Compensation Technical Working Group Final Report

June 30, 2012

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Table of Contents

List of Exhibits

Acknowledgements

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The Compensation Technical Working Group also wishes to thank the following organizations and individuals who assisted throughout the last year to make the work of the group possible.

- **Community and Family Involvement Panel** –Wanda Billingsley (Commission on African American Affairs), Joel Domingo (Office of the Education Ombudsman Parent Advisory Committee), Novella Fraser (Washington Parent Teacher Association), Mystique Hurtado (Governor's Office of Indian Affairs), Lillian Ortiz-Self (Commission on Hispanic American Affairs), Frieda Takamura (Commission on Asian Pacific American Affairs)
- **Employment Security Department (ESD)-** David Wallace, Greg Morgan, Tim Norris, Sharon Williams
- **Educational Opportunity Gap Oversight and Accountability Committee (EOGOAC)**
- **Education Research and Data Center (ERDC)-**Carol Jenner and Katie Randall-Weaver
- **Dr. Lori Taylor**- The Bush School of Government and Public Service, Texas A & M University
- **Human Resource Professionals Panel** –Marc Brouillet (Yelm School District), Lynn Evans (Everett School District), Missy Hallead and Angela O'Leary (Vancouver School District), Greg Roberts (South Kitsap School District), Jay Rowell (Central Valley School District), Ray Tolcacher (Prosser School District), Don Waring (Highline School District), Bill Welk (retired)
- **Legislative Evaluation & Accountability Program Committee (LEAP**)-Michael Mann
- **Office Superintendent of Public Instruction (OSPI)**-Jackie Hansman, Becky Dillon, Michaela Miller, Cathy Walker, Sydney Therese, Liz Lewis-Lee, Niquette Kelcher, T.J. Kelly, Lorrell Noahr, Becky McLean, Ramona Garner, Ross Bunda
- **Professional Educator Standards Board (PESB)**-Mea Moore, Joseph Koski,
- **Puget Sound Educational Service District (PSESD)**- Jane Murray
- **State Board of Education (SBE)-**Sarah Rich, Jack Archer
- **Washington Association of School Business Officials (WASBO**)-Mitch Denning, Nancy Moffat
- **Washington School Information Processing Collective (WSIPC)**- Mark Schultz, Pamela Allen-Bowles, Maureen Kwant
- **Washington State Institute for Public Policy (WSIPP)-** Annie Pennucci

The Compensation TWG expresses its appreciation and respect for the staff that made this report possible. **Kelci Karl-Robinson, Kathy Hodges**, and **Maria Flores** are each honored for their dedication, commitment and effort throughout a consuming process.

The group would also like to acknowledge the work that has come before this report and thank those involved in previous workgroups that informed this report: the Washington Learns Committee, the Basic Education Finance Task Force, the Funding Formula Technical Working Group, the Levy and Local Effort Assistance Technical Working Group, the Classified Staffing Adequacy Working Groups, the Learning Assistance Program Technical Working Group, the Transitional Bilingual Instructional Program Technical Working Group, and the Highly Capable Program Technical Working Group.

Compensation Technical Working Group Membership

Names & Titles	Affiliations
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EXECUTIVE SUMMARY

The Compensation Technical Working Group (TWG) was authorized as part of Engrossed Senate Substitute House Bill 2261 (RCW 28A.400.201), a landmark education reform bill passed during the 2009 legislative session that redefines basic education in the State of Washington. The Compensation TWG is the last workgroup identified in law to weigh in with the essential and most sizeable components of the financing and implementation of a redefined program of basic education.

FINDING

From supporting and engaging students, to providing leadership at the school and district level, to organizing the processes of the district and maintaining the school buildings – the Compensation TWG emphasizes that public school employees in our schools are fundamental in providing basic education to all students in the state, and as such, the state has a responsibility to establish an equitable and adequate allocation system for their compensation.

CONSTITUTIONAL MANDATE

Public education for all children in Washington is mandated in the Washington State Constitution. In Article IX, Section 1 it states,

> *"It is the paramount duty of the state to make ample provision for the education of all children residing within its borders, without distinction or preference on account of race, color, cast or sex."*[1]

LEGISLATIVE INTENT

As the Washington State Legislature has already recognized, "providing students with the opportunity to access a world-class educational system depends on our continuing ability to provide students with access to world-class educators. The Legislature also understands that continuing to attract and retain the highest quality educators will require increased investments." [2]

SUPREME COURT RULING

The *McCleary v. State of Washington* Supreme Court Decision confirmed that Article IX, Section 1, "confers on children in Washington a positive constitutional right to an amply funded education."[3] Many constitutional rights are negative in their orientation, "framed as negative restrictions on government action."[4] Conversely, a positive constitutional right, like the right of children within Washington State to receive an amply funded education, uses a different lens "where the court is concerned not with whether the State has done too much, but with whether the State has done enough. Positive constitutional rights do not restrain government action; they require it."[5]

RECOMMENDATIONS SUMMARY

The Compensation TWG provides the following recommendations to ensure that Washington fulfills its paramount duty and its ethical imperative to provide all students within its borders the opportunity for an amply funded public education.

Statutory Charge	Recommendation	Explanation
RCW 28A.400.201(4)(c) "Include a comparison of salaries and other compensation to the appropriate labor market for at least the following subgroups of educators: Beginning teachers and types of educational staff associates."	**1) Increase the Starting Salary for Teachers and Educational Staff Associates to $48,687**	The number one priority of the Compensation Technical Working Group is to increase the starting salary of educators to attract a wider pool of the highest quality candidates. By using a comparative labor market analysis based on Bureau of Labor Statistics data, the starting wage for a beginning teacher and educational staff associate (ESA) with a Bachelor's degree should be increased from $33,401 to $48,687- an additional $15,286 of state funding per beginning educator. Current salary compliance laws will ensure that every beginning teacher and ESA makes at least this amount.
RCW 28A.400.201(3) "conduct or contract for a preliminary comparative labor market analysis of salaries and other compensation for school district employees to be conducted and shall include the results in any reports to the legislature."	**2) Provide Fair Market Based Salary Allocations for all K-12 Staff**	The comparative labor market analysis unequivocally confirms that the state does not provide an adequate salary allocation level to attract and retain high-quality staff; therefore, local school district funds must make up the difference to pay competitive wages. The Compensation TWG asserts that K-12 employees require a state salary allocation level comparable to occupations with similar knowledge, skills, abilities and education and training requirements. The detailed recommendations are provided in Exhibit 2. The Compensation TWG also recommends that the non-school related experience for ESAs be recognized on the state salary allocation model and not be limited to two years as it is in current statute.

