

**2018 LEGISLATIVE CONFERENCE
ISSUE TRAINING**

McCleary & SEBB

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MCCLEARY



3 LEGISLATIVE PLATFORM

- McCleary – PSE supports full State funding of basic education and eliminating school district reliance on local levies for classified employee services. Any plan to settle the McCleary case should include:
 - full funding of classified employee salaries as required by the Washington State Supreme Court by the 2018-19 school year, and,
 - rules to implement future salary increases/adjustments that do no harm to current staff.

4 WHAT'S THE PROBLEM - MCCLEARY

- Supreme Court said...
 - Salary funding one year too late – 2018 not 2019

5

SUPREME COURT “MCCLEARY” DECISION

- January 5, 2012
 - Not funding amply & over-reliance upon local levy to fund basic education
 - Impressed with HB 2261 / HB 2776
- July 18, 2012
 - Ordered legislature to make steady progress to full funding
- January 9, 2014
 - Speed up efforts, give us a plan to fully implement by 2018

6 “McCLEARY” - CONTINUED

- September 11, 2014 Order
 - Contempt!
 - Wait until after 2015 legislative session to determine sanctions
- August 13, 2015 Order
 - **\$100,000 per day fine – currently \$87 million**
 - “Adopt complete plan to comply with article IX, section 1 by the 2018 school year.”
- October 6, 2016 Order
 - 2017 Legislative session is last opportunity

7 “McCLEARY” - CONTINUED

- November 15, 2017 Order
 - “the salary allocation model enacted in EHB 2242 complies with the State's obligation to fully fund K-12 basic education salaries, but it will not be implemented by September 1, 2018.”
 - “the court will retain jurisdiction to ensure full constitutional compliance by the established deadline, and it will maintain the sanction of \$100,000 per day with the expectation that the State will enact measures to achieve full compliance during the **regular 2018 legislative session**”

8 WHAT HAVE THEY DONE SINCE MCCLEARY BEGAN

- \$7.1 billion
 - School transportation
 - Materials, Supplies and Operating Costs - \$800 million
 - K 3 class size reductions
 - All day kindergarten
 - Salary
- Levy changes – increase state property tax, reduce local property tax

SOLUTION

- Increase salary allocation starting September 1, 2018
 - from \$34,180 to \$46,647 (36.5% increase)
 - \$200-\$225 million

10 WHICH LEADS TO A DIFFERENT ISSUE

- EHB 2242 – Passed in 2017 legislative session
- Salary increases in 2018-19 school year limited to greater of
 - CPI – Consumer Price Index (current estimate 2.3%) or
 - **amount necessary to raise districts average classified salary to state funded salary allocation (including regionalization factor)**

|| UNCERTAIN HOW “DISTRICT AVERAGE CLASSIFIED SALARY” WILL BE CALCULATED

- Basic education employees
- All employees regardless of program
- Child nutrition employees
- Bus Drivers
- If district hires classified administrators, it reduces access to higher raise
- If district lays off lower paid employees, it reduces access to higher raise

