

# SENATE BILL REPORT

## E2SSB 6455

---

As Amended by House, March 4, 2016

**Title:** An act relating to expanding the professional educator workforce by increasing career opportunities in education, creating a more robust enrollment forecasting, and enhancing recruitment efforts.

**Brief Description:** Expanding the professional educator workforce by increasing career opportunities in education, creating a more robust enrollment forecasting, and enhancing recruitment efforts.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Dammeier, Rolfes, Litzow, Billig, Rivers, Conway and McAuliffe).

**Brief History:**

**Committee Activity:** Early Learning & K-12 Education: 1/26/16, 2/04/16 [DPS-WM, DNP].

Ways & Means: 2/08/16, 2/09/16 [DP2S].

Passed Senate: 2/17/16, 45-4.

Passed House: 3/04/16, 76-21.

### Brief Summary of Engrossed Second Substitute Bill

- Allows recently retired teachers to serve as teachers or substitutes without penalty to pension benefits.
- Requires caseload forecasts of the number of persons expected to meet entitlement requirements in the common school system by school district and statewide.
- Adds endorsement areas to the Conditional Scholarship.
- Allows certain experienced out-of-state teachers to automatically obtain professional certification in Washington.
- Creates a recruitment campaign for out-of-state teachers and prospective new teachers in Washington.
- Develops a central depository that allows teachers to apply for jobs in multiple school districts and for school districts to have access to a broader pool of applicants.

---

*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.*

- Allows institutions of higher education to waive the tuition and services and activities fees for K-12 classified staff.

---

## SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

**Majority Report:** That Substitute Senate Bill No. 6455 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Litzow, Chair; Dammeier, Vice Chair; Billig, Fain, Hill, Rivers and Rolfes.

**Minority Report:** Do not pass.

Signed by Senators McAuliffe, Ranking Member; Mullet.

**Staff:** Alia Kennedy (786-7405)

---

## SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Second Substitute Senate Bill No. 6455 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Bailey, Becker, Billig, Brown, Conway, Darneille, Hasegawa, Hewitt, Nelson, O'Ban, Padden, Parlette, Pedersen, Rolfes, Schoesler and Warnick.

**Staff:** Lorrell Noahr (786-7708)

**Background:** The Office of Superintendent of Public Instruction (OSPI) and the Association of School Principals conducted a statewide survey in fall of 2015 and found that principals are struggling to hire qualified teachers and substitutes. The feedback showed a particular shortage of teachers in areas that are typically difficult to fill, such as special education, mathematics, and science.

Of the principals who responded, 45 percent said they were unable to fill all teacher positions this school year with certificated instructional staff who met the job qualifications. In addition, 54 percent said they were often unable to find enough substitutes.

Retired Teachers. The normal retirement age for members of Plans 2 and 3 of the Teachers Retirement System (TRS) is age 65. TRS Plan 2 members with 20 years of service and TRS Plan 3 members with 10 years of service can retire as early as age 55. Benefits paid to persons who retire early from TRS Plans 2 or 3 with less than 30 years of service are calculated using early retirement factors that provide a full actuarial reduction based on the number of years between the retirement age and age 65. For example, there is a 27 percent reduction of benefits for retirement at age 62 and a 41 percent reduction of benefits for retirement at age 60.

Two early retirement factor options are available to TRS Plan 2 and 3 members who retire with 30 or more years of service. One of the options was created in 2000 and reduces benefits by 3 percent for each year in the period between the retirement age and age 65. For example, there is a 9 percent reduction of benefits for retirement at age 62 and a 15 percent reduction of benefits for retirement at age 60. The other option that provides smaller benefit reductions was implemented in 2008 as a replacement for gain-sharing benefits. Under the 2008 early retirement factors, TRS Plan 2 and 3 members with 30 years of service may retire at age 62 with no reduction of benefits and at age 60 with a 5 percent reduction.