Statutory Charge	Recommendation	Explanation
RCW 28A.400.201(3) "conduct or contract for a preliminary comparative labor market analysis of salaries and other compensation for school district employees to be conducted and shall include the results in any reports to the legislature."	**3) Maintain Comparable Wage Levels through an Annual Cost of Living Adjustment and Periodic Wage Analyses**	To ensure that the K-12 salary allocations keep pace with the wages of comparable occupations, the Compensation TWG recommends that the comparable wage analysis be conducted every four years and allocations be adjusted accordingly, if necessary. In the interim, state allocations should be adjusted annually with the Seattle-Tacoma-Bremerton Consumer Price Index as per the provisions of Initiative 732.
RCW 28A.400.201(2) "recommend the details of an enhanced salary allocation model that aligns state expectations for educator development and certification with the compensation system… (a) How to reduce the number of tiers within the existing salary allocation model"	**4) Align the Salary Allocation Model to the Career Continuum for Educators**	As illustrated in Exhibit 1, the recommended state salary allocation model is roughly structured according to the stages of the career continuum for educators, recognizing the movement from a residency certificate to a professional certificate and potentially to a National Board for Professional Teaching Standards (NBPTS) certificate. The certification process provides an objective measure of teacher development against professional standards as outlined by the Professional Educator Standards Board and the National Board for Professional Teaching Standards. The Compensation TWG emphasizes that the increasingly rigorous, performance-based certification process coupled with the movement to a robust, four-tiered evaluation system will ensure that Washington's students are served by high-quality educators. The proposed state salary allocation model has 10 cells compared to the 119 cells in the current model, providing a more attractive career progression to recruit and retain educators in the profession.

Statutory Charge	Recommendation	Explanation
RCW 28A.400.201(2) "recommend the details of an enhanced salary allocation model that aligns state expectations for educator development and certification with the compensation system."	**5) Invest in 10 Days of Professional Development Time**	The state certification and evaluation system expects educators to grow professionally. However, the state only funds 180 days of instruction. The 180 school day calendar is focused on student's academic development and does not provide time for educator-focused development. Current practice often involves taking school time away from students, through early release days or late arrival days, in order to provide time for educator professional development. The Compensation TWG recommends that the state include ten professional development days for certificated instructional staff in the definition of basic education. The Compensation TWG recognizes that certain classified positions may also require additional funding for targeted professional development, but further work is necessary before development of a recommendation for non-certificated instructional staff positions.
RCW 28A.400.201(2) "the technical working group shall make recommendations on the following: *(d) The role of and types of bonuses available"*	**6) Allocate Mentors and Instructional Coaches in the Basic Education Funding Formula**	Many of the necessary roles and responsibilities required in a successful school are currently being provided, in part, through local funds. The Compensation TWG asserts that the roles of mentor teacher and instructional coach are essential activities for providing a basic education program and a state-funded obligation. The group recommends that funding for mentor teachers be provided as a needs-based allocation and instructional coaches be funded as a prototypical job category through the basic education funding formula.

Statutory Charge	Recommendation	Explanation
RCW 28A.400.201(1) "continuing to attract and retain the highest quality educators will require increased investments."	**7) Provide Appropriate Staffing Levels and Increased Program Support for Basic Education**	Working conditions and workload play a significant role in the attraction and retention of staff. The Compensation TWG maintains that sufficiently funded staffing levels and increased program support for struggling students will improve learning opportunities for students and also lead to higher retention of educators. The group proposes that their compensation recommendations occur in tandem with the statutory requirements in SHB 2776 and the basic education funding recommendations proposed by the Quality Education Council (QEC).
RCW 28A.400.201(2) "(b) How to account for labor market adjustments; (c) How to account for different geographic regions of the state where districts may encounter difficulty recruiting and retaining teachers"	**8) Amply Fund State Basic Education Salary Allocations and Limit Locally Funded Salary Enhancements to No More than 10% of the State Allocation**	The state is responsible for fully funding the salaries of staff performing basic education activities. The Compensation TWG affirms that average comparable wages are sufficient to recruit and retain high-quality staff. However, the group acknowledges that local school districts may have unique circumstances that lead to difficulties recruiting and retaining staff. The group recommends that districts be allowed to provide locally funded salary enhancements for non-basic education functions. However, to address equity concerns, the locally funded expenditures for these salaries should be limited to 10% above the state allocation.

Statutory Charge	Recommendation	Explanation
RCW 28A.400.201(2)(f) "including a recognition that staff on the existing salary allocation model would have the option to grandfather in permanently to the existing schedule."	**9) Ensure School Districts Receive the Same or Higher State Salary Allocations per State-Funded Employee**	The Compensation TWG recommends that the legislature fully fund the recommendations immediately. At full implementation of the proposed salary allocations, no later than 2018, school districts will receive a higher state salary allocation for every employee and there will be no need for any individual to grandfather into the existing state allocation model. Until the new allocation model is fully funded, school districts should receive the higher allocation from either the old or new state salary allocation model for every state-funded employee.

The Compensation TWG examined comparable wages for all prototypical job categories using multiple methodologies and Washington average wages for similar occupations. These analyses were conducted by outside experts from within and outside Washington State as detailed in Appendix 4. The recommended starting salary in the salary allocation model for certificated instructional staff and the recommended salary allocations for certificated administrative staff and classified staff is based on the comparable wage analysis performed by the Washington Employment Security Department (ESD). The ESD methodology utilizes Washington average wages from the Bureau of Labor Statistics as of May 2011 for similar occupations for each prototypical job category.

Exhibit 1: Proposed State Salary Allocation Model for Certificated Instructional Staff

Certification Level	Bachelor's Degree	Advanced Degree
Residency/Initial Certificate	$48,687	$52,582
Professional/Continuing Certificate with a minimum of 4 years of experience	$58,424	$63,098
Professional/Continuing Certificate with NBPTS and a minimum of 4 years of experience	$63,098	$68,146
Professional/Continuing Certificate with 9 years of experience	$70,109	$75,718
Professional/Continuing Certificate with NBPTS and 9 years of experience	$75,718	$81,775

		Residency/Initial Certificate		Professional/Continuing Certificate		Professional/Continuing with NBPTS Certificate	
Year of Teaching	**Minimum Years of Experience**	**Bachelor's Degree**	**Advanced Degree**	**Bachelor's Degree**	**Advanced Degree**	**Bachelor's Degree**	**Advanced Degree**
1st	0	$48,687 1.0000	$52,582 1.0800				
2nd	1						
3rd	2						
4th	3						
5th	4			$58,424 1.2000	$63,098 1.2960	$63,098 1.2960	$68,146 1.3997
6th	5						
7th	6						
8th	7						
9th	8						
10th+	9+			$70,109 1.4400	$75,718 1.5552	$75,718 1.5552	$81,775 1.6796

Note: Movement on the salary schedule from Residential/Initial Certification to the Professional/Continuing Certification columns requires attainment of a Professional or Continuing Certificate through the Washington Professional Educators Standards Board (PESB) and a minimum of 4 years of experience. Within the Professional/Continuing Certification columns, a second salary increase occurs after nine years of experience with retention of the Professional/Continuing Certificate. Years of experience represent the earliest progression to the Professional/Continuing Certification column on this model; the actual amount of time for an individual to attain the Professional or Continuing Certificate may vary from 3 to 9 years.

The two salary allocation models above represent the same values presented in different formats for purposes of comparison.

