

FINAL BILL REPORT

SHB 2363

C 573 L 09
Synopsis as Enacted

Brief Description: Temporarily suspending cost-of-living increases for educational employees.

Sponsors: House Committee on Ways & Means (originally sponsored by Representative Linville).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background:

Initiative 732 (I-732) was approved by voters in the November 2000 general election. It 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.

In 2003, the Washington Supreme Court's ruling in *McGowan v 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 was enacted to suspend I-732 for the 2003-05 biennium. Therefore, no COLAs were provided for the 2003-04 or 2004-05 school years. However, a salary adjustment was provided that biennium for state formula certificated instructional staff in their first seven years of service.

Initiative 732 COLA adjustments assumed in the 2009-11 maintenance level budget were 4.2 percent for the 2009-10 school year, and no adjustment for the 2010-11 school year.

Summary:

The I-732 cost-of-living increases are suspended during the 2009-11 biennium for K-12 school employee salary rates used in state formulas, as well as for community college and technical college academic employees and classified employees of technical colleges salary rates.

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.

Additionally, COLAs not provided in the 2009-11 biennium will be "caught up" in the ensuing biennia. State salary rates must be adjusted such that, by the end of the 2014-15 school year, base salaries or average salaries used in state allocation formulas are, at a minimum, what they would have otherwise been if COLAs had not been suspended during the 2009-11 biennium.

Votes on Final Passage:

House	84	12	
Senate	28	20	(Senate amended)

Effective: July 1, 2009