

FINAL BILL REPORT

ESB 5650

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

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

Senate Committee on Ways & Means
House Committee on Appropriations

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: 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

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the school year.

Votes on Final Passage:

Senate	30	18
House	62	34

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