Exhibit 2: Recommended Comparable Wage Levels Compared to Current State Allocation and Current Average Salaries for Certificated Administrative and Classified Staff

	2011-12 Average State Allocation per 1.0 FTE	Additional Average Salary paid by Local School Districts	2011-12 Actual Average 12-month Salary (All Fund Sources)	Comparable 12-month Salary
Certificated Administrative Staff				
Principals, Assistant Principals, and other Certificated Building-Level Administrators	$58,175	$43,685	$101,860	**$105,374**
Central Office Certificated Administrators	$58,175	$55,960	$114,135	**$105,374**
Classified Staff				
Teaching Assistance (Instructional Aides/Para-educators)	$31,699	$1,197	$32,896	**$45,386**
Office Support and other Non-instructional Aides	$31,699	$6,037	$37,736	**$40,949**
Custodians	$31,699	$5,070	$36,769	**$39,454**
Classified staff providing student and staff safety	$31,699	$5,651	$37,350	**$44,040**
Family Involvement Coordinator	N/A	N/A	N/A	**$45,386**
Technology	$31,699	$23,249	$54,948	**$83,253**
Facilities, maintenance, and grounds	$31,699	$15,616	$47,315	**$50,057**
Warehouse, laborers, and mechanics	$31,699	$10,743	$42,442	**$36,522**
Central Office, Classified	$31,699	$22,872	$54,571	**$56,374**

Note: All values represent a 12 month salary. The state salary allocations are based on the prototypical school FTE allocation. While a 1.0 FTE allocation for classified staff represents a 12-month employee working an 8 hour day, 260 days a year, actual K-12 employee salaries paid by local school districts are adjusted to reflect the actual hours and days worked. Average state allocation based on June 2012 OSPI apportionment; current average total salaries reported in 2011-12 OSPI S275 Personnel Reports; comparable salaries updated with BLS data as of May 2011.

Exhibit 3: Annual Fiscal Estimate of Compensation TWG Recommendations

Exhibit 3 details the estimated annual state cost of the recommendations from the Compensation TWG using 2011-12 school year data. As illustrated in the previous table, Exhibit 2, a large portion of this cost estimate is being provided by local school districts through other fund sources.

Summary of Estimated Additional Annual Costs Tied to Recommended Salary Allocations (Current Dollars)		
	Total	**Total with Benefits**
Certificated Administrative Staff (CAS)	$188,089,000	$217,600,000
Certificated Instructional Staff (CIS)	$804,848,000	$931,129,000
Classified Staff	$240,390,000	$277,001,000
Professional Development Days, CIS	$192,264,000	$222,431,000
Mentor Allocation	$32,866,000	$42,857,000
Instructional Coach Allocation	$157,029,000	$204,627,000
Substitutes	$13,321,000	$13,321,000
Special Education Impact	$137,078,000	$155,204,000
Total Additional Annual Cost	**$1,765,885,000**	**$2,064,170,000**
Note: Additional costs compare current allocations with recommended allocations at June 2012 OSPI apportionment staffing levels.		

I. INTRODUCTION

The Compensation Technical Working Group (TWG) began its work in July of 2011, meeting over the course of the year to meet the statutory requirements outlined in RCW 28A.400.201.

The Compensation TWG affirms the following recommendations as part of the state's basic education funding obligations.

1) Increase the Starting Salary for Teachers and Educational Staff Associates to $48,687
2) Provide Fair Market Based Salary Allocations for all K-12 Staff
3) Maintain Comparable Wage Levels through an Annual Cost of Living Adjustment (COLA) and Periodic Wage Analyses
4) Align the Salary Allocation Model to the Career Continuum for Educators
5) Invest in 10 Days of Professional Development Time
6) Allocate Mentors and Instructional Coaches in the Basic Education Funding Formula
7) Provide Appropriate Staffing Levels and Increased Program Support for Basic Education
8) Amply Fund State Basic Education Salary Allocations and Limit Locally Funded Salary Enhancements to 10% of the State Allocation
9) Ensure School Districts Receive the Same or Higher State Salary Allocations per State-Funded Employee

The Compensation TWG reviewed and analyzed the elements of the current salary allocation model, which includes additional compensation for years of experience and levels of education (degree attainment and additional clock hours and credits). The Compensation TWG researched different salary allocation models from other states and school districts, including models that focus on knowledge and skills attainment, create career ladders with multiple options for career enlargement and incentivize specific educator characteristics or student outcomes. Additionally, the group examined the current certification system and research about the best practices for educator development in order to ensure that the new model aligns with the competencies educators are expected to demonstrate in their jobs. Potential bonuses were also researched as part of differential compensation structures provided at the school district level.

A labor market analysis was conducted, focusing on both a comparable wage analysis and a regional labor market analysis. The comparable wage analysis examined the wages of employees in professions similar to each of the prototypical job categories, determining levels of adequate compensation for each job category. As part of the regional labor market analysis, the regional variance of compensation in labor markets around the state was examined, in

order for the group to define regional labor markets and provide recommendations about whether regional adjustments should be made in salary allocations.

Given the momentum of both historical and recent court decisions, legislative actions and education reform, the Compensation Technical Working Group believes that there has never been such a ripe opportunity for the State of Washington to fully fund basic education salary allocations. Employee salaries and benefits are the largest portion of public school expenditures, accounting for $8.0 billion, or 83.1% of total expenditures in the 2009-10 school year. As noted by the Levy and Local Effort Assistance Technical Working Group, in the 2009-10 school year, it is estimated that 53% of local revenue (including levies, levy equalization and miscellaneous revenues) was used to pay for the salaries, benefits and payroll taxes of K-12 employees.[6]

As indicated in the Supreme Court case, *McCleary v. the State of Washington,* the Court highlighted the progress of the workgroups authorized under ESHB 2261, specifically noting that the Washington State Legislature had "already developed a promising reform package in ESHB 2261," with the belief that "if fully funded, will remedy deficiencies in the K-12 funding system."[7]

The recommendations included in this report represent the final aspect of the basic education finance reform necessary to meet the requirements as outlined in ESHB 2261. However, the promising reforms will be just that- a promise- unless the Legislature fully funds the basic education program through the prototypical schools funding model and provides comparable wages as part of the state salary allocations.

The Compensation TWG remains eager to assist in the implementation of the recommendations contained within this report.

II. RECOMMENDATIONS

1) Increase the Starting Salary for Teachers and Educational Staff Associates to $48,687

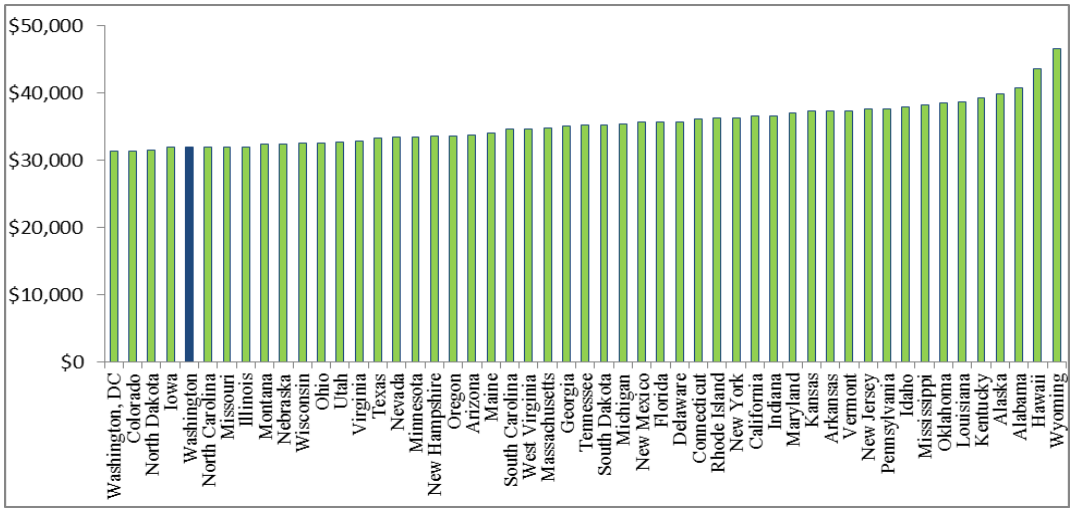
RCW 28A.400.201(4)(c) "Include a comparison of salaries and other compensation to the appropriate labor market for at least the following subgroups of educators: Beginning teachers and types of educational staff associates."

