

# HOUSE BILL REPORT

## HB 1803

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**As Reported by House Committee On:**

Education  
Appropriations

**Title:** An act relating to updating school district director compensation through the revision and preservation of a uniform compensation structure and an examination of future needs.

**Brief Description:** Updating school district director compensation through the revision and preservation of a uniform compensation structure and an examination of future needs.

**Sponsors:** Representatives Callan, Harris, Dolan, Davis, Ramos, Santos, Senn, Sullivan, Pollet and Frame.

**Brief History:**

**Committee Activity:**

Education: 1/18/22, 1/27/22 [DPS];

Appropriations: 2/5/22, 2/7/22 [DP2S(w/o sub ED)].

**Brief Summary of Second Substitute Bill**

- Directs the Office of the Superintendent of Public Instruction, beginning with the 2022-23 school year, to annually distribute legislatively appropriated funds to each school district in an amount equaling \$3,000 for each member of the school district board of directors.
- Increases the maximum daily compensation that school directors may receive from \$50 to \$100, and the annual compensation limit from \$4,800 to \$7,800.
- Allows school directors to receive reimbursement for childcare costs associated with attending meetings.
- Directs the Department of Commerce to complete an examination of actual and potential school director compensation with a report due by January 6, 2023.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

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## HOUSE COMMITTEE ON EDUCATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Santos, Chair; Dolan, Vice Chair; Ybarra, Ranking Minority Member; Berg, Bergquist, Callan, Ortiz-Self, Rude and Stonier.

**Minority Report:** Do not pass. Signed by 3 members: Representatives Walsh, Assistant Ranking Minority Member; McEntire and Steele.

**Minority Report:** Without recommendation. Signed by 1 member: Representative McCaslin.

**Staff:** Ethan Moreno (786-7386).

### **Background:**

#### School Directors.

The board of directors of each school district is its governing body. Boards of directors have broad discretionary power to provide for the development and implementation of programs, activities, services, or practices that the board determines will promote: the education and daily physical activity of public school students; and the effective, efficient, or safe management and operation of the school district. With the exception of Seattle Public Schools, all boards of directors consist of five members.

School director compensation rates and limits are prescribed in statute. School directors may receive \$50 for each full or partial day attending board meetings and performing other services on behalf of the school district, and the compensation each director may receive in a year may not exceed \$4,800. Authorizations for the compensation must be made by a board resolution at a regularly scheduled public meeting, and funds for the compensation may come only from locally collected excess levy funds. Additionally, school directors may waive all or any portion of their compensation through a written notice filed with the district.

School directors are also eligible for expense reimbursements. As provided in statute, the actual expenses of school directors going to, returning from, and attending directors' meetings or other meetings must be paid by the school district.

#### Office of the Superintendent of Public Instruction.

In addition to its constitutional charge of supervising all matters pertaining to public schools, the Superintendent of Public Instruction and its office has numerous and broad responsibilities prescribed in statute, including:

- making rules and regulations necessary for the administration of public education requirements;
- preparing courses of study and other materials and books for the discharge of

- education duties;
- fulfilling financial responsibilities, including distributing legislatively allocated funds to districts for the operation of the public school system, and awarding numerous state and federally funded grants; and
- satisfying numerous reporting and other duties assigned by the Legislature.

#### Department of Commerce.

The Department of Commerce (Commerce) is charged with numerous duties and responsibilities, many of which are related to community and economic development. Commerce administers a diverse portfolio of more than 100 programs and several boards and commissions.

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#### **Summary of Substitute Bill:**

##### Office of the Superintendent of Public Instruction.

Beginning with the 2022-23 school year, the Office of the Superintendent of Public Instruction (OSPI), subject to the availability of specific legislative appropriations, must annually distribute funds to each school district in an amount equaling \$3,000 per year for each member of its board of directors. The OSPI is directed to adopt rules for the distribution of the funds and the funds may only be used for school director compensation.

##### School Directors.

The maximum daily compensation that school directors may receive is increased from \$50 to \$100, and the annual compensation limit is increased from \$4,800 to \$7,800. School directors are also specifically authorized to receive reimbursement for childcare costs associated with attending meetings.

Provisions specifying that school director compensation may be authorized only from locally collected excess levy funds, and that compensation authorized by school directors does not cause the state to incur any present or future funding obligation, are repealed. Requirements mandating that authorizations for school director compensation be made by a board of directors' resolution at a regularly scheduled public meeting are modified to specify that compensation provided to a director that is in excess of \$3,000 per year must be authorized by the board of directors at a regularly scheduled meeting.

##### The Department of Commerce.

Commerce is directed to examine actual and potential school director compensation, including salaries, per diem rates, expense reimbursements, and health care benefits for the purpose of determining what changes in statute or practice, if any, would be necessary to align provisions governing school director compensation with those for other elected officials with comparable duties and responsibilities.

The examination, at a minimum, must address:

- the duties and responsibilities of school directors and to what extent those duties, and the factors relevant to their completion, may have changed in the previous 10 years;
- demographic data about school district boards of directors and the communities they represent for the purpose of understanding the diversity of school district boards of directors and whether that diversity reflects the communities they serve;
- the significant variances in school district budgets, student enrollments, tax bases, and revenues;
- options for periodically updating school director compensation, including the frequency and timing of potential compensation reviews, potential entities that may be qualified to conduct the reviews, and considerations related to inflationary indices or other measures that reflect cost of living changes; and
- options for funding the actual and potential costs of school director compensation, including salaries, per diem amounts, expense reimbursements, and health care benefits.

