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HOUSE BILL 1538

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State of Washington

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By Representatives Sells, Moscoso, Dunshee, Reykdal, Pollet, S. Hunt, Orwall, Stanford, Robinson, Fey, Tarleton, Ryu, Ortiz-Self, Gregerson, Santos, McBride, Ormsby, Walkinshaw, and Farrell

Read first time 01/22/15. Referred to Committee on Appropriations.

1 AN ACT Relating to restoring cost-of-living increases for  
2 educational employees; amending RCW 28A.400.205, 28B.50.465,  
3 28B.50.468, and 28A.405.415; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that, in *McCleary v.*  
6 *State of Washington*, the Washington state supreme court requires that  
7 the state must make real and measurable progress on meeting its  
8 obligation to provide ample funding for K-12 education, including  
9 increasing state allocations for salaries for teachers and other K-12  
10 school employees. In that decision, the supreme court found that the  
11 state allocation for salaries fell short of the actual cost of  
12 recruiting and retaining high quality educators. The legislature  
13 finds that the supreme court's *McCleary* order filed January 9, 2014,  
14 reaffirmed that "Quality educators and administrators are the heart  
15 of Washington's education system" and found that "the inescapable  
16 fact is that salaries for educators in Washington are no better now  
17 than when this case went to trial."

18 Through the passage of Initiative Measure No. 732 by sixty-three  
19 percent of voters in 2000, Washington voters approved annual cost-of-  
20 living adjustments for K-12 and community and technical college  
21 employees. However, the legislature has suspended the salary cost-of-

1 living adjustments for public school and community and technical  
2 college employees since 2008. Due to this six-year suspension,  
3 educator salaries are thousands less than they should be to keep pace  
4 with inflation and state allocations are even further away from  
5 setting competitive wages as required by the *McCleary* decision.  
6 Unless legislative action is taken, educators will continue to lose  
7 that salary throughout their careers and retirement.

8 The legislature finds that cost-of-living increases are the best  
9 way to ensure that the salaries and wages of all educational  
10 employees maintain pace with inflation. It is the intent of the  
11 legislature that, over four years, salaries for public school  
12 employees and community and technical college faculty and staff be  
13 increased to levels that restore the inflation adjustments that were  
14 originally required under Initiative Measure No. 732 for the 2009-10  
15 school year through the 2014-15 school year.

16 **Sec. 2.** RCW 28A.400.205 and 2013 2nd sp.s. c 5 s 1 are each  
17 amended to read as follows:

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

20 (a) The cost-of-living increase shall be calculated by applying  
21 the rate of the yearly increase in the cost-of-living index to any  
22 state-funded salary base used in state funding formulas for teachers  
23 and other school district employees. Beginning with the 2001-02  
24 school year, and for each subsequent school year, except for the  
25 2013-14 and 2014-15 school years, each school district shall be  
26 provided a cost-of-living allocation sufficient to grant this cost-  
27 of-living increase.

28 (b) A school district shall distribute its cost-of-living  
29 allocation for salaries and salary-related benefits in accordance  
30 with the district's salary schedules, collective bargaining  
31 agreements, and compensation policies. No later than the end of the  
32 school year, each school district shall certify to the superintendent  
33 of public instruction that it has spent funds provided for cost-of-  
34 living increases on salaries and salary-related benefits.

35 (c) Any funded cost-of-living increase shall be included in the  
36 salary base used to determine cost-of-living increases for school  
37 employees in subsequent years. For teachers and other certificated  
38 instructional staff, the rate of the annual cost-of-living increase  
39 funded for certificated instructional staff shall be applied to the

1 base salary used with the statewide salary allocation schedule  
2 established under RCW 28A.150.410 and to any other salary models used  
3 to recognize school district personnel costs.

4 (2)(a) Beginning with the 2015-16 school year, school districts  
5 shall be provided an incremental increase to base salary allocations  
6 for school employees in addition to the cost-of-living adjustments  
7 required in subsection (1) of this section. The incremental increase  
8 shall be calculated by using the cumulative rate of the increase in  
9 the cost-of-living index for the six-year period beginning with the  
10 2009-10 school year through the 2014-15 school year and applying that  
11 cumulative rate of increase to any state-funded salary base used in  
12 state funding formulas for teachers and other school district  
13 employees.

14 (b) The full adjustment outlined in this subsection (2) shall be  
15 phased-in over four years, starting with the 2015-16 school year. The  
16 total increase to salary allocations shall be phased-in at a rate of  
17 twenty-five percent per year over four years until it is fully  
18 provided in the 2018-19 school year.