The number one priority of the Compensation Technical Working Group is to increase the starting salary of educators to attract a wider pool of the highest quality candidates. By using a comparative labor market analysis based on Bureau of Labor Statistics data, the starting wage for a beginning teacher and an educational staff associate (ESA) with a Bachelor's degree should be increased from $33,401 to $48,687- an additional $15,286 of state funding per beginning educator.

The Compensation TWG analyzed multiple factors that affect recruitment and retention. Extrinsic and intrinsic rewards, as well as the working conditions and workload issues in particular schools, contribute to individual decisions to stay or to leave the profession. A potential deterrent to entering the teaching profession and the public school system is the relatively low starting salaries. A research study on undergraduate student opinions of teaching as a profession indicated that 53 percent of the students surveyed rated a good starting salary as important when choosing a career, but only 6 percent of the same students agreed that teaching offered a good starting salary.[8]

As illustrated in Exhibit 4, the State of Washington provides one of the lowest starting salaries in the nation.

Exhibit 4: Cost-Adjusted Starting Base Teacher Salaries by State, 2007-08



Source: U.S. Department of Education, National Center for Education Statistics, Schools and Staffing Survey (SASS), "Public School District Data File," 2007-08 and author's calculations using the updated CWI. Starting teachers have a bachelor's degree and zero years of teaching experience.

The Compensation TWG recommends that salary allocations for all K-12 prototypical job categories be based on the Employment Security Department (ESD) analysis of comparable occupations. Additional information regarding the comparable labor market analysis can be found in Appendix 4. The analysis results in a fair entry-level wage that is commensurate with the skills, responsibilities, and knowledge needed in comparable professions in Washington State. The starting wage of comparable occupations provides the baseline for attracting a wider and more diverse group of educators into the K-12 industry.

Section 2 of RCW 28A.400.200 requires that the minimum salary paid to certificated instructional staff not be less than the state allocated salary level for employees with a baccalaureate degree and zero years of service and employees with a master's degree and zero years of service. The Compensation TWG affirms that the current law should remain and the increased state salary for educators be paid to beginning educators.

2) Provide Fair Market Based Salary Allocations for All K-12 Staff

RCW 28A.400.201(3) "conduct or contract for a preliminary comparative labor market analysis of salaries and other compensation for school district employees to be conducted and shall include the results in any reports to the legislature."

The comparative labor market analysis unequivocally confirms that the state does not provide an adequate salary allocation level to attract and retain high-quality staff; therefore, local school district funds must make up the difference to pay competitive wages. The Compensation TWG asserts that K-12 employees require a state salary allocation level comparable to occupations with similar knowledge, skills, abilities and education and training requirements.

The group considered the following comparative labor market analysis options and recommends using the analysis prepared by the Washington Employment Security Department (ESD). Further discussion can be found in Appendix 4.

Exhibit 5: Comparable Labor Market Analysis Options

Analysis	Data Source	Methodology
Dr. Lori Taylor Comparable Wage Index	2000 Census Data, with growth in the occupational employment statistics used to grow baseline wages.	Hedonic wage analysis matches demographic characteristics of K-12 employees to employees in comparable occupations.
Washington Employment Security Department Comparable Occupations	Bureau of Labor Statistics weighted average Washington wages as of May 2011, occupations with greater than 90 percent match.	Compares knowledge, skills, abilities, and work context, along with minimum education and experience requirements of K-12 occupations to all other occupations.
Washington Private Industry	Bureau of Labor Statistics, Occupational Statistics Unit as of June 2011.	Exact job match with private industry occupations.

Analysis	Data Source	Methodology
K-12 Actual Total Salaries	2010-2011 OSPI S275 Personnel Data, excluding extracurricular pay	Total final salary includes state allocations and TRI for certificated instructional staff; total base salary was used for classified staff to eliminate potential overtime that is reported in total final salary.

Because the ESD analysis matches requisite knowledge, skills, and abilities along with the education and training requirements for all jobs, the resulting salaries represent those offered by occupations that compete with school districts for staff with the desired attributes for each job. By offering a wage competitive with comparable occupations, the state is able to attract and retain individuals into the K-12 industry. Currently, school districts must rely on the availability of local funds to pay competitive wages. Unfortunately, the school district capacity to raise local funds is inequitable across the state. Therefore, the state should provide salary allocations that allow all school districts to offer competitive wages with occupations outside of education that compete for individuals with similar attributes.

Exhibit 6: Proposed Salary Allocations for CAS and Classified Staff

	2011-12 Average State Allocation per 1.0 FTE	Additional Average Salary paid by Non-State Funds	2011-12 Actual Average 12-month Salary (All Fund Sources)	Comparable 12-month Salary
Certificated Administrative Staff				
Principals, Assistant Principals, and other Certificated Building-Level Administrators	$58,175	$43,685	$101,860	**$105,374**
Central Office Certificated Administrators	$58,175	$55,960	$114,135	**$105,374**
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Custodians	$31,699	$5,070	$36,769	**$39,454**
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Family Involvement Coordinator	N/A	N/A	N/A	**$45,386**

	2011-12 Average State Allocation per 1.0 FTE	Additional Average Salary paid by Non-State Funds	2011-12 Actual Average 12-month Salary (All Fund Sources)	Comparable 12-month Salary
Technology	$31,699	$23,249	$54,948	**$83,253**
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Note: All values represent a 12 month salary. The state salary allocations are based on the prototypical school FTE allocation. While a 1.0 FTE allocation for classified staff represents a 12-month employee working an 8 hour day, 260 days a year, actual K-12 employee salaries paid by local school districts are adjusted to reflect the actual hours and days worked. Average state allocation based on June 2012 OSPI apportionment; current average total salaries reported in 2011-12 OSPI S275 Personnel Reports; comparable salaries updated with BLS data as of May 2011.

The Compensation TWG recognizes that benefits, including retirement and health benefits, are part of the total compensation package offered to K-12 employees. Because of the uncertainties in comparing benefit information across employers, the conflicting research on the role of benefits in recruitment and retention of the K-12 workforce and the evidence that overall benefits are competitive with similar employers, the Compensation TWG does not suggest any adjustments in comparable wage recommendations due to a difference in "other compensation" or benefits.

The state currently provides an allocation for substitutes; each school district receives $151.86 per day for four days per allocated teacher. The Compensation TWG recommends the rate be increased by the same percentage as the recommended starting salary allocation for teachers to a daily allocation of $221.36. In addition, the Compensation TWG recommends a substitute allocation for instructional aides due to their critical work in the classroom. The daily rate for instructional aides should be $174.56 based on the comparable wage recommendation of this category. The Compensation TWG recommends an allocation of four days per allocated instructional aide at the comparable daily rate.

RCW 28A.150.410 does not recognize more than two years of non-school related work experience of Educational Staff Associates (ESA): occupational therapists, physical therapists, nurses, speech-language pathologists, audiologists, counselors, psychologists, and social workers. Based on the group member's experience and feedback from human resource professionals, the Compensation TWG asserts that this is a huge barrier in the recruitment and retention of ESAs. Local districts often have to supplement their pay or contract out for the work. The Compensation TWG recommends that the non-school related experience for ESAs be

recognized on the state salary allocation model and not be limited to two years as it is in current statute.