State law does not prohibit persons who retire from TRS Plans 2 or 3 from returning to work, but it does limit when a retiree may work and continue receiving pension payments. In general, payments are suspended when a TRS retiree works more than 867 hours per year in a position included in TRS or another state retirement plan. However, payments are suspended immediately if a TRS Plan 2 or 3 retiree who retired using the 2008 early retirement factors returns to work in any kind of position with a state retirement plan prior to age 65. This includes returning to work as a substitute teacher.

Student Enrollment Forecasting. The Caseload Forecast Council (CFC) is a statutory body that oversees the preparation of caseload forecasts for populations of persons expected to meet entitlement requirements, and require the services of the common school system, medical assistance programs, state correctional institutions, public assistance programs, and others.

The forecast of students expected to require the services of the common school system is prepared at the statewide level. The caseload forecast for basic education includes children enrolled in grades K-12, private school students receiving services from public schools, "home schooled" children receiving services from public schools, state-funded "summer school" students, participants in the Running Start program, and participants in the University of Washington Transition program.

K-12 enrollment is forecasted as a nine-month annual average full-time equivalent (FTE) student, where one FTE is the equivalent of one student enrolled full time. In addition to the forecast for basic education, the CFC forecasts enrollment by headcount for the transitional bilingual program and the special education program.

Conditional Scholarship Program. The Alternative Routes to Teacher Certification and Educator Retooling programs are designed to help school districts recruit teachers in subject matter and geographic areas with a teacher shortage. Conditional scholarships are available to qualifying participants wishing to participate in either program. In return for the conditional scholarship, participants agree to teach in specified subject shortage areas in Washington K-12 public schools.

PESB determines the shortage areas and selects the recipients. The Washington Student Achievement Council administers the program. Typical shortage areas include bilingual education, computer science education, English language learner, mathematics, science, and special education.

The loan amount for the Alternative Route program is currently \$8,000 per year. The state will forgive one year of loan obligation for every two years a loan recipient teaches in a Washington State public school. The Educator Retooling Conditional Scholarship Program provides financial support - scholarships up to \$3,000 - to Washington certified teachers who seek to add an endorsement in a subject or geographic shortage area.

Professional Certification for Experienced Out-of-state Teachers. The Professional Educator Standards Board (PESB) is a 13-member board responsible for establishing the requirements for the state certification of educators and approving educator preparation and certification programs.

Current law requires passage of a Washington Educator Skills Test Basic (WEST-B) for admission to approved teacher preparation programs and for persons from out-of-state applying for a Washington teaching certificate. The WEST-B contains three sub-tests that measure basic skills in reading, mathematics, and writing. Passage of all three sub-tests is required to meet the WEST-B requirement.

Recruitment Campaign. In 2015, PESB released a report of recommendations for addressing the current teacher shortage. The report highlighted several areas of improvement for reducing teacher attrition in Washington, including assisting school districts with the hiring of new teachers. In addition, the report notes the need for a more robust recruitment campaign geared at encouraging young people to enter the teaching profession and attracting out-of-state teachers to positions in Washington public schools.

Tuition Waivers. Tuition waivers provided by public institutions of higher education fall into one of three categories: state-supported, discretionary, and space available.

For state-supported waivers only, it has been assumed that tuition not collected from students to whom the waivers are granted is offset by state funding in the institutions' budgets. These waivers are subject to caps on the maximum percentages of gross operating fee revenue that each institution or sector can waive. A few mandatory waivers exist in state statute concerning the children and spouses of veterans and law enforcement officers who became totally disabled or lost their lives in the line of duty.

Public institutions have the authority to waive tuition to any undergraduate or graduate student for any purpose. These discretionary waivers are not subject to caps, but none of the foregone tuition revenue is made up by the state.

Under current law, public institutions of higher education may waive all or a portion of the tuition and services and activities fees for state employees, teachers, and certain certificated instructional staff. However, the following conditions exist: these students must register for and be enrolled in courses on a space-available basis; enrollment information must be maintained separate from official enrollment reports; and a registration fee is required.

