
HOUSE BILL 2634

State of Washington

57th Legislature

2002 Regular Session

By Representatives Anderson, Cox, Talcott, Pflug, Bush, Carrell, Schindler, Schmidt, Van Luven, Morell, Roach, Nixon, Casada, Jarrett, Armstrong, Esser, Barlean, Pearson, Ballasiotes, Cairnes, Skinner, Woods, Dunn, Mitchell, Alexander, Ericksen, Edwards, Mulliken and Simpson

Read first time 01/23/2002. Referred to Committee on Appropriations.

1 AN ACT Relating to ensuring funding for cost-of-living increases
2 for certain school district and community and technical college
3 employees; amending RCW 28A.400.205; reenacting and amending RCW
4 43.135.045; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
7 ensure full funding for the state's obligation under Initiative Measure
8 No. 732, as codified under RCW 28A.400.205, 28A.400.206, 28B.50.465,
9 and 28B.50.468. To this end, the legislature intends to require
10 prefunding of the costs of the initiative. By requiring the initiative
11 to be funded through an advance deposit in the emergency reserve fund,
12 the legislature will assure both that moneys to fund the initiative
13 will be available in advance of the need for them, and that the funds
14 will be protected against expenditure for any other purpose.

15 **Sec. 2.** RCW 43.135.045 and 2001 c 3 s 9 (Initiative Measure No.
16 728), 2000 2nd sp.s. c 5 s 1, and 2000 2nd sp.s. c 2 s 3 are each
17 reenacted and amended to read as follows:

1 (1) The emergency reserve fund is established in the state
2 treasury. During each fiscal year, the state treasurer shall deposit
3 in the emergency reserve fund all general fund--state revenues in
4 excess of the state expenditure limit for that fiscal year. Deposits
5 shall be made at the end of each fiscal quarter based on projections of
6 state revenues and the state expenditure limit. The treasurer shall
7 make transfers between these accounts as necessary to reconcile actual
8 annual revenues and the expenditure limit for fiscal year 2000 and
9 thereafter.

10 (2) By June 30, 2003, and by June 30th of the second year of each
11 fiscal biennium thereafter, the legislature shall deposit in the
12 emergency reserve fund an amount estimated by the office of financial
13 management, in consultation with the fiscal committees of the
14 legislature, to be sufficient to fund, during the succeeding fiscal
15 biennium, the annual salary adjustments for school district and
16 community and technical college employees as required in RCW
17 28A.400.205, 28B.50.465, and 28B.50.468. Amounts deposited in the
18 emergency reserve fund under this subsection shall be expended solely
19 for the purpose of providing annual salary adjustments under RCW
20 28A.400.205, 28B.50.465, and 28B.50.468.

21 (3) Except for moneys deposited pursuant to subsection (2) of this
22 section, the legislature may appropriate moneys from the emergency
23 reserve fund only with approval of at least two-thirds of the members
24 of each house of the legislature, and then only if the appropriation
25 does not cause total expenditures to exceed the state expenditure limit
26 under this chapter.

27 ~~((+3+))~~ (4) The emergency reserve fund balance shall not exceed
28 five percent of annual general fund--state revenues as projected by the
29 official state revenue forecast, exclusive of amounts deposited under
30 subsection (2) of this section. Any balance in excess of five percent,
31 exclusive of amounts deposited under subsection (2) of this section,
32 shall be transferred on a quarterly basis by the state treasurer as
33 follows: Seventy-five percent to the student achievement fund hereby
34 created in the state treasury and twenty-five percent to the general
35 fund balance. The treasurer shall make transfers between these
36 accounts as necessary to reconcile actual annual revenues for fiscal
37 year 2000 and thereafter. When per-student state funding for the
38 maintenance and operation of K-12 education meets a level of no less
39 than ninety percent of the national average of total funding from all

1 sources per student as determined by the most recent published data
2 from the national center for education statistics of the United States
3 department of education, as calculated by the office of financial
4 management, further deposits to the student achievement fund shall be
5 required only to the extent necessary to maintain the ninety-percent
6 level. Remaining funds are part of the general fund balance and these
7 funds are subject to the expenditure limits of this chapter.

8 ~~((+4))~~ (5) The education construction fund is hereby created in
9 the state treasury.