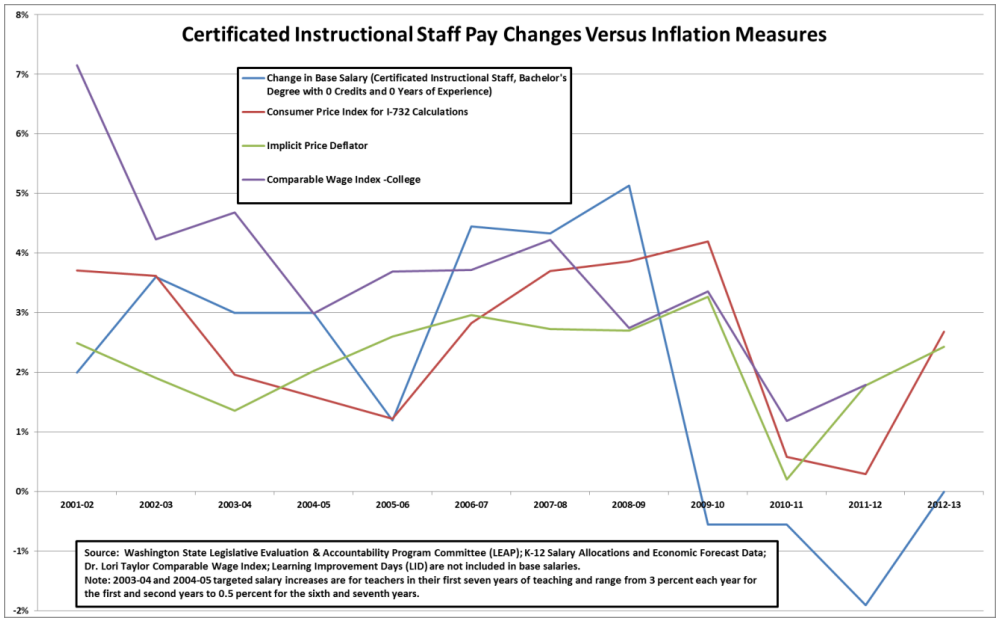
3) Maintain Comparable Wage Levels through an Annual Cost of Living Adjustment (COLA) and Periodic Wage Analyses

RCW 28A.400.201(3) "conduct or contract for a preliminary comparative labor market analysis of salaries and other compensation for school district employees to be conducted and shall include the results in any reports to the legislature."

To ensure that the K-12 salary allocations keep pace with the wages of comparable occupations, the Compensation TWG recommends that the ESD comparable wage analysis be conducted every four years and allocations are adjusted accordingly, if necessary. In the interim, state allocations should be adjusted annually with the Seattle-Tacoma-Bremerton Consumer Price Index (Seattle CPI) in accordance with the original provisions of Initiative 732.

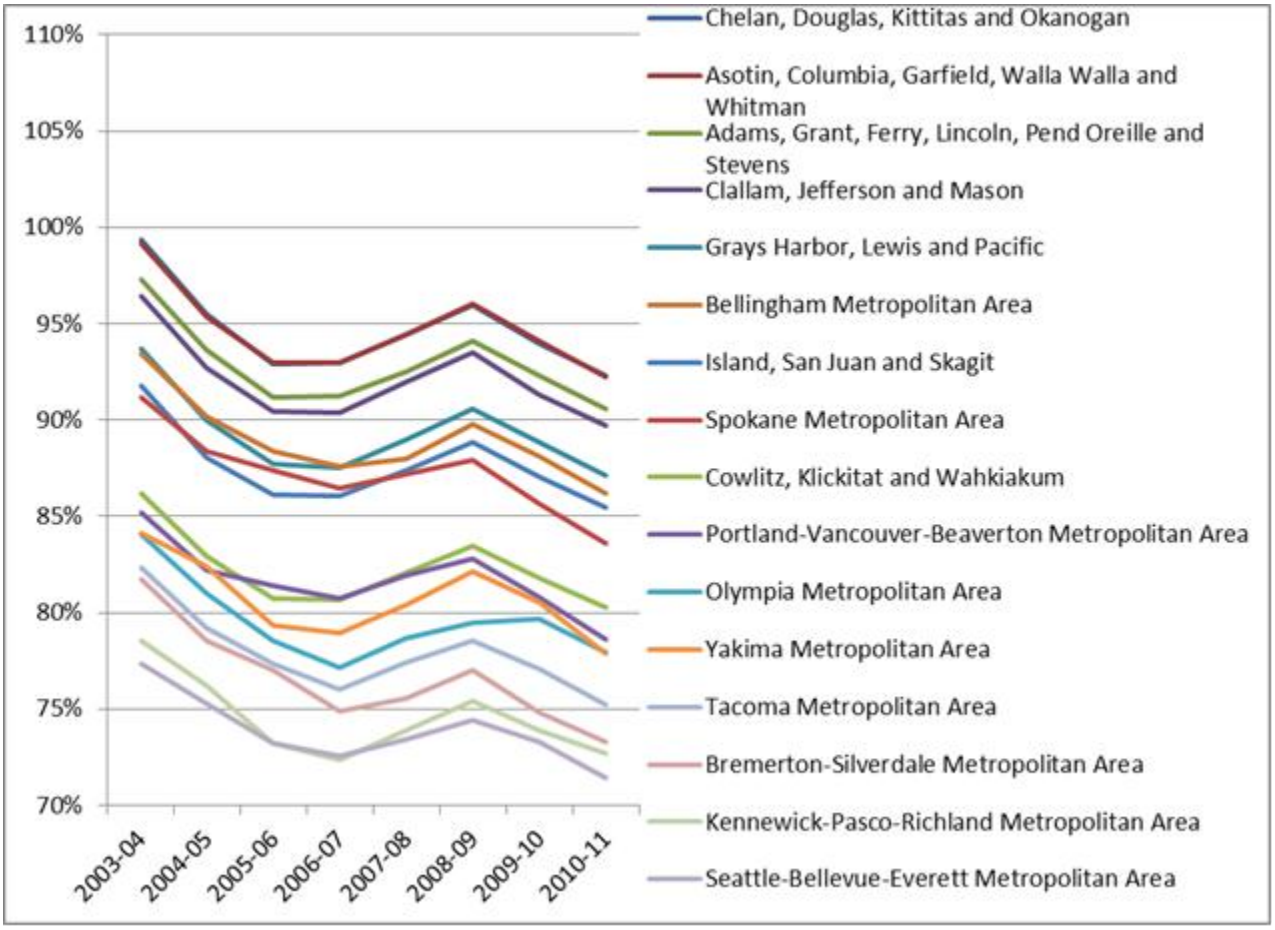
K-12 employees have not received a state-funded cost of living adjustment since 2009. In addition, state-funded compensation for one professional development day (Learning Improvement Day) for certificated instructional staff was removed in the 2009-10 school year and all Learning Improvement Days were eliminated in 2011-12. The 2011-13 legislative budget reduced certificated and classified staff salary allocations by 1.9 percent and certificated administrative staff salary allocations by 3 percent. Exhibit 7 compares the annual percent change in the base salary allocation for certificated instructional staff versus multiple inflationary measures considered by the group. Further discussion can be found in Appendix 4.