19 (c) A school district shall distribute the increased allocation  
20 for salaries and salary-related benefits in this subsection (2) in  
21 accordance with the district's salary schedules, collective  
22 bargaining agreements, and compensation policies. No later than the  
23 end of the school year, each school district shall certify to the  
24 superintendent of public instruction that it has spent the allocated  
25 funds on salaries and salary-related benefits.

26 (d) The increased salary allocations under this subsection (2)  
27 shall be included in the salary base used to determine cost-of-living  
28 adjustments as provided in subsection (1) of this section.

29 (3) For the purposes of this section, "cost-of-living index"  
30 means, for any school year, the previous calendar year's annual  
31 average consumer price index, using the official current base,  
32 compiled by the bureau of labor statistics, United States department  
33 of labor for the state of Washington. If the bureau of labor  
34 statistics develops more than one consumer price index for areas  
35 within the state, the index covering the greatest number of people,  
36 covering areas exclusively within the boundaries of the state, and  
37 including all items shall be used for the cost-of-living index in  
38 this section.

1       **Sec. 3.**    RCW 28B.50.465 and 2013 2nd sp.s. c 5 s 2 are each  
2 amended to read as follows:

3       (1) Academic employees of community and technical college  
4 districts shall be provided an annual salary cost-of-living increase  
5 in accordance with this section. For purposes of this section,  
6 "academic employee" has the same meaning as defined in RCW  
7 28B.52.020.

8       (a) Beginning with the 2001-2002 fiscal year, and for each  
9 subsequent fiscal year, except as provided in (d) of this subsection,  
10 each college district shall receive a cost-of-living allocation  
11 sufficient to increase academic employee salaries, including  
12 mandatory salary-related benefits, by the rate of the yearly increase  
13 in the cost-of-living index.

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

21       (c) The college board shall include any funded cost-of-living  
22 increase in the salary base used to determine cost-of-living  
23 increases for academic employees in subsequent years.

24       (d) Beginning with the 2001-2002 fiscal year, and for each  
25 subsequent fiscal year except for the 2013-2014 and 2014-2015 fiscal  
26 years, the state shall fully fund the cost-of-living increase set  
27 forth in this section.

28       (2)(a) Beginning with the 2015-2016 fiscal year, each college  
29 district shall receive an incremental allocation to increase academic  
30 employee salaries, including mandatory salary-related benefits, in  
31 addition to the cost-of-living adjustments required in subsection (1)  
32 of this section. The incremental allocation shall be calculated by  
33 using the cumulative rate of the increase in the cost-of-living index  
34 for the six-year period beginning with the 2009-2010 fiscal year  
35 through the 2014-2015 fiscal year and applying that cumulative rate  
36 of increase to academic employee salary allocations.

37       (b) The full adjustment outlined in this subsection (2) shall be  
38 phased-in over four years, starting with the 2015-2016 fiscal year.  
39 The total increase to salaries shall be phased-in at a rate of

1 twenty-five percent per year over four years until it is fully  
2 provided in the 2018-2019 fiscal year.

3 (c) A college district shall distribute the increased allocation  
4 for salaries and salary-related benefits in accordance with the  
5 district's salary schedules, collective bargaining agreements, and  
6 other compensation policies. No later than the end of the fiscal  
7 year, each college district shall certify to the college board that  
8 it has spent the funds provided on salaries and salary-related  
9 benefits.

10 (d) The college board shall include any funded salary allocation  
11 under this subsection (2) in the salary base used to determine cost-  
12 of-living increases for academic employees as provided in subsection  
13 (1) of this section.

14 (3) For the purposes of this section, "cost-of-living index"  
15 means, for any fiscal year, the previous calendar year's annual  
16 average consumer price index, using the official current base,  
17 compiled by the bureau of labor statistics, United States department  
18 of labor for the state of Washington. If the bureau of labor  
19 statistics develops more than one consumer price index for areas  
20 within the state, the index covering the greatest number of people,  
21 covering areas exclusively within the boundaries of the state, and  
22 including all items shall be used for the cost-of-living index in  
23 this section.

24 **Sec. 4.** RCW 28B.50.468 and 2013 2nd sp.s. c 5 s 3 are each  
25 amended to read as follows:

26 (1) Classified employees of technical colleges shall be provided  
27 an annual salary cost-of-living increase in accordance with this  
28 section. For purposes of this section, "technical college" has the  
29 same meaning as defined in RCW 28B.50.030. This section applies to  
30 only those classified employees under the jurisdiction of chapter  
31 41.56 RCW.

