

# SENATE BILL REPORT

## ESB 5650

---

---

As Passed Senate, March 7, 2023

**Title:** An act relating to salary inflationary increases for K-12 employees.

**Brief Description:** Concerning salary inflationary increases for K-12 employees.

**Sponsors:** Senators Rolfes, Robinson, Kuderer, Nguyen, Saldaña, Valdez and Wellman.

**Brief History:**

**Committee Activity:** Ways & Means: 2/14/23, 2/22/23 [DP, DNP, w/oRec].

**Floor Activity:** Passed Senate: 3/7/23, 30-18.

**Brief Summary of Engrossed Bill**

- Updates the definition of the inflationary adjustment index used for salary increases for school district employees.

---

### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Rolfes, Chair; Robinson, Vice Chair, Operating & Revenue; Mullet, Vice Chair, Capital; Billig, Conway, Dhingra, Hasegawa, Hunt, Keiser, Muzzall, Nguyen, Pedersen, Saldaña, Van De Wege and Wellman.

**Minority Report:** Do not pass.

Signed by Senators Wilson, L., Ranking Member, Operating; Gildon, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Rivers, Assistant Ranking Member, Capital; Warnick, Assistant Ranking Member, Capital; Wagoner.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Braun and Torres.

**Staff:** Kayla Hammer (786-7305)

---

*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.*

**Background:** Educator Salaries. The Legislature allocates money to each school district for state-funded employee salaries and associated fringe benefits. Salary funding is allocated to school districts based on minimum statewide average salaries for each of the three school staffing categories—certificated instructional staff (CIS), certificated administrative staff (CAS), and classified staff (CLS).

For school year 2022-23 the statewide average salary allocations are as follows:

- CIS: \$72,728;
- CAS: \$107,955; and
- CLS: \$52,173.

Inflationary Increase. The state salary allocations are adjusted annually for inflation. Inflation for a school year is defined as the implicit price deflator (IPD) for that fiscal year, as compiled by the United States Department of Commerce's Bureau of Economic Analysis. In the state operating budget the funded salary increases are based on projected IPD. In the 2022 supplemental operating budget a rebased inflationary adjustment of 5.5 percent was included for the salary allocations and operating costs for the 2022-23 school year. This rebased inflationary adjustment was higher than the projected IPD for fiscal year 2023.

**Summary of Engrossed Bill:** Inflationary Adjustment Index. The definition of the inflationary adjustment index is changed beginning in the 2023-24 school year.

2023-24 School Year. For the 2023-24 school year the inflationary adjustment index will be 3.7 percent.

2024-25 School Year. Beginning with the 2024-25 school year, the inflationary adjustment index will be the implicit price deflator for the previous calendar year as of the beginning of the school year.

**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on March 7, 2023.

**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:** PRO: Annual inflation adjustments are critical for the thousands of hourly employees in public schools who struggle to make ends meet. The current fiscal year has proved challenging for salary increases, as it bases budgets on an estimate. The state should go back to the system that was in place before the McCleary decision which was based on the prior calendar year. This will give solid information for budgeting and make inflationary calculations easier, remove confusion, and make education compensation more competitive.

**Persons Testifying:** PRO: Julie Salvi, Washington Education Association; Rick Chisa, Public School Employees of Washington (PSE).

**Persons Signed In To Testify But Not Testifying:** No one.