**Summary of Engrossed Second Substitute Bill: Retired Teachers.** Teachers that retired under the 2008 early retirement reduction factors of the Teachers' Retirement System Plans 2 or 3 and are less than 65 years of age may be employed as substitute teachers in an instructional capacity for up to 630 hours per school year without suspension of their

retirement benefits. This provision allowing for the 630 hours of employment without suspension of benefits expires August 1, 2020. School districts employing retired substitute teachers under this provision must have a documented shortage of certified substitute teachers and compensating substitutes at least the daily rate provided by the state's basic education formula. The bill contains an emergency clause and takes effect immediately.

Student Enrollment Forecasting. The CFC is required to prepare forecasts of the number of persons expected to meet entitlement requirements in the common school system by school district, subject to appropriations.

Conditional Scholarship Program. Elementary and early childhood endorsements are added to the list of endorsements eligible for the Educator Retooling Conditional Scholarship, and bilingual education, elementary education, computer science education, and early childhood education are added to the list of qualifying endorsements for the purposes of the Pipeline for Paraeducators Conditional Scholarship.

A state spending performance statement is provided to identify goals of the expansion of the alternative route conditional scholarships and requires the joint legislative audit and review committee to evaluate the effectiveness of the program to provide successful candidates to teacher shortage subject areas. Expires the expanded scholarship program on July 1, 2026.

Professional Certification for Experienced Out-of-state Teachers. Out-of-state teachers with at least five years of successful teaching experience must be given the state professional certificate if they have:

- a certificate from the National Board for Professional Teaching Standards; or
- a continuing or advanced level teaching certificate from another state.

Recruitment Campaign. OSPI, in partnership with the Employment Security Department, must develop a recruitment campaign for out-of-state teachers and prospective new teachers in Washington, subject to appropriation. The campaign must target individuals with certificates who are not employed as teachers, undergraduate college students who have not chosen a major, out-of-state teachers, military personnel and their spouses, and other groups of individuals who may be interested in teaching in our public schools.

The recruitment campaign activities include:

- developing a central depository that allows teachers to apply for jobs in multiple school districts, and school districts to have access to a broader pool of applicants; and
- creating or enhancing an existing website that provides job-related information to individuals who are interested in teaching in Washington.

Tuition Waivers. Public four-year and two-year institutions of higher education may waive all or a portion of the tuition and services and activities fees for public school K–12 classified staff when their coursework is relevant to their work assignment.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains several effective dates. Please refer to the bill.

**Staff Summary of Public Testimony on Original Bill (Early Learning & K-12 Education):** PRO: There is a serious shortage of teachers in Washington. Almost all schools in the state report difficulties hiring qualified teachers. There is a particular shortage in hard-to-fill subject areas, such as math and special education. Schools are in competition with each other when it comes to hiring qualified teachers. Rural areas have a particularly hard time attracting qualified teachers. Principals and other administrative or specialized staff have to fill the gaps. Schools are forced to fill positions with unqualified educators and emergency substitutes. Research supports that qualified teachers are the key to student achievement. This bill is a broad based, multifaceted approach that provides both short and long term solutions. Allowing retired teachers to return is a short term emergency solution that is cost effective and brings qualified teachers back to the classroom. The teacher shortage will only get worse next year with continued education reforms. There is a late-hire problem in Washington, which this bill addresses with enrollment forecasting. Washington already has good reciprocity with other states. Changes to legislation at the federal level may reduce barriers for out of state teachers seeking jobs in Washington.

OTHER: The teaching profession is perceived as having low respect and compensation. Washington needs to do a better job at encouraging young people to enter the teaching profession. Higher compensation and loan forgiveness initiatives can help with attracting and retaining teachers. The state must continue to grow the alternative routes and retooling programs. The standards should continue to be comparable to those already required of teachers in Washington. Moving to a centralized application depository is a step in the right direction, as many educational service districts are already starting to do this. Changing the certification requirements for out-of-state teachers has the potential to reduce current licensure standards. Teacher recruitment initiatives should involve institutions of higher education. In addition to conditional scholarships, the Legislature should consider providing stipends to student teachers.