Exhibit 7: Base Pay for Certificated Instructional Staff Compared to Inflation



As a result of state funding decreases, the state salary allocations for teachers have not kept pace with comparable non-teaching salaries as illustrated in Exhibit 8. In order to remain competitive, school districts must rely on local funding and other available sources to attempt to keep salaries at an equitable level and to make up for employees' loss of purchasing power, which shifts a greater percentage of the salary burden onto individual school districts instead of the state. Without cost of living adjustments, the recommended state salary allocations will soon lag other occupations and school districts will again have to rely on local funding or other adjustments to continue to pay competitive wages.

Exhibit 8: Relative State Salary Allocation Trend for Washington Teachers, 2003-04 through 2010-11



Source: Taylor, Lori, "But Are They Competitive in Seattle? An Analysis of Educator and Comparable Non-educator Salaries in the State of Washington." April 2012. Retrieved from: http://www.k12.wa.us/Compensation/pubdocs/CompetitiveSeattle.pdf.

It is important to note that the Seattle CPI is a market basket inflationary factor that measures the change in the cost of goods and services, not wages. While the COLA is intended to compensate K-12 staff for changes in purchasing power, an updated comparable wage analysis will ensure that K-12 salaries remain competitive with like occupations and the state and all school districts can continue to attract and retain the highest quality educators and other K-12 staff.

4) Align the Salary Allocation Model to the Career Continuum for Educators

RCW 28A.400.201(2) "recommend the details of an enhanced salary allocation model that aligns state expectations for educator development and certification with the compensation system…(a) How to reduce the number of tiers within the existing salary allocation model"

The recommended state salary allocation model is roughly structured according to the stages of the career continuum for educators, recognizing the movement from a residency certificate to a professional certificate and potentially to a National Board for Professional Teaching Standards (NBPTS) certificate. The certification process provides an objective measure of teacher development against professional standards as outlined by the Professional Educator Standards Board and the National Board for Professional Teaching Standards. The Compensation TWG emphasizes that the increasingly rigorous, performance based certification process coupled with the movement to a robust, four-tiered evaluation system will ensure that Washington's students are served by high-quality educators.

The proposed state salary allocation model has 10 cells compared to the 119 cells in the current model, providing a more attractive career progression to recruit and retain educators into the profession. In the current salary allocation model shown in Exhibit 9, additional compensation can only be obtained through gaining up to 16 years of experience, earning additional academic degrees and clock hours or academic credits.

Exhibit 9: Current K-12 Salary Allocation Model for Certificated Instructional Staff (LEAP Document 2)

Years of Service	BA + 0	BA +15	BA +30	BA +45	BA +90	BA +135	MA + 0	MA +45	MA +90 or PhD
0	33,401	34,303	35,238	36,175	39,180	41,116	40,045	43,051	44,989
1	33,851	34,765	35,712	36,690	39,727	41,652	40,490	43,527	45,452
2	34,279	35,202	36,159	37,212	40,241	42,186	40,938	43,966	45,912
3	34,720	35,653	36,620	37,706	40,729	42,722	41,363	44,384	46,377
4	35,153	36,127	37,099	38,224	41,264	43,271	41,808	44,849	46,857
5	35,600	36,578	37,561	38,748	41,777	43,824	42,261	45,291	47,339
6	36,060	37,017	38,032	39,279	42,293	44,352	42,725	45,740	47,797
7	36,868	37,839	38,868	40,182	43,241	45,356	43,594	46,652	48,768
8	38,050	39,074	40,127	41,550	44,651	46,844	44,961	48,063	50,254
9		40,353	41,459	42,933	46,106	48,373	46,343	49,518	51,785

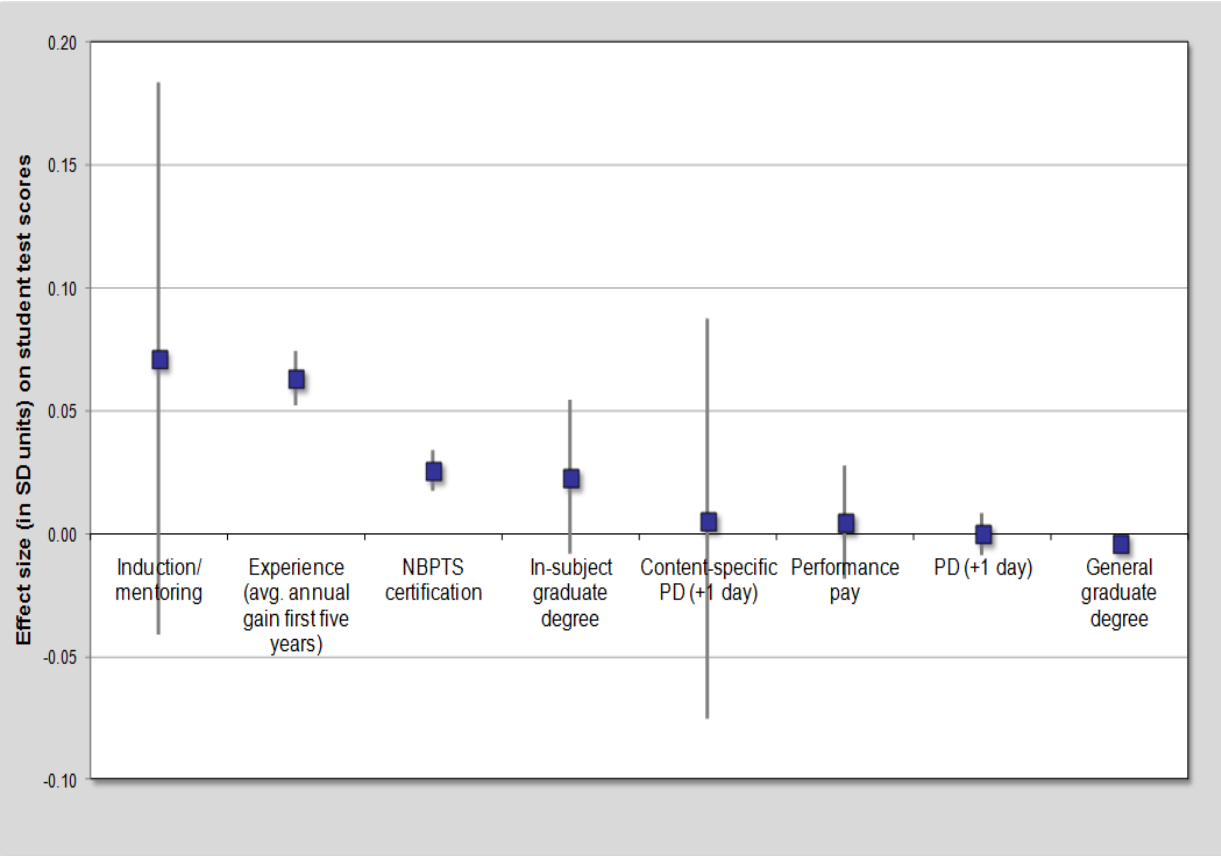
10			42,806	44,387	47,602	49,945	47,798	51,014	53,356
11				45,883	49,169	51,558	49,295	52,581	54,969
12				47,332	50,777	53,238	50,850	54,188	56,650
13					52,425	54,959	52,460	55,836	58,370
14					54,081	56,745	54,117	57,600	60,157
15					55,488	58,221	55,523	59,098	61,721
16 or more					56,597	59,385	56,634	60,279	62,955

In order to create a new salary allocation model, the Compensation TWG reviewed research and deliberated on which elements should be included in the base salary allocation model. The new salary allocation model should be clear, with a logical progression of steps for increases in compensation that are aligned to the career and certification progression of an educator. The salary allocation model should provide incentives for educator characteristics that research indicates result in more effective teaching and greater gains in student achievement. It should also serve as a potential aid in the recruitment of potential teachers, in that it would clearly define the state expectations for a teacher's career progression and demonstrate the capacity for financial advancement.

