



**Washington Association of School Administrators
 HB 2242 Summary
 Updated August 17, 2017**

Educator Salaries

Section 101

- The current Salary Allocation Model (SAM) and Staff Mix Formula are discontinued after 2017-18 school year.
- Beginning in 2018-19 school districts will receive the statewide average allocation for CIS, CLS, and CAS staff.
- School districts whose teachers have higher than average experience and/or training will not have those additional costs covered by the state allocation.
- The average allocation in 2019-20 is as follows but adjusted for IPD inflation from 2017-18:
 - CIS – \$64,000
 - CAS – \$95,000
 - CLS – \$45,912
- For 2018-19 the Salary allocations will be midway between each district’s 2017-18 and 2019-20 average allocations. During that year a district’s allocation is the greater of what they received in 2017-18 or the new 2018-19 amount.
- Beginning in 2018-19 the CIS, CAS, and CLS salary allocation will be adjusted by the regionalization factors found in [LEAP Document 3](#). This factor provides an additional allocation based on the median single family home value for the district and all districts within 15 miles. (WASA has the list of neighboring districts used in this calculation if you’re interested).
- Most of the values in LEAP Document 3 remain the same through 2022-23, after which when the factors will be recalculated. The factor for 27 districts was increased above the calculated value and the factor for those districts will decline beginning in 2020-21. It is important to be aware of that change in bargaining and when completing the required four-year budget.
- The regionalization factor will be recalculated in 2023-24 and every six years thereafter.

Regionalization Examples:

School District	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Shoreline	1.24	1.24	1.22	1.20	1.18
Lake Washington	1.18	1.18	1.18	1.18	1.18
North Thurston	1.06	1.06	1.05	1.04	1.03
Yelm	1.00	1.00	1.00	1.00	1.00

Section 103

- Even without the SAM there are some required salary amounts. The minimum CIS salary in 2019-20 is \$40,000 multiplied times the districts regionalization factor plus inflation based on the Implicit Price Deflator (IPD).
- CIS with five years of experience must earn at least \$44,000 plus regionalization factor.
- The maximum CIS salary is \$90,000 plus regionalization.

- Districts may elect to pay a 10% bonus for ESA's, or teachers of science, technology, engineering, math, transitional bilingual, or special education. It is unclear if this must be done from within the state CIS salary allocation, or if it is a permitted use of local enrichment levy funds.
- Beginning Sept. 1 2019 CIS supplemental contracts that provide enrichment beyond basic education must comply with the restrictions found in Section 501.

Section 104

- Beginning with the 2023 Leg. Session, and every six years thereafter, the state will review and rebase basic education compensation allocations.
- By Nov. 1, 2022, and every six years thereafter, the Dept. of Revenue will recalculate the median value of single family homes for each district as well as the values for districts within 15 miles. This will be the basis of recalculating the regionalization factor in 2023-24 school year.
- No district will receive less funding due to the change in its recalculated regionalization factor.

Section 105

- Beginning in the 2018-19 school year Professional Learning Days will be added for CIS staff as follows:
 2018-19 – 1 day
 2019-20 – 2 days
 2020-21 – 3 days
- While not clearly stated in this section, the salary for these days is said to be on top of the allocation amounts specified in Section 101.

Section 107

- OSPI must convene and facilitate a technical working group to develop a model salary grid that is intended to provide guidance to districts but which is not required.
- The initial grid must be completed by Dec. 1, 2017.

Section 501 Enrichment and TRI Pay Limitations

- Local revenues can be used for salaries only for the documented and demonstrated enrichment of basic education.
- We assume that “deemed done” or a percent added to salaries won’t be allowed after Sept. 1, 2019.
- Local salary costs for the administration of enrichment programs cannot exceed the proportion of salary that local revenue represents as a percent of other revenues.
- OSPI will adopt rules related to section 501.

Section 502

- OSPI may submit to the Legislature a list of proposed permitted enrichment activities beyond those identified in Section 501. The Legislature will act on any recommendation during the 2018 Session.

