

SENATE BILL REPORT

SB 5534

As Reported by Senate Committee On:
Ways & Means, February 8, 2017

Title: An act relating to providing a housing allowance for certificated and classified school staff in school districts with above average residential housing costs.

Brief Description: Providing a housing allowance for certificated and classified school staff in school districts with above average residential housing costs.

Sponsors: Senators Fortunato, Rossi, Zeiger, Braun, Bailey, Sheldon, Fain, Angel, Warnick and Becker.

Brief History:

Committee Activity: Ways & Means: 2/08/17 [DPS, DNP, w/oRec].

Brief Summary of Substitute Bill

- Provides an annual housing allowance for employees of school districts where the average residential value is above the statewide average.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5534 be substituted therefor, and the substitute bill do pass.

Signed by Senators Braun, Chair; Brown, Vice Chair; Rossi, Vice Chair; Honeyford, Vice Chair, Capital Budget; Bailey, Becker, Fain, Keiser, Miloscia, Padden, Rivers, Schoesler, Warnick and Zeiger.

Minority Report: Do not pass.

Signed by Senators Ranker, Ranking Minority Member; Carlyle, Conway, Darneille, Hasegawa and Pedersen.

Minority Report: That it be referred without recommendation.

Signed by Senators Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital Budget; Billig.

Staff: Jeffrey Mitchell (786-7438)

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.

Background: The Legislature allocates money to each school district for state-funded school employee salaries and benefits. The actual salaries and benefits for certificated instructional staff and classified staff are subject to the collective bargaining process, within certain limits set by the Legislature.

State funding for teachers and other certificated instructional staff salaries is provided through the state salary allocation model, which uses education and years of experience to vary the salary levels. The salary allocation is increased for each additional year of experience, up to 16 years, and for additional education, up to a Ph.D. School districts must pay at least the minimum salary on the state salary allocation model and cannot exceed the average salary calculated on the state salary allocation model.

There is no state salary allocation model for certificated administrative staff or classified staff such as bus drivers, food service workers, custodial staff, and class room aides. Each school district receives an allocation for these staff based on historical salary allocations, adjusted for cost-of-living increases.

The state does not currently provide additional compensation to reflect regional cost differences.

Summary of Bill (First Substitute): Beginning with the 2018-19 school year, in addition to other compensation provided to public school employees, state-funded certificated instructional staff, certificated administrative staff, and classified staff teaching full- or part-time in eligible school districts will receive an annual housing allowance. The amount of the housing allowance for all full-time staff employed by the school district is equal to \$10,000 multiplied by a regional cost factor. The amount of the allowance for part-time staff is adjusted proportionally. School districts eligible for a housing allowance under this section must increase the compensation of all staff by the amount of the allowance.

The regional cost factor is the quotient of the school district excess residential value and the highest district excess residential value. Excess residential value means the amount by which the average equalized assessed value per residential parcel in the school district exceeds the statewide average equalized assessed per residential parcel. Housing allowances are considered part of the program of basic education and are not part of the funding necessary to comply with the state's Article IX constitutional duty, and are subject to collective bargaining.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

- Removes a sentence specifying that school districts receiving the housing allowance must increase the compensation of staff by the amount of the allowance.
- Specifies that the housing allowance is not part of the program of basic education and not earnable income for pension purposes.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: No public hearing was held.

Persons Testifying: N/A

Persons Signed In To Testify But Not Testifying: N/A