10 (a) Funds may be appropriated from the education construction fund
11 exclusively for common school construction or higher education
12 construction.

13 (b) Funds may be appropriated for any other purpose only if
14 approved by a two-thirds vote of each house of the legislature and if
15 approved by a vote of the people at the next general election. An
16 appropriation approved by the people under this subsection shall result
17 in an adjustment to the state expenditure limit only for the fiscal
18 period for which the appropriation is made and shall not affect any
19 subsequent fiscal period.

20 ~~((+5))~~ (6) Funds from the student achievement fund shall be
21 appropriated to the superintendent of public instruction strictly for
22 distribution to school districts to meet the provisions set out in the
23 student achievement act. Allocations shall be made on an equal per
24 full-time equivalent student basis to each school district.

25 ~~((+6))~~ (7) Earnings of the emergency reserve fund under RCW
26 43.84.092(4)(a) shall be transferred quarterly to the multimodal
27 transportation account, except for those earnings that are in excess of
28 thirty-five million dollars each fiscal year. Within thirty days
29 following any fiscal year in which earnings transferred to the
30 multimodal transportation account under this subsection did not total
31 thirty-five million dollars, the state treasurer shall transfer from
32 the emergency reserve fund an amount necessary to bring the total
33 deposited in the multimodal transportation account under this
34 subsection to thirty-five million dollars. The revenues to the
35 multimodal transportation account reflected in this subsection provide
36 ongoing support for the transportation programs of the state. However,
37 it is the intent of the legislature that any new long-term financial
38 support that may be subsequently provided for transportation programs
39 will be used to replace and supplant the revenues reflected in this

1 subsection, thereby allowing those revenues to be returned to the
2 purposes to which they were previously dedicated.

3 **Sec. 3.** RCW 28A.400.205 and 2001 c 4 s 2 (Initiative Measure No.
4 732) are each amended to read as follows:

5 (1) School district employees shall be provided an annual salary
6 cost-of-living increase in accordance with this section.

7 (a) The cost-of-living increase shall be calculated by applying the
8 rate of the yearly increase in the cost-of-living index to any state-
9 funded salary base used in state funding formulas for teachers and
10 other school district employees. Beginning with the 2001-02 school
11 year, and for each subsequent school year, each school district shall
12 be provided a cost-of-living allocation sufficient to grant this cost-
13 of-living increase for the salaries, including mandatory salary-related
14 benefits, of all employees of the district.

15 (b) A school district shall distribute its cost-of-living
16 allocation for salaries and salary-related benefits in accordance with
17 the district's salary schedules, collective bargaining agreements, and
18 compensation policies. No later than the end of the school year, each
19 school district shall certify to the superintendent of public
20 instruction that it has spent funds provided for cost-of-living
21 increases on salaries and salary-related benefits.

22 (c) Any funded cost-of-living increase shall be included in the
23 salary base used to determine cost-of-living increases for all school
24 employees in subsequent years. For teachers and other certificated
25 instructional staff, the rate of the annual cost-of-living increase
26 funded for certificated instructional staff shall be applied to the
27 base salary used with the statewide salary allocation schedule
28 established under RCW 28A.150.410 and to any other salary models used
29 to recognize school district personnel costs.

30 (d) Beginning with the 2001-02 school year, the state shall fully
31 fund the cost-of-living increase in this section as part of its
32 obligation to meet the basic education requirements under Article IX of
33 the Washington Constitution. During each regular session in an odd-
34 numbered year, the legislature shall appropriate from the emergency
35 reserve fund, solely for the purposes of and in accordance with this
36 section, money deposited in the emergency reserve fund under RCW
37 43.135.045(2) and any other money necessary to carry out the intent of
38 this section.

1 (2) For the purposes of this section, "cost-of-living index" means,
2 for any school year, the previous calendar year's annual average
3 consumer price index, using the official current base, compiled by the
4 bureau of labor statistics, United States department of labor for the
5 state of Washington. If the bureau of labor statistics develops more
6 than one consumer price index for areas within the state, the index
7 covering the greatest number of people, covering areas exclusively
8 within the boundaries of the state, and including all items shall be
9 used for the cost-of-living index in this section.

--- END ---