The Compensation TWG was informed by various research (see Appendix 5- Salary Allocation Model Supplemental Information) in order to determine which elements to include in the salary allocation model. The Compensation TWG received presentations on multiple meta-analyses conducted by the Washington Institute for Public Policy (WSIPP). The WSIPP meta-analyses focused on the effect size on student test scores of various teacher characteristics including:

- Induction and Mentoring Programs
- Experience (average annual gain in the first five years)
- National Board for Professional Teaching Practices (NBPTS) Certification
- In-subject Graduate Degrees
- Content-Specific Professional Development (1 additional day)
- Performance Pay
- Professional Development (1 additional day)
- General Graduate Degrees

Exhibit 10: Summary of Meta-Analytic Findings Regarding Impacts on Student Test Scores from Different Policies Related to Teacher Compensation and Training



Source: Exhibit 12. Pennucci, A. (2012) *Teacher compensation and training policies: Impacts on student outcomes*. (Document No. 12-05-2201). Olympia: Washington State Institute for Public Policy

The WSIPP meta-analyses indicated that several compensation elements had differing effect sizes on student achievement as measured by student test scores. However, it is important to note that the meta-analyses are limited to the studies included in each analysis and it is difficult to draw definitive conclusions based on it.

The salary allocation model recommended by the Compensation TWG recognizes the following elements:

- State Certification Level
- Years of Experience Tied to Certification Level
- National Board for Professional Teaching Standards (NBPTS) Certification
- Level of Education

Exhibit 11: Proposed State Salary Allocation Model for Certificated Instructional Staff

Certification Level	Bachelor's Degree	Advanced Degree
Residency/Initial Certificate	$48,687	$52,582
Professional/Continuing Certificate with a minimum of 4 years of experience	$58,424	$63,098
Professional/Continuing Certificate with NBPTS and a minimum of 4 years of experience	$63,098	$68,146
Professional/Continuing Certificate with 9 years of experience	$70,109	$75,718
Professional/Continuing Certificate with NBPTS and 9 years of experience	$75,718	$81,775

		Residency/Initial Certificate		Professional/Continuing Certificate		Professional/Continuing with NBPTS Certificate	
Year of Teaching	Minimum Years of Experience	Bachelor's Degree	Advanced Degree	Bachelor's Degree	Advanced Degree	Bachelor's Degree	Advanced Degree
1st	0	$48,687 1.0000	$52,582 1.0800				
2nd	1						
3rd	2						
4th	3						
5th	4			$58,424 1.2000	$63,098 1.2960	$63,098 1.2960	$68,146 1.3997
6th	5						
7th	6						
8th	7						
9th	8						
10th+	9+			$70,109 1.4400	$75,718 1.5552	$75,718 1.5552	$81,775 1.6796

Note: Movement on the salary schedule from Residential/Initial Certification to the Professional/Continuing Certification columns requires attainment of a Professional or Continuing Certificate through the Washington Professional Educators Standards Board (PESB) and a minimum of 4 years of experience. Within the Professional/Continuing Certification columns, a second salary increase occurs after nine years of experience with retention of the Professional/Continuing Certificate. Years of experience represent the earliest progression to the Professional/Continuing Certification column on this model; the actual amount of time for an individual to attain the Professional or Continuing Certificate may vary from 3 to 9 years.

The two salary allocation models above represent the same values presented in different formats for purposes of comparison.

State Certification Level

The certification process is designed to allow teachers to gain additional knowledge and skills and demonstrate them in an objective assessment. The stages of a teacher's career are recognized through the certification levels, with an entry level residency certificate, a middle level professional certificate and an optional advanced National Board for Professional Teaching Standards (NBPTS) certificate. As a certificate is the "license to practice" for certificated instructional staff members, aligning compensation increases to the tiers of certification encourages employees to develop professional competence in the knowledge and skills measured by the standards and to successfully progress through the certification continuum. The cost of certification is absorbed at the individual level; therefore, once the certification and minimum years of experience is attained, the salary allocation model recognizes this cost and compensates the achievement with a 20 percent increase.

The Compensation TWG recognizes that there should be some accommodation made for educators entering Washington from other states. The Professional Educator Standards Board (PESB) is aware of this need and is currently working on reciprocity agreements with other states and rule-making to provide a one-year transitional window for a provisional professional certificate for out-of-state educators to complete the ProTeach Portfolio.

Years of Experience Tied to Certification Level

The Compensation Technical Working Group recommends that a minimum of four years of experience be tied with the progression from the residency certification to the professional certification columns. This recommendation recognizes both increased experience and the attainment of the professional competencies required of the professional certificate. The 20 percent increase in compensation after the fourth year of experience will create an incentive for certificated instructional staff to stay in the K-12 system. National research indicates a relationship between turnover and experience, "with the least and most experienced teachers most likely to depart their schools."[9] According to the Professional Educator Standards Board (PESB), in Washington this pattern holds true with, "most of the teachers who leave a district do so earlier in their careers. There is also a bump for those who leave at about 30 years of experience, presumably to retire."[10]

However, this recommendation was not unanimous, with concerns raised by the Professional Educator Standards Board (PESB) and several other members regarding the increase being delayed until after the fourth year of experience. The Washington State Legislature and PESB designed a continuum of teacher development that encourages teachers to pursue professional certification post-induction with achievement of the certification by the end of their third year of teaching. The concern is that a delay in the percentage increase until the fifth year of teaching, after the individual has attained four years of experience, will cause educators to delay gaining the knowledge and skills competencies represented by the professional certificate one year. Thus the recommendation from some members was a smaller increase for teachers attaining the professional certificate at year four, after three years of experience, which would join with the 20 percent retention-related increase at year five, after four years of experience.

Within the Professional/Continuing column, a second salary increase occurs after nine years of experience with retention of the professional/continuing certificate or NBPTS certificate. Years of experience represent the earliest progression of the Professional/Continuing column on this model; the actual amount of time for an individual to attain the professional certificate may vary from 3-9 years. The proposed salary allocation model compresses the years of experience in the current model, allowing employees to maximize their compensation earlier in their career and increase the recruitment of additional employees into public education. The Compensation TWG recommends that an annual cost of living adjustment (COLA) be applied to all salary allocations. It is important to note that this additional increase in the salary allocation will be provided every year, regardless of the employee's placement on the salary allocation model.

Level of Education

The proposed salary allocation model recognizes the level of education the employee attains. The salary allocation model provides an increase in salary for a graduate degree (Master's or PhD), but reduces the premium from the current 21 percent (highest in the nation) to 8 percent.[11] The group lowered the premium to a similar level that other states pay educators for advanced degrees as well as to a level recognized by comparable occupations. The research on graduate degrees and teacher effectiveness is mixed and limited to studies that measure the effect on student achievement in limited subjects and grade levels. Some research has found that an in-subject Master's degree leads to increased student achievement in those particular subjects. The Compensation TWG recommends that the advanced degrees must be relevant to current or future assignments, as locally determined by the school district, in order to be eligible for placement on the proposed tier on the salary allocation model. This recommendation is aligned with the current statutory requirement that credits be aligned to the individual's current or future assignment. Additional credits and clock hours are removed from the salary allocation model, but the group recommends that the state pay for additional time for professional development activities.

