
Ways & Means Committee

HB 2363

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

Sponsors: Representative Linville.

Brief Summary of Bill

- Suspends I-732 cost of living adjustments for the 2009-11 biennium for school district employees, as well as community and technical college academic employees and classified employees at technical colleges.
- Requires that state salary allocations be adjusted in future years such that, by the 2014-2015 school year, salary rates are what they would have been if I-732 COLAs had not been suspended during the 2009-11 biennium.

Hearing Date: 4/16/09

Staff: Ben Rarick (786-7349)

Background:

Initiative 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 cost of living adjustment is based on the Seattle-area Consumer Price Index from the most recently completed calendar year.

In 2003, after the ruling in the Washington State Supreme Court case *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.

The Legislature suspended I-732 for the 2003-05 biennium. Therefore, no cost of living adjustments were provided for the 2003-04 or 2004-05 school years. However, a salary

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adjustment was provided that biennium for state formula certificated instructional staff in their first seven years of service.

I-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 of Bill:

The bill suspends Initiative 732 cost of living increases 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.

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 be have otherwise been if COLAs had not been suspended during the 2009-11 biennium.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2009.