Sections 701-706

- Salary increases in 2018-19 for CIS, CAS, and CLS, including supplemental contracts, cannot exceed the CPI increase as compared with 2017-18.
- These restrictions only apply to collective bargaining agreements entered into after July 6, 2017.

Local Levies

Section 201

- M&O Levies are renamed “enrichment levies.”
- Beginning Sept. 1, 2019, enrichment levies may only be used to “enrich the state’s statutory program of basic education as authorized under section 501.”
- Beginning with Enrichment Levy collections in 2020, districts must receive OSPI approval for their enrichment levy expenditure plan prior to submitting the measure to the voters.

Section 203

- Levy capacity will be capped at \$1.50 per \$1000 of assessed property value starting in 2019. District's may collect an enrichment levy amount that does not exceed the lesser amount generated by a \$1.50 tax rate or \$2500 per pupil. This replaces the 28% max levy lid.
- Beginning with taxes levied in 2020, the funds must be "deposited in a separate subfund of the school district's general fund."
- Transportation vehicle fund levies are exempted from the limitations of Section 203. Since there is not mention of capital levies in the bill we assume there is no change in those tax measures.

Section 204

- Regarding levies submitted to voters in 2020 and after, OSPI is required to respond within 30 days after a school district submits the required enhancement levy expenditure plan.
- If OSPI rejects the plan the district can resubmit a revised spending plan and OSPI has 30 days to respond.
- After receiving voter approval for an enrichment levy, a school district may change their spending plan by submitting a revised plan for OSPI approval. In such case the district must "provide notice and an opportunity for review and comment at an open meeting of the school board and the board must adopt the revised plan by resolution."
- After receiving approval of an expenditure plan from OSPI, the districts "may change the relative amounts to be spent for those respective purposes for the same levy in subsequent years" without receiving approval if the district includes those changes in its annual budget proposal.

Section 206

- The Local Effort Assistance (LEA) formula is changed beginning in the 2019 calendar year. This will impact the second half the 2018-19 school year and each full year after that.
- Districts qualify for LEA if their \$1.50/\$1,000 levy collects less than \$1,500 per student based on the prior year's enrollment. LEA is intended to close that gap.
- A district's maximum LEA funding will be prorated if their voters approve a levy of less than \$1.50/\$1,000.

Section 601

- Beginning in the 2019-20 school year, school districts must use a local revenue subfund to account for how local funds are used.
- Local funds are defined as including, but not limited to enrichment levies, transportation vehicle enrichment levies, LEA, grants, donations, and payments in lieu of taxes.

Note: Since school budget years are different than tax collection years, there may be some confusion regarding reporting compliance. For example, districts are required to begin reporting levy expenditures in the 2019-20 school year using a new subfund account. Only the 2020 portion that report will be made up of the enrichment levy that requires OSPI approval and reporting of actual expenditures by the district. We anticipate that OSPI will provide guidance about such issues prior to the implementation of these changes.

School District Budgets and Accounting

Section 103

- Supplemental contracts must be accounted for in the district budgets.

Section 503

- Beginning with the 2019-20 school year, the State Auditor must review school district expenditure to ensure that local revenues are solely used for enriching basic education.

Section 602

- By the 2019-20 school year school districts must provide separate accounting for state and local revenues to expenditures.

Section 603

- Beginning in 2018-19 School district budgets must include both state and locally-funded salary amounts for CIS, CAS, and CLS staff.

Section 604

- Beginning in 2018-19, school districts must produce a four-year budget plan which includes a four-year enrollment projection and estimates of funding necessary to maintain current program levels and supplemental contract obligations.
- Completed districts budgets must include a summary of the four-year budget plan.
- The budget must be submitted to the district's ESD and OSPI by July 10th.
- OSPI must use this four-year budget information when ranking the financial health of districts.

Section 605-606

- Proposed changes to the uses of district enrichment funding presented for the preballot approval for enrichment levies must be included in the budget public hearings required RCW 28A.505.060.

