
28 state retirement system that covers teachers in public schools may be
29 applied solely for the purpose of determining eligibility to retire
30 under RCW 41.32.470.

31 (viii) The department shall adopt rules implementing this
32 subsection.

33 (27) "Service credit year" means an accumulation of months of
34 service credit which is equal to one when divided by twelve.

35 (28) "Service credit month" means a full service credit month or an
36 accumulation of partial service credit months that are equal to one.

37 (29) "Teacher" means any person qualified to teach who is engaged
38 by a public school in an instructional, administrative, or supervisory

1 capacity. The term includes state, educational service district, and
2 school district superintendents and their assistants and all employees
3 certificated by the superintendent of public instruction; and in
4 addition thereto any full time school doctor who is employed by a
5 public school and renders service of an instructional or educational
6 nature.

7 (30) "Average final compensation" for plan 2 and plan 3 members,
8 means the member's average earnable compensation of the highest
9 consecutive sixty service credit months prior to such member's
10 retirement, termination, or death. Periods constituting authorized
11 leaves of absence may not be used in the calculation of average final
12 compensation except under RCW 41.32.810(2).

13 (31) "Retiree" means any person who has begun accruing a retirement
14 allowance or other benefit provided by this chapter resulting from
15 service rendered to an employer while a member.

16 (32) "Department" means the department of retirement systems
17 created in chapter 41.50 RCW.

18 (33) "Director" means the director of the department.

19 (34) "State elective position" means any position held by any
20 person elected or appointed to statewide office or elected or appointed
21 as a member of the legislature.

22 (35) "State actuary" or "actuary" means the person appointed
23 pursuant to RCW 44.44.010(2).

24 (36) "Substitute teacher" means:

25 (a) A teacher who is hired by an employer to work as a temporary
26 teacher, except for teachers who are annual contract employees of an
27 employer and are guaranteed a minimum number of hours; or

28 (b) Teachers who either (i) work in ineligible positions for more
29 than one employer or (ii) work in an ineligible position or positions
30 together with an eligible position.

31 (37)(a) "Eligible position" for plan 2 members from June 7, 1990,
32 through September 1, 1991, means a position which normally requires two
33 or more uninterrupted months of creditable service during September
34 through August of the following year.

35 (b) "Eligible position" for plan 2 and plan 3 on and after
36 September 1, 1991, means a position that, as defined by the employer,
37 normally requires five or more months of at least seventy hours of

1 earnable compensation during September through August of the following
2 year.

3 (c) For purposes of this chapter an employer shall not define
4 "position" in such a manner that an employee's monthly work for that
5 employer is divided into more than one position.

6 (d) The elected position of the superintendent of public
7 instruction is an eligible position.

8 (38) "Plan 1" means the teachers' retirement system, plan 1
9 providing the benefits and funding provisions covering persons who
10 first became members of the system prior to October 1, 1977.

11 (39) "Plan 2" means the teachers' retirement system, plan 2
12 providing the benefits and funding provisions covering persons who
13 first became members of the system on and after October 1, 1977, and
14 prior to July 1, 1996.

15 (40) "Plan 3" means the teachers' retirement system, plan 3
16 providing the benefits and funding provisions covering persons who
17 first become members of the system on and after July 1, 1996, or who
18 transfer under RCW 41.32.817.

19 (41) "Index" means, for any calendar year, that year's annual
20 average consumer price index, Seattle, Washington area, for urban wage
21 earners and clerical workers, all items compiled by the bureau of labor
22 statistics, United States department of labor.

23 (42) "Index A" means the index for the year prior to the
24 determination of a postretirement adjustment.

25 (43) "Index B" means the index for the year prior to index A.

26 (44) "Index year" means the earliest calendar year in which the
27 index is more than sixty percent of index A.

28 (45) "Adjustment ratio" means the value of index A divided by index
29 B.

30 (46) "Annual increase" means, initially, fifty-nine cents per month
31 per year of service which amount shall be increased each July 1st by
32 three percent, rounded to the nearest cent.

33 (47) "Member account" or "member's account" for purposes of plan 3
34 means the sum of the contributions and earnings on behalf of the member
35 in the defined contribution portion of plan 3.

36 (48) "Separation from service or employment" occurs when a person
37 has terminated all employment with an employer.

1 (49) "Employed" or "employee" means a person who is providing
2 services for compensation to an employer, unless the person is free
3 from the employer's direction and control over the performance of work.
4 The department shall adopt rules and interpret this subsection
5 consistent with common law.

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