12 QUITE AN IMPACT - \$46,647

\$40,000

- 16.7%

\$48,000

- 2.3%

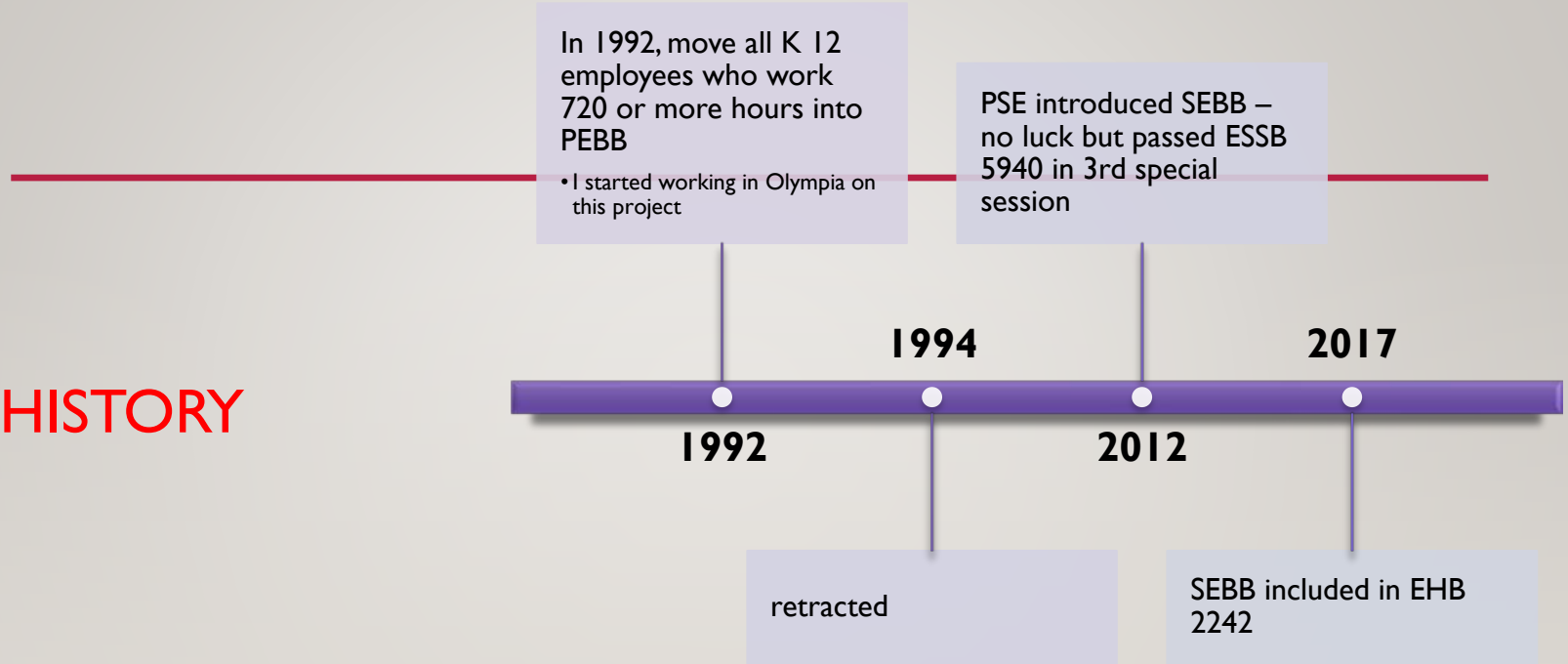
SEBB

SCHOOL EMPLOYEE BENEFIT BOARD

14 SEBB

- We support efforts to preserve and strengthen the implementation of the School Employees Benefit Board (SEBB) for all K 12, ESD (Educational Service District), and charter school employees by January 1, 2020.

HISTORY



16 WHO IS ON THE BOARD

- 2 classified employees
- 2 certificated employees
- 4 individuals with expertise in employee health benefits policy and administration
- HCA (Health Care Authority) director

SIGNIFICANT CHANGES COMING

- Affects all 160,000 school, ESD, and charter school employee
- Effective January 1, 2020
 - Insurance Plans
 - Insurance Premiums
- State wide bargaining starts June 2018

