

SENATE BILL REPORT

2SHB 1132

As Reported by Senate Committee On:
Ways & Means, May 23, 2011

Title: An act relating to reducing compensation for educational and academic employees.

Brief Description: Regarding reducing compensation for educational and academic employees.

Sponsors: House Committee on Ways & Means (originally sponsored by Representative Haigh; by request of Office of Financial Management).

Brief History: Passed House: 5/09/11, 64-32.

Committee Activity: Ways & Means: 5/10/11, 5/23/11 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Murray, Chair; Kilmer, Vice Chair, Capital Budget Chair; Zarelli, Ranking Minority Member; Parlette, Ranking Minority Member Capital; Brown, Fraser, Hewitt, Honeyford, Kastama, Keiser, Kohl-Welles, Pflug, Regala, Rockefeller and Schoesler.

Staff: Elise Greef (786-7708)

Background: Initiative 732 COLA. Initiative 732 (I-732) was approved by voters in the November 2000 general election. I-732 required the state to provide an annual cost-of-living adjustment (COLA) for K-12 teachers and other public-school employees, as well as community college and technical college academic employees and classified employees at technical colleges. The COLA is based on the Seattle-Area Consumer Price Index from the most recently completed calendar year. The increases apply to school years (September 1 through August 31) for K-12 employees and to fiscal years (July 1 through June 30) for community and technical college districts.

In response to the Washington Supreme Court's ruling in *McGowan vs. State* regarding interpretation of the state's funding obligation, the Legislature amended the statute to specify that the state must provide funding for cost-of-living increases for K-12 state-funded formula staff units only.

Legislation suspended I-732 for the 2003-05 biennium. However, a salary adjustment was provided that biennium for state-formula certificated instructional staff in their first seven

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.

years of service. I-732 COLA adjustments were again suspended during the 2009-11 biennium.

An amendment to I-732 statutes made in 2009 further provides that COLAs suspended in the 2009-11 biennium will be caught up in the ensuing biennia. During the 2011-13 and 2013-15 biennia, in addition to regular I-732 COLAs, funding will be allocated in additional equal increments such that base salaries or average salaries used in state allocation formulas are, at a minimum, what they would have otherwise been by the end of the 2014-15 school or academic year if COLAs had not been suspended during the 2009-11 biennium.

National Board Bonus Program. K-12 certificated instructional staff (CIS) who attain certification from the National Board for Professional Teaching Standards receive an annual bonus. The amount of the bonus is identified in statute as \$5,000 in the 2007-08 school year, to be increased by inflation annually. The annual inflation adjustment was suspended for the 2009-10 and 2010-11 school years. For the current school year (2010-11), the amount of the annual bonus is \$5,090.

In addition to the regular bonus, a \$5,000 annual bonus is provided to CIS who have attained certification and teach in a challenging school; that is, a school in which at least 70 percent of the students qualify for free and reduced-price lunch.

Certificated Instructional Staff Salary Schedule. The state allocates funding to school districts for CIS based on a salary schedule that is established each year in the budget bill and is subject to conditions and limitations contained in the budget. Previous salary schedules have contained "increments," under which the schedule includes increased salary allocations for CIS staff as they gain additional years of experience or educational credits. Educational credits are eligible for inclusion in the salary schedule if they meet criteria specified in statute.

Summary of Bill: The I-732 COLAs are suspended for K-12 public-school employees for the 2011-12 and 2012-13 school years, and the I-732 COLAs are suspended for community and technical-college employees for the 2011-12 and 2012-13 fiscal years. The I-732 catch-up provisions are also eliminated in both cases.

National Board base bonus amounts are subject to appropriations in the omnibus budget bill for the next two school years and the catch-up provision is eliminated.

For the next two school years, educational credits earned after October 1, 2010, on the Certificated Instructional Staff salary allocation schedule are subject to any conditions or restrictions contained in the budget bill.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: None.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2011.

Staff Summary of Public Testimony: PRO: Given that both the Senate and House budget proposals assume suspension of the I-732 COLAs, we would continue to recommend this bill to you. Although there are differences between the Senate and House budgets in the treatment of the National Board bonuses, this bill gives you the ability to make decisions around those bonuses in your budget and reconcile differences during budget negotiations.

CON: The writing has been on the wall and everyone has expected that the funding for this initiative would be suspended. We don't support or agree with that but do understand it. However, our concern is related to the elimination of catch-up provisions. We worked very hard to get this initiative passed and, even though it was expected, we oppose the suspension of the initiative. We are concerned that the re-establishment of lost COLAs is not included in this measure like you did two years ago. Language to commit a future legislature to restoring those wages would be appreciated. We have expressed concerns about all salary cuts but freezing the salary steps in particular, as proposed by the House, providing no increases for additional credits, is no different than suspending or eliminating the National Board bonus. In both cases, teachers have invested hard work and their own money for additional credits and additional degrees. There are teachers who have worked hard for degrees and would not see the benefit they expected from that work.

Persons Testifying: PRO: Jim Crawford, Senior Budget Assistant to the Governor, Office of Financial Management.

CON: Dan Steele, Washington Association of School Administrators; Randy Parr, Washington Education Association.