Collective Bargaining Restrictions During Transition

Sections 701-703

- For collective bargaining agreements executed after July 6, 2017, districts may not provide salary increases including supplemental contracts in the 2018-19 school year that exceed the previous year contract by more than the increase in the Seattle CPI.
- If a district's average CIS, CLS, or CAS salary is less than the district's state allocation for 2018-19, the district may increase those salaries up to amount allocated by the state.

Section 706

- School districts are authorized to reach agreement on compensation for enrichment activities authorized in Section 501 of this act.

Health Benefits

Section 801

- School Employees Benefit Board (SEBB) is created to design insurance benefit plans for school employees.
- By Sept. 30, 2017 the governor will appoint SEBB board members from within specified categories.
- The SEBB Board will develop educational employee benefit plans.
- The employee costs for full family coverage under SEBB authorized plans cannot exceed the cost for employee-only coverage.
- Employees must work 630 hours per year to qualify for coverage.
- The SEBB Board will participate in the selection of carriers contracted to provide educational employee plans.

Section 802

- Existing health care plan provisions will remain in effect through Dec. 31, 2019.

Section 806

- Beginning on Jan. 1, 2020 health benefits for school district and ESD employees shall merged into the SEBB.

Section 815

- Beginning Jan. 1, 2020, no basic or optional health benefits may be provided by school districts that are not provided through the SEBB.

Section 817

- Employee insurance benefit bargaining with the Governor’s Office shall begin after July 1, 2018 over the dollar amount provided for health care benefits beginning Jan. 1, 2020.
- Subsequent bargaining for medical benefit dollar amounts, beginning Jan. 1, 2020 and every even-numbered year thereafter and submitted to the Legislature.

Teacher and Principal Evaluation Program (TPEP)

Section 902

- OSPI must provide an update on TPEP to the education and operating budget committees of the Legislature.
- The update will include the percentage of teachers and principals in each of the four summative ratings.

Added Staffing

Section 904

- This section provides some specified enrichment to the prototypical model staff allocations. We assume these will become part of the definition of basic education, but since they are called “enrichment,” that isn’t certain.

School District Implementation Timeline of Major Elements

HB 2242 Element	2017-18	2018-19	2019-20	2020-21
Salaries Paid by Districts	<ul style="list-style-type: none"> • No Change, current laws govern salaries including TRI. §101 	<ul style="list-style-type: none"> • Total salaries for CIS, CAS, and CLS including TRI can only increase over 17-18 by the % increase in Seattle CPI. § 701-703. • This restriction only applies to CBA’s executed after July 6, 2017. 	<ul style="list-style-type: none"> • The CIS maximum salary without TRI and 10% bonuses is \$90,000 (plus IPD adj.). §103 • Beginning CIS must receive at least \$40,000 (plus IPD adj.). §101 • CIS with 5 yrs. exp. must receive at least \$44,000 (plus IPD adj.) §103 • Districts may add up to 10% above the maximum salary for those “who teach in” STEM, Sp.Ed. and Bilingual CIS. §103 • Supplemental salaries must comply with restrictions in §501. 	<ul style="list-style-type: none"> • Same limits as 19-20 with IPD adjustment.

