

HOUSE BILL REPORT

HB 2043

As Reported by House Committee On: Appropriations

Title: An act relating to temporarily suspending inflationary increases in educational employee compensation.

Brief Description: Temporarily suspending inflationary increases in educational employee compensation.

Sponsors: Representatives Hunter and Sullivan.

Brief History:

Committee Activity:

Appropriations: 4/22/13, 4/23/13 [DP].

Brief Summary of Bill

- Suspends Initiative 732 cost-of-living adjustments for K-12 and applicable higher education system staff for the 2013-14 and 2014-15 school years.
- Suspends adjustments to the National Board for Professional Teaching Standards certification bonus for the 2013-14 and 2014-15 school years.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 19 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Alexander, Ranking Minority Member; Carlyle, Cody, Dunshee, Green, Haigh, Hudgins, Hunt, Jinkins, Kagi, Maxwell, Morrell, Pedersen, Pettigrew, Seaquist, Springer and Sullivan.

Minority Report: Do not pass. Signed by 12 members: Representatives Chandler, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Dahlquist, Fagan, Haler, Harris, Parker, Pike, Ross, Schmick and Taylor.

Staff: Jessica Harrell (786-7349).

Background:

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.

Initiative 732 Cost-of-Living Adjustments.

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 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 I-732 COLA has been suspended during three biennia since being approved by voters. The suspensions occurred during the 2003-05, 2009-11 and 2011-13 biennia. The I-732 COLA adjustments assumed in the 2013-15 maintenance level budget are 2.5 percent for the 2013-14 school year, and 1.8 percent for the 2014-15 school year.

National Board for Professional Teaching Standards Program.

The National Board for Professional Teaching Standards (NBPTS) program provides an opportunity for teachers to seek an advanced teaching credential by undertaking a rigorous application process. Once earned, the certification is valid for 10 years.

Washington is in its thirteenth year of participation in the NBPTS program. In 2000 Washington had 71 NBPTS-certified teachers. The Office of the Superintendent of Public Instruction projects 5,501 teachers will be certified in the 2013-14 school year, and approximately 575 teachers will become newly certified in the 2013-14 school year. Adjusting for inflation, the bonus for the 2013-14 school year is \$5,510, up from \$5,090.

Summary of Bill:

The I-732 COLAs are suspended for the 2013-14 and 2014-15 school years for both K-12 and applicable higher education employees. Inflation adjustments to the NBPTS certification bonus are also suspended for the 2013-14 and 2014-15 school years.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2013.

Staff Summary of Public Testimony:

(In support) None.

(Opposed) In 2000 voters approved I-732 by an overwhelming majority because teachers had not received adequate raises in several years. Once again it has been several years since teachers have received increases. This bill will extend that time period to six years. The

McCleary decision made it clear that the state is underfunding teacher compensation. By suspending the COLA, the state will be making the problem even worse. Now that the economy is recovering, a COLA needs to be provided so that teachers' salaries do not fall even farther behind inflation.

Since the passage of Engrossed Substitute House Bill 2261 in 2009, in which the Legislature acknowledged that staffing salaries were underfunded, state funding for salary allocations has actually declined further with the 1.9 percent cut to the state allocations. Salary increases are occurring in the general economy, but no such increases have occurred for the state-funded educational salaries. Without an increase in salaries, teachers will begin to look to other states for work or other professions, as they did shortly before the COLA was approved by voters.

Classified staff serve many capacities in the schools and are the lowest paid employees. Last year the 1.9 percent cut to classified staff salaries were difficult for staff to handle. Classified employees' real salaries have been reduced both directly through reductions to the hourly wage, but also in reduced hours as schools cope with budget reductions. Without a COLA classified staff salaries will continue to fall even farther behind.

Persons Testifying: Mary Lindquist, Pam Kruse, Cathy Smith, and Shawn Lewis, Washington Education Association; and Doug Nelson, Public School Employees of Washington.

Persons Signed In To Testify But Not Testifying: None.