National Board for Professional Teaching Standards Certification

National Board for Professional Teaching Standards (NBPTS) certification is embedded in the salary allocation model, rather than provided as an additional bonus as it is currently structured. The recommended salary increase is 8 percent, which is similar to the current bonus of $5,090. NBPTS certification is an objective measure of accomplished, effective educators and by being included in the base salary allocation model, compensation for achieving the rigorous certification will be guaranteed. The NBPTS certification process is time consuming and requires a personal financial investment of candidates. By embedding compensation for NBPTS in the salary allocation model, the group recommends that funding for NBPTS certification be guaranteed as part of the definition of basic education.

The Compensation TWG did not include the NBPTS challenging schools bonus in the salary allocation model. The group believes that fully funding the poverty enhancements in the prototypical schools funding model will improve working conditions in challenging schools and there will not be a need for additional state-funded bonuses provided to teachers working in

challenging schools. The Compensation TWG acknowledges that the prototypical schools funding model must be fully implemented in order for challenging schools to have enough resources to recruit and retain staff in challenging schools. Although the group does not recommend including the challenging schools bonus in the salary allocation model, they acknowledge that the challenging schools bonus is part of current statute and recommends that it remain.

Movement on the Salary Allocation Model for a New Teacher

As outlined in the two tier certification system by the Professional Educator Standards Board, the entry level certificate is the residency certificate. A new educator can remain on a residency certificate for up to nine years, but will remain at the salary allocation levels of $48,687 for a residency certificate with a Bachelor's Degree and $52,582 for a residency certificate with an Advanced Degree.

A new educator pursues a professional certificate through submittal of a ProTeach Portfolio. The proposed salary allocation model provides a 20 percent compensation increase for the attainment of professional certification and at least four years of experience. If the professional certificate is earned with more than four years of experience but before the residency certificate expires, the same increase of compensation occurs.

Once professional certification is achieved, the salary allocation model recognizes an additional compensation increase of 20 percent after nine years of experience. The renewal process for the professional certificate occurs every five years, with the achievement of a Professional Growth Plan, or completion of 150 clock hours of professional development. The salary allocation model with an increase at nine years of experience is designed as a proxy for the renewal process.

An additional opportunity for educators to earn more compensation on the salary allocation model is through the achievement of certification through the National Board for Professional Teaching Standards (NBPTS). This third level of nationally recognized certification is embedded in the salary allocation model in order to ensure that all educators who achieve this rigorous distinction are given additional compensation for their increased effectiveness. In order to seek National Board Certification, potential applicants must meet the following requirements prior to applying; hold a bachelor's degree, have competed three full years of teaching/counseling experience and possess a valid state teaching/counseling license for that period of time.[12]

5) Invest in 10 Days of Professional Development Time

RCW 28A.400.201(2) "recommend the details of an enhanced salary allocation model that aligns state expectations for educator development and certification with the compensation system…(a) How to reduce the number of tiers within the existing salary allocation model"

The state certification and evaluation systems expect educators to grow professionally. However, the state only funds 180 days of instruction. The 180 school day calendar is focused on student's academic development and does not provide time for educator-focused development. Current practice often involves taking school time away from students, through early release days or late arrival days, in order to provide time for educator professional development. The Compensation TWG recommends that the state include ten professional development days for certificated instructional staff in the definition of basic education.

The state has recognized the importance of professional development in the past by compensating for additional professional development days, called Learning Improvement Days (LID). In 2002-03, three LID days were provided. In 2009-10, the number was reduced to two. In 2010-11, all funding for LID days was eliminated.

The proposed salary allocation model (SAM) moves away from compensation based on credits and clock hours and towards a career ladder compensating teachers for career advancement by attaining higher certifications. The certifications embedded in the SAM measure a teacher's performance against national and state standards. These standards provide a benchmark for teachers to perform against; however, no compensated time is provided for teachers to improve their performance. In addition, time is needed for teachers to develop specific knowledge or skills required by changes in national, state and local policies. School districts are providing professional development through locally funded days or requesting waivers to the 180 school day calendar in order to replace a day of instruction with a professional development day. In addition, some local school districts are scheduling half days of instruction in order to provide time for professional development during the second half of the day.

Exhibit 12: Proposed State Salary Allocation Model with 10 Additional Professional Development Days

	Allocation BEFORE 10 PD Days		Allocation WITH 10 PD Days	
Certification Level	**Bachelor's Degree**	**Advanced Degree**	**Bachelor's Degree**	**Advanced Degree**
Residency/Initial Certificate	$48,687	$52,582	$51,392	$55,503
Professional/Continuing Certificate and a minimum of 4 years of experience	$58,424	$63,098	$61,670	$66,604
Professional/Continuing Certificate with NBPTS and a min. of 4 years of experience	$63,098	$68,146	$66,604	$71,932
Professional/Continuing Certificate and 9 years of experience	$70,109	$75,718	$74,004	$79,925
Professional/Continuing Certificate with NBPTS and 9 years of experience	$75,718	$81,775	$79,925	$86,319

School districts should have the flexibility to distribute the time in a manner that best fits their needs. The group discussed the possibilities of the time being used for professional learning communities, individual professional growth planning, and focused seminars.

The Compensation TWG also recognizes that professional development for instructional aides is critical as they work in partnership with teachers to provide a comprehensive education for K-12 students. The Compensation TWG affirms the FTE recommendations for instructional aides found in the Classified Staffing Adequacy Report that includes time for professional development. [13] The Compensation TWG recognizes that additional classified positions may also require additional funding for targeted professional development, but further work is necessary before development of a recommendation for non-certificated instructional staff positions.

6) Allocate Mentors and Instructional Coaches in the Basic Education Funding Formula

RCW 28A.400.201(2) "the technical working group shall make recommendations on the following: (d) The role of and types of bonuses available"

Many of the necessary roles and responsibilities required in a successful school are currently being provided, in part, through local funds. The Compensation TWG asserts that the roles of mentor teacher and instructional coach are essential positions within the basic education program and a state-funded obligation. The group recommends that funding for mentor teachers be provided based on the number of new and probationary teachers. In addition, instructional coaches should be allocated based on the number of prototypical schools. Both allocations should be included in the basic education funding formula in 28A.150.260.

Instructional coaches provide rich, job embedded professional development and instructional coaching is critical to improving the instructional practices and strategies of educators throughout their careers. Mentors provide necessary instructional reflection, professional development and collaboration during the beginning of an educator's career, as well as assistance to educators in probationary status. Both instructional coaches and mentors are essential in order to support the more rigorous evaluation and certification systems and strengthen the effectiveness of educators.

Instructional Coaches

The Compensation Technical Working Group recommends that instructional coaches are funded through the prototypical school funding model. As an allocation, the school districts can determine the appropriate use of the funding to best support the needs of their teachers and students. As an allocation, school districts could choose to spread the allocation to multiple teachers within a school or centralize instructional coaches at the district office.

Recommended allocation levels for instructional coaches are:

- 1.1 FTE for a prototypical elementary school
- 1.1 FTE for a prototypical middle school
- 1.1 FTE for a prototypical high school

The dollar allocation will be based on the average staff mix for each school district as determined by the salary allocation model for certificated instructional staff. Costs include salaries, health benefits, mandatory benefits, and substitute allocation.

Exhibit 13: Fiscal Estimate for Instructional Coach Recommendation

Annual Cