

# SENATE BILL REPORT

## SB 5470

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As of February 24, 2011

**Title:** An act relating to reducing compensation for educational and academic employees.

**Brief Description:** Regarding reducing compensation for educational and academic employees.

**Sponsors:** Senator Murray; by request of Office of Financial Management.

**Brief History:**

**Committee Activity:** Ways & Means: 2/17/11.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Elise Greef (786-7708)

**Background:** Initiative 732 COLA. 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. The increases apply to school years (September 1 through August 31) for K-12 employees and to fiscal years (July 1 through June 30) for community and technical college districts.

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. 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 were again suspended during the 2009-11 biennium.

An amendment to I-732 statutes made in 2009 further provides that COLAs suspended in the 2009-11 biennium will be caught up in the ensuing biennia. During the 2011-13 and 2013-15 biennia, in addition to regular I-732 COLAs, funding will be allocated in additional equal increments such that base salaries or average salaries used in state allocation formulas are, at

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a minimum, what they would have otherwise been by the end of the 2014-15 school or academic year if COLAs had not been suspended during the 2009-11 biennium.

National Board Bonus Program. K-12 certificated instructional staff (CIS) who attain certification from the National Board for Professional Teaching Standards (NBPTS) receive an annual bonus. The amount of the bonus is identified in statute as \$5,000 in the 2007-08 school year, to be increased by inflation annually. The annual inflation adjustment was suspended for the 2009-10 and 2010-11 school years. For the current school year (2010-11), the amount of the annual bonus is \$5,090.

In addition to the regular bonus, a \$5,000 annual bonus is provided to CIS who have attained certification and teach in a challenging school; that is, a school in which at least 70 percent of the students qualify for free and reduced-price lunch.

**Summary of Bill:** The I-732 COLAs are suspended for K-12 public-school employees for the 2011-12 and 2012-13 school years, and the I-732 COLAs are suspended for community- and technical-college employees for the 2011-12 and 2012-13 fiscal years. The I-732 catch up provisions are also eliminated in both cases.

Both the regular and challenging-school NBPTS annual bonuses are suspended.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** None.

**Effective Date:** July 1, 2011.

**Staff Summary of Public Testimony:** PRO: The bill is necessary to implement the Governor's budget proposal. Recommend amendatory language in the supplemental budget to waive the requirement for repayment of the conditional loans, if the Legislature adopts the Governor's proposal regarding the National Board bonus program.

CON: This bill eliminates the provision that currently exists in law requiring the Legislature to catch-up the missed COLAs from the 2009-11 biennium. Further, it eliminates that provision for any future COLA suspensions as well. The National Board bonus language is constructed in a way that prevents the opportunity to fund any bonus money to teachers in challenging schools; therefore, recommend a parallel structure to the base bonus, where the bill would direct the amount of the bonus to be set in the budget rather than completely suspended. The National Board bonus program, emphatically, is making an important difference in public education. National Board-certified teachers up their game and the improvements spread across the district. National Board teachers have made a huge investment of time and energy to improve their profession. Washington State is number four in the nation with the number of National Board-certified teachers; of that number, 26 percent teach in challenging schools. Please consider retaining the stipend for challenging schools at the very least.

OTHER: Opposed to the National Board bonus program because all teachers should be compensated, not just those who jump through the hoops or invest funds for the certification. Individuals who go through the program deserve the bonus but are no more deserving than other teachers. Support teachers but not through the National Board bonus program.

**Persons Testifying:** PRO: Jim Crawford, Senior Budget Assistant to the Governor, Office of Financial Management.

CON: Randy Parr, Washington Education Association; Doug Nelson, Public School Employees of Washington; Kathryn Simpson, President, South Kitsap School District School Board; Mary Fertakis, Tukwila School Board; Hannah Lidman, League of Education Voters.

OTHER: Heather Miller, parent.