32 (a) Beginning with the 2001-2002 fiscal year, and for each  
33 subsequent fiscal year, except as provided in (d) of this subsection,  
34 each technical college board of trustees shall receive a cost-of-  
35 living allocation sufficient to increase classified employee  
36 salaries, including mandatory salary-related benefits, by the rate of  
37 the yearly increase in the cost-of-living index.

38 (b) A technical college board of trustees shall distribute its  
39 cost-of-living allocation for salaries and salary-related benefits in

1 accordance with the technical college's salary schedules, collective  
2 bargaining agreements, and other compensation policies. No later than  
3 the end of the fiscal year, each technical college shall certify to  
4 the college board that it has spent funds provided for cost-of-living  
5 increases on salaries and salary-related benefits.

6 (c) The college board shall include any funded cost-of-living  
7 increase in the salary base used to determine cost-of-living  
8 increases for technical college classified employees in subsequent  
9 years.

10 (d) Beginning with the 2001-2002 fiscal year, and for each  
11 subsequent fiscal year except for the 2013-2014 and 2014-2015 fiscal  
12 years, the state shall fully fund the cost-of-living increase set  
13 forth in this section.

14 (2)(a) Beginning with the 2015-2016 fiscal year, each technical  
15 college board of trustees shall receive an incremental allocation to  
16 increase classified employee salaries, including mandatory salary-  
17 related benefits, in addition to the cost-of-living adjustments  
18 required in subsection (1) of this section. The incremental  
19 allocation shall be calculated by using the cumulative rate of the  
20 increase in the cost-of-living index for the six-year period  
21 beginning with the 2009-2010 fiscal year through the 2014-2015 fiscal  
22 year and applying that cumulative rate of increase to classified  
23 employee salary allocations.

24 (b) The full adjustment outlined in this subsection (2) shall be  
25 phased-in over four years, starting with the 2015-2016 fiscal year.  
26 The total increase to salaries shall be phased-in at a rate of  
27 twenty-five percent per year over four years until it is fully  
28 provided in the 2018-2019 fiscal year.

29 (c) A technical college board of trustees shall distribute the  
30 increased allocation for salaries and salary-related benefits in  
31 accordance with the technical college's salary schedules, collective  
32 bargaining agreements, and other compensation policies. No later than  
33 the end of the fiscal year, each technical college shall certify to  
34 the college board that it has spent the funds provided on salaries  
35 and salary-related benefits.

36 (d) The college board of trustees shall include any funded salary  
37 allocation under this subsection (2) in the salary base used to  
38 determine cost-of-living increases for classified employees as  
39 provided in subsection (1) of this section.

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

11       **Sec. 5.** RCW 28A.405.415 and 2013 2nd sp.s. c 5 s 4 are each  
12 amended to read as follows:

13       (1) Certificated instructional staff who have attained  
14 certification from the national board for professional teaching  
15 standards shall receive a bonus each year in which they maintain the  
16 certification. The bonus shall be calculated as ~~((follows:))~~ provided  
17 in this subsection (1). (a) The annual bonus shall be five thousand  
18 dollars in the 2007-08 school year. Thereafter, the annual bonus  
19 shall increase by inflation, except that the bonus shall not be  
20 increased during the 2013-14 ~~((and 2014-15))~~ school year~~((s))~~.

21       (b) For the 2015-16 through 2018-19 school years, the bonus shall  
22 be inflated using the cumulative rate of the increase in the cost-of-  
23 living index as defined in RCW 28B.50.465(3) for the six-year period  
24 beginning with the 2009-10 school year through the 2014-15 school  
25 year and applying that cumulative rate of increase to the bonus  
26 amount from the 2013-14 school year. The cost-of-living adjustment in  
27 this subsection (1)(b) shall be phased-in over four years, starting  
28 with the 2015-16 school year. The total increase to salary  
29 allocations shall be phased-in at a rate of twenty-five percent per  
30 year over four years until it is fully provided in the 2018-19 school  
31 year.

32       (2) Certificated instructional staff who have attained  
33 certification from the national board for professional teaching  
34 standards shall be eligible for bonuses in addition to that provided  
35 by subsection (1) of this section if the individual is in an  
36 instructional assignment in a school in which at least seventy  
37 percent of the students qualify for the free and reduced-price lunch  
38 program.

1           (3) The amount of the additional bonus under subsection (2) of  
2 this section for those meeting the qualifications of subsection (2)  
3 of this section is five thousand dollars.

4           (4) The bonuses provided under this section are in addition to  
5 compensation received under a district's salary schedule adopted in  
6 accordance with RCW 28A.405.200 and shall not be included in  
7 calculations of a district's average salary and associated salary  
8 limitations under RCW 28A.400.200.

9           (5) The bonuses provided under this section shall be paid in a  
10 lump sum amount.

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