

SENATE BILL REPORT

SB 5135

As Reported By Senate Committee On:
Early Learning & K-12 Education, February 1, 2007

Title: An act relating to equalizing school district salary allocations.

Brief Description: Equalizing school district salary allocations.

Sponsors: Senators Eide, Hobbs, Keiser, Weinstein, Tom and Rasmussen.

Brief History:

Committee Activity: Early Learning & K-12 Education: 1/25/07, 2/1/07 [DPS-WM, DNP].

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: That Substitute Senate Bill No. 5135 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators McAuliffe, Chair; Tom, Vice Chair; Eide, Hobbs, Kauffman, Oemig, Rasmussen and Weinstein.

Minority Report: Do not pass.

Signed by Senators Holmquist, Ranking Minority Member; Brandland, Clements and Hewitt.

Staff: Bryon Moore (786-7726)

Background: *Levy Lids:* In 1977, when the state assumed full responsibility for funding schools, the Legislature limited school district maintenance and operation levy authority by enacting the levy lid law. This law determines the maximum amounts school districts can collect through local maintenance and operation levies. The original 1977 law, which took effect in 1979, sought to limit levy revenue to 10 percent of a school district's state basic education allocation. It also contained a grandfather clause which permitted districts that historically relied heavily on excess levies to exceed the 10 percent limit. Under current law, most districts may ask the voters to approve an amount equal to 24 percent of the district's levy base. There are 90 school districts that are grandfathered at higher percentages that range from 24.01 percent to 33.9 percent. A district's levy base includes most state and federal revenues received by the district in the prior school year. The levy lid formula increases the base by multiplying the district's state and federal revenues by the percentage change in per student state expenditures between the prior and current school years, divided by 55 percent. *Salary Allocations:* Included in state basic education allocations to school districts are amounts for salaries for certificated instructional staff (CIS), which includes teachers, counselors, and librarians; certificated administrative staff (CAS); and classified staff. The

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allocations for CIS are based on a salary allocation schedule, or grid, that recognizes experience and education. The first cell in the grid, for those with a bachelor's degree and in their first year of teaching, is referred to as the base salary. All the other cells for additional experience and education in the grid are driven off the base salary. Most school districts receive CIS salary allocations based on the statewide salary allocation schedule. However, some of the state's 295 school districts receive higher salary allocations for certificated instructional staff.

In the case of certificated administrative staff and classified staff (such as bus drivers, food service workers, custodial staff, classroom aides), there is not a state salary allocation schedule. However, each district receives an allocation for these staff based on historical salary allocations adjusted for cost of living increases. This means that there are also variations in the salary levels used for allocating administrator and classified staff positions from district to district.

The primary reason that certain districts receive higher salary allocations for CIS, CAS, and classified staff is that these districts were paying higher salaries when the Legislature took on responsibility for fully funding basic education programs in the late 1970s. In the 2007-09 budget, the Legislature provided additional funding to reduce the variation and increase the salary amounts for districts that have historically received lower funding. However, variation in the salary amounts continues to exist.

State salary allocations for basic education CIS, CAS, and classified staff are based on a salary called out for each district, by type of staff, in the Legislative Evaluation and Accountability Program Committee (LEAP) Document 2 (previously LEAP Document 12E), which is incorporated into the budget bill by reference. CIS salary allocations for the 2006-07 school year ranged from a low of \$31,386 in a majority of the school districts to a high of \$33,377 in Everett. CAS salary allocations for the 2006-07 school year ranged from a low of \$46,485 in about 23 school districts to a high of \$77,924 in Skykomish, Columbia in Stevens County, St. John, and Harrington. Classified staff salary allocations for the 2006-07 school year ranged from a low of \$22,454 in Damman to a high of \$33,970 in Seattle.

Summary of Bill (Recommended Substitute): In the 2007-08 school year, each school district that received a base salary allocation for CIS, CAS, or classified staff that was below the highest base salary allocation for all school districts in the 2006-07 school year, according to LEAP Document 12E referenced in the biennial budget, will receive an additional allocation sufficient to make up one-sixth of the district's salary allocation level and the highest salary allocation level for each of the three staffing groups.

In each school year after that, an additional one-sixth of the difference will continue to be added to the salary allocations until all school districts reach the highest allocation in all three salary allocation categories in 2012-13.

For purposes of calculating levy authority in calendar years 2008 through 2013, a school district's levy base will also include the difference between the salary allocations received in the prior school year and salary allocation amounts that would have been received had the district's basic education allocations been based on the highest salaries for state allocation purposes for CIS, CAS, and classified staff.

Every school district, on an annual basis, must provide the Office of the Superintendent of Public Instruction with a report outlining the total compensation and taxable benefits it pays to each individual staff member it employs. This includes the total salary and compensation from supplemental contracts, and any additional salary compensation, including, but not limited to, payment for coaching, payment for helping with extracurricular activities, or payment for working with before or after school programs, paid to each individual staff member by the school district and reported on the employee's federal W2 forms.

EFFECT OF CHANGES MADE BY EARLY LEARNING& K-12 EDUCATION COMMITTEE (Recommended Substitute): Under provisions of the original bill, salary allocations for each district would have been brought to the highest level starting with closing one-half of the difference for certificated instructional staff in the 2007-08 school year and then the remainder in the 2008-09 school year. In the 2009-10 and 2010-11 school years, the same process used to raise salary allocations for CIS would have been used for classified staff. The same process would have been initiated for CAS in the 2011-12 and 2012-13 school years. This would have resulted in all school districts reaching the highest allocation in all three salary allocation categories in the 2012-13 school year.

The annual school districts reporting requirement for providing the total compensation, including supplemental contracts, for each individual staff member it employs, was added.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed, except for Section 3, which takes effect January 1, 2012.

Staff Summary of Public Testimony: PRO: The salary allocation methodologies are outdated. This bill begins to create equity across the school districts. Salary differences between districts affects contract negotiations with staff. However, many see the equalization of salary allocations as only one piece of what is needed in addressing the issue of fully funding basic education.

OTHER: There is support for the bill, but it should be amended so that the adjustment is equal among all three categories of staff over the six-year equalization period. It should allocate one-sixth of the difference each year for each of the three categories. Concern was also expressed about addressing the high cost of living in some districts.

Persons Testifying: PRO: Connie Fletcher, Issaquah School District Board of Directors; Bill Freund, Washington Education Association; Mitch Denning, Alliance of Educational Associations; Barbara Mertens, Washington Association of School Administrators; Ken Kanikeberg, Public School Employees of Washington.

OTHER: Tom Murphy, Federal Way Public Schools; David Westberg, Stationary Engineers and the American Federation of Labor and Congress of Industrial Organizations.