In completing the examination, Commerce must consult with interested parties, including the OSPI, the Washington State School Directors' Association, the Washington Association of School Administrators, and educational service districts.

Commerce must report its findings and recommendations to the Governor, the Superintendent of Public Instruction, and the committees of the Legislature with jurisdiction over fiscal matters and kindergarten through grade 12 education by November 18, 2022.

### **Substitute Bill Compared to Original Bill:**

The substitute bill makes the following changes to the original bill:

- directs the OSPI, subject to the availability of amounts appropriated for this purpose and beginning with the 2022-23 school year, to annually distribute funds to each school district in the amount of \$3,000 per year for each member of the board of directors;
- specifies that the funds provided to school districts may only be used for school director compensation;
- directs the OSPI to adopt implementation rules for the funding distributions;
- reduces the proposed daily compensation amount for school district directors from \$128 to \$100, and the annual limit from \$12,288 to \$7,800;
- removes provisions specifying that school director compensation may be authorized only from locally collected excess levy funds, and that compensation authorized by school directors does not cause the state to incur any present or future funding obligation;
- removes board of director approval requirements for compensation provided to a director that is \$3,000 per year or less;
- directs Commerce, rather than the Office of Financial Management, to complete the examination of actual and potential school director compensation; and
- directs Commerce, in completing its examination of school director compensation, to

address demographic data about school district boards of directors and the communities they represent for the purpose of understanding the diversity of school district boards of directors and whether that diversity reflects the communities they serve.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Workloads for school directors have skyrocketed, but the statutory compensation rates have not changed in decades. This bill will align school board compensation with that of other elected officials from special purpose districts. The work of directors and other elected officials needs to be examined to consider workload and parity issues. Some school directors are losing money by incurring costs for serving on school boards.

The concept of investing in school directors is supported. School directors have significant financial responsibilities on behalf of the district. Additionally, school board meetings have been long and contentious, and board member spouses have been attending for the purpose of escorting their family member. This has increased childcare costs, but those costs should not create barriers to public service.

School district finances can exceed \$100 million. School districts need to have qualified people to serve on school boards. The decision to compensate board members is a local one.

The composition of the Shoreline school district board has only recently become representative of the community. The optional stipend provided to members does not come close to covering the costs that persons incur for serving. Many board members are parents, and the board positions are effectively volunteer positions. As a result, only those who can afford to serve can do so. The state should assist with funding for the costs of board member compensation.

The time commitments for board members can be significant and the small stipend only removes a small portion of the total burden. Barriers to service must be removed, and expanding the stipend and making it mandatory will help create school boards that reflect the communities they represent.

(Opposed) This bill is unnecessary and may impact the finances of school boards at a cost of up to \$60,000 per year. Other education issues are more pressing at this time.

**Persons Testifying:** (In support) Representative Lisa Callan, prime sponsor; Charlie Brown, Tacoma School District; Luckisha Phillips, Washington State School Directors' Association-Federal Way School Board; Sara Betnel, Washington State School Directors' Association-Shoreline School Board; Allison Munch Rotolo, Washington State School Directors' Association-Pullman School Board; and Derek Sarley, Washington State School Directors' Association-Walla Walla School Board.

(Opposed) Martha Rice, Yakima School Board.

**Persons Signed In To Testify But Not Testifying:** None.

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Education. Signed by 30 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; Boehnke, Caldier, Chopp, Cody, Dolan, Dye, Fitzgibbon, Frame, Hansen, Harris, Hoff, Jacobsen, Johnson, J., Lekanoff, Pollet, Rude, Ryu, Schmick, Senn, Springer, Stonier, Sullivan and Tharinger.

**Minority Report:** Without recommendation. Signed by 3 members: Representatives MacEwen, Assistant Ranking Minority Member; Chandler and Steele.

**Staff:** James Mackison (786-7104).

### **Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Education:**

The House Appropriations Committee recommends provisions specifying that school director compensation above \$3,000 per director annually may be authorized only from locally collected excess levy funds.

The due date for the report required of the Department of Commerce is changed from November 18, 2022, to January 6, 2023.

Also, a null and void clause is added, making the bill null and void unless funded in the budget.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Second Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

**Staff Summary of Public Testimony:**

(In support) Becoming more representative of their communities is an important step for school boards as schools navigate the pandemic and take care of returning students. The optional stipend is small compared to the costs to serve, including work outside of public meetings. Costs include lost wages and childcare. The cost of serving as a board member is a barrier to participation, which is why board positions are often left to those who can afford to serve.

The policy will bring school board compensation closer to parity with other elected entities. The policy acknowledges the value of school boards' work, and the diversity of their communities. The last two years have required substantial work on policies and mandate changes under COVID-19. Board directors, as nonpartisan roles, also spend time meeting with legislators to advocate for the needs of their students and communities. Board members spend up to 30 hours a week making decisions that affect students. This will help attract and retain board members that reflect their communities.

School boards deal with large budgets, in some cases up to \$100 million dollars. Board directors need to be compensated for their work on behalf of schools, which are supported by the state with both funding and policies. This bill provides a little more compensation to board directors that contribute significant time to their duties.

(Opposed) None.

**Persons Testifying:** Sara Betnel and Jim Stoffer, Washington State School Directors' Association; and Charlie Brown, Tacoma School District.

**Persons Signed In To Testify But Not Testifying:** None.