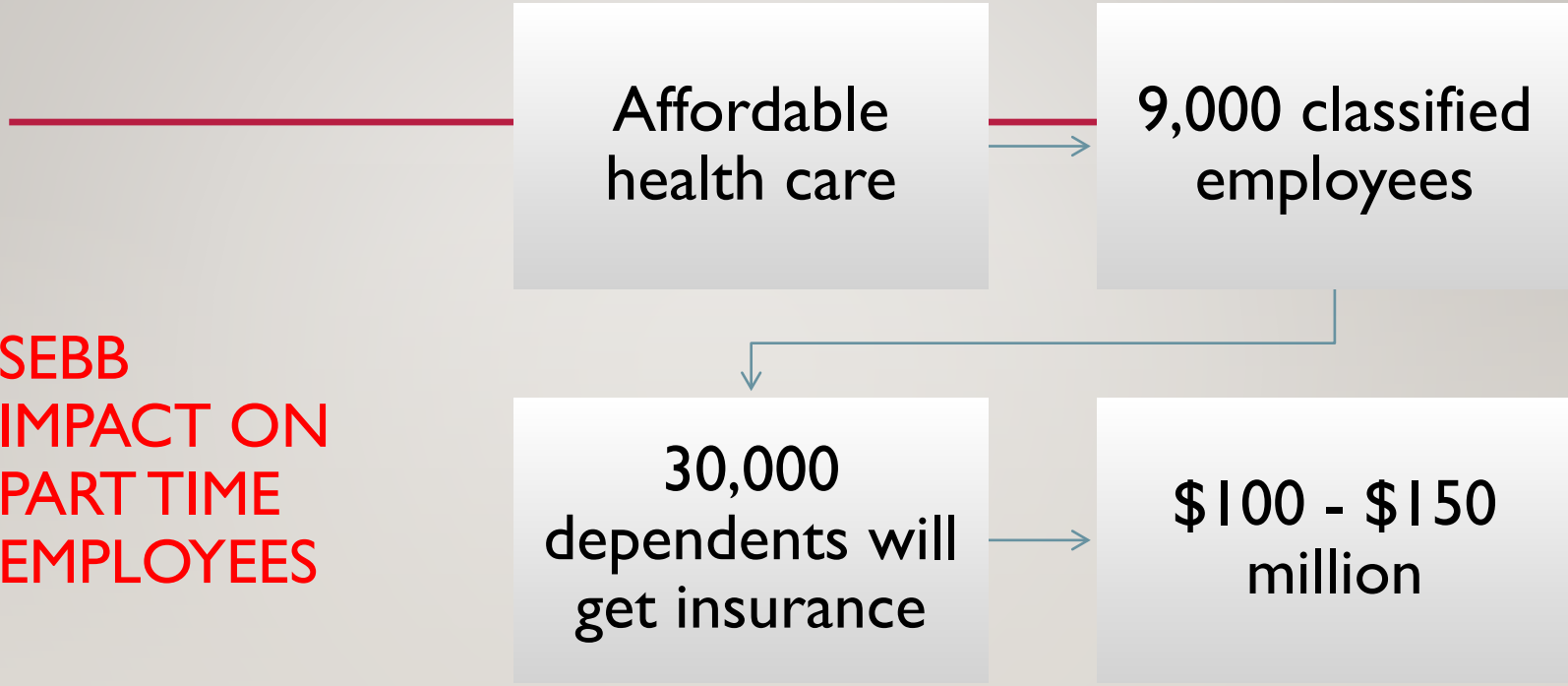
18 630 HOURS

- Employee who works at least 630 hours will qualify for full insurance benefits
- Pro-ration of insurance benefits eliminated

19 \$3:\$1 RATIO

- Employee monthly premium payment
 - Employees with families pay three times what employees who only cover themselves

**SEBB
IMPACT ON
PART TIME
EMPLOYEES**



21 STATEWIDE BARGAINING

- Starts July 1, 2018
- K 12 / ESD / Charter school unions negotiate with Governor Inslee
 - State funding for insurance benefits
 - Same monthly premium funding as state employees \$820 to \$906
 - Full funding if employee works 630 or more hours
- Agreement by October 1, 2018
- Submitted to legislature for approval in the 2019 legislative session

22 LOCAL BARGAINING IMPACT

- 2018-19 school year insurance benefits
 - Plans extended until December 31, 2019
- Insurance pooling unnecessary after December 31, 2019
 - Pooling is calculated in SEBB premiums

23 SUPPORT EFFORTS TO PRESERVE AND STRENGTHEN

- **Support Governor Inslee budget proposal**
 - Increased implementation funding from \$8 to \$21 million
- **Support HB 2438 / SB 6241** – data received 8 months earlier, \$3:1 family / single ratio, 4 month extension of 2018-19 plans
- **HB 2655 / SB 6286** – adding a school board member and school administrator to Board
- **HB 2657 / SB 6288** – allow certain school districts out of SEBB, allow schools to pay for lower than 630 hours eligibility and optional benefits, add another classified and certificated member to Board