**Persons Testifying on Original Bill (Early Learning & K-12 Education):** PRO: Pam Veltri, Mead School District; Jim Kowalkowski, Superintendent of Davenport School District and Director of Rural Education Center; David Brenna, Professional Educator Standards Board; Doug Nelson, PSE/SEIU 1948.

OTHER: Lucinda Young, Washington Education Association; Joyce Westgard, Washington Association of Colleges for Teacher Education; Jack Archer, State Board of Education.

**Persons Signed In To Testify But Not Testifying:** No one.

**Staff Summary of Public Testimony on First Substitute (Ways & Means):** PRO: There is a current teacher shortage. When we post teacher jobs, we have no or little applicants. Allowing retired teachers to substitute would provide short-term relief. It would be helpful to allow out-of-state teachers to come to our state with a professional certification, if they have done that in another state. Teacher shortage has created a critical point for our district as we have not been able to hire a special education teacher all year. Last year, we were unable to

hire a science teacher for one semester. We have hired eleven staff on emergency certificates due to the teacher and substitute shortage.

It is clear from research OSPI has done asking principals about their staff shortages that there is a crisis. There is a recruitment campaign in the bill at \$2 million. We are convinced this investment, if done well, will address our problem. Mentors are needed to help new teachers be successful and stay in the profession. It is cheaper to keep an employee than hire a new one. Allowing recent retirees to serve as mentors would help this effort.

This makes important strides to allow early retirees to return as substitutes. The shortages have created situations where kids are being shuffled from classroom to classroom. This disruption impacts their learning.

The provision to allow national board certification as a second-tier certification for out-of-state teachers is already in place in administrative rule. This bill will enact that provision into statute. It is important that all states' second-level certification should be examined by the PESB to ensure they are equal to Washington State's certification standards.

This bill includes conditional scholarships for teacher preparation. These grants are essential to build a workforce. There should be consideration for extra compensation for teachers, student teachers, and substitutes. Recruitment is good, but won't solve the problem if there is not a competitive production which includes respect for the profession and competitive compensation.

**Persons Testifying on First Substitute (Ways & Means):** PRO: Jean Marczynski, West Valley School District/Eastern WA Quality Schools Coalition; Kevin Foster, Valley School District/Eastern WA Quality Schools Coalition; Fred Yancey, WASA/WASA/; Lucinda Young, Washington Education Association; Robert Butts, OSPI; Bob Cooper, WA Assoc. of Colleges for Teacher Education.

**Persons Signed In To Testify But Not Testifying:** No one.

**House Amendment(s):** Until August 1, 2020, certain retired teachers are allowed to work as substitute teachers, or mentors or advisers, for up to 867 hours per year without suspension of their benefits. Certain public institutions of higher education must make plans to implement an Alternative Route program. Public institutions of higher education and school districts must make plans for the placement of resident student teachers. The Beginning Educator Support Team program is expanded. Mentor training program goals for teacher preparation program curricula must be developed. The Educator Retooling program is expanded to include individuals wishing to obtain endorsements in elementary education or early childhood education. The Teacher Shortage Conditional Grant program is established to provide financial aid to individuals in teacher preparation programs. A grant program is created to provide additional funds to student teaching residents at Title I schools who demonstrate financial need. The Teacher Endorsement and Certification Help (TEACH) pilot project is created to assist qualified individuals with the costs of basic skills and content tests required for teacher certification and endorsement. A comprehensive, statewide initiative to increase the number of qualified individuals who apply for teaching positions in Washington must be developed and implemented. A professional certificate must be issued to out-of-state teachers with five years of

teaching experience and a certificate from the National Board for Professional Teaching Standard or a second-level teacher certificate from another state that is comparable to Washington's, as determined by PESB. School districts must report the number of teachers they plan to hire in the following year. The bill is null and void if specific funding is not provided in the omnibus appropriations act for the bill.