HB 2242 Element	2017-18	2018-19	2019-20	2020-21
State Salary Allocation	<ul style="list-style-type: none"> Same as 16-17 which uses district staff mix factor plus 2.3% COLA. §101 	<ul style="list-style-type: none"> The SAM and staff mix formula are replaced by a state average salary allocation. §101 The 18-19 allocation for CIS, CAS, and CLS is halfway between district's 17-18 and 19-20 allocations. §101(8) A district's 18-19 salary allocation is the greater of what they received in 17-18 or the new 18-19 amount. §101(8) In addition to base salary, 93 districts have regional salary adjustments of 1.06 to 1.24. §101(9) CIS staff are allocated one Prof Learning Day (PLD) with additional salary. §105 	<ul style="list-style-type: none"> District salary allocations will be as follows (plus adj. for IPD from 17-18) for every state funded unit: <ul style="list-style-type: none"> CIS – \$64,000 CAS – \$95,000 CLS – \$45,912 §101(5) CIS staff receive additional pay for 2 PLDs. §105 	<ul style="list-style-type: none"> The regionalization factor will begin to reduce for 27 districts. CIS staff receive additional pay for 3 PLDs. §105
Benefits	<ul style="list-style-type: none"> Same as 16-17. 	<ul style="list-style-type: none"> Same as 17-18. Districts may be required to submit data on their employee health insurance plans. §808 	<ul style="list-style-type: none"> Beginning Jan. 1, 2020, new SEBB plan is required for all district employees. Non-SEBB options prohibited. §816 	<ul style="list-style-type: none"> Same as 19-20 except new required SEBB coverage will be for entire school year.
Levies	<ul style="list-style-type: none"> Measures submitted to voters must comply with the restrictions for 2019, 2020 and beyond. 	<ul style="list-style-type: none"> Maximum levy collection in 2019 and beyond is \$2,500 per students or \$1.50 per \$1,000, whichever is less. §203 For levy collections in 2020 and beyond, districts must receive OSPI pre-approval for their levy expenditure plan prior to submitting measure to voters. §201 	<ul style="list-style-type: none"> Same as 18-19 plus new restrictions on the use of local funds starting with 2020 collections. §201 Limitations on the use of local funds are identified in §501-502. 	<ul style="list-style-type: none"> Same as 19-20.

HB 2242 Element	2017-18	2018-19	2019-20	2020-21
Local Effort Assistance (LEA)	<ul style="list-style-type: none"> • Same policy as 16-17 but eligibility and funding may change due to relative changes in real estate market. 	<ul style="list-style-type: none"> • New LEA formula implemented beginning Jan. 1, 2019. §206 • LEA eligible districts are those for whom \$1.50 / \$1,000 levy doesn't generate \$1,500 per student. • A district's maximum LEA is what it takes to reach \$1,500 per student with a \$1.5 / \$1,000 levy. §206 • Actual LEA funding is prorated for districts that don't reach \$1.50 / \$1,000 with their voter approved levy. 	<ul style="list-style-type: none"> • First full school year budget with new LEA formula. §206 	<ul style="list-style-type: none"> • Same as 19-20
District Budgets and Accounting	<ul style="list-style-type: none"> • Supplemental contracts must be included in the four-year budget developed for 2018-19 and beyond. §103(4) 	<ul style="list-style-type: none"> • Districts must use a four-year budget including four-year enrollment projections. §604 • Supplemental contracts must be included in four-year budget. §103 • District budgets must include state and locally-funded amounts for CIS, CAS, and CLS salaries. §603 • School districts must report to OSPI on TRI contracts § 502. • Public budget adoption meeting must include proposed changes to enrichment funding plan approved by OSPI. § 605-606 	<ul style="list-style-type: none"> • Beginning with 2020 collections, enrichment levies must be deposited in a separate subfund. §203(5) • Districts must provide separate accounting of state and local revenues to expenditures. §602 • State Auditor must review district expenditures to ensure local funds used for basic ed. enrichment. §503 	<ul style="list-style-type: none"> • Same as 19-20

HB 2242 Element	2017-18	2018-19	2019-20	2020-21
Bargaining Implications	<ul style="list-style-type: none"> • For new contracts, there may • be interest in bargaining 17-18 salaries as high as possible due to limitations on increases in 2018-19. • Without the SAM, each district will need to bargain a new certificated salary schedule to be in place by the start of the 18-19 school year. 	•	•	•
<p>The following items must be addressed whenever the contract is reopened, but prior to the 19-20 school year.</p> <ul style="list-style-type: none"> • Negotiating salary elements of multi-year contracts will be difficult given uncertainty about how new law will play out. Accurately anticipating future fiscal capacity without one successful attempt at the new enrichment levy and some experience with new budget drivers will be very difficult. Given than uncertainly it's critical that you not over commit prior to gaining that understanding. • If your district provides any "deemed done" salary within the TRI contract, those will need to be re-bargained to eliminated to comply with the new law.. • Anticipate creative proposals to work around the supplemental salary limitations in the new law. Local unions may seek to be paid for anything outside of teaching a five-hour day. • Communication with neighboring districts about the contract requests/demands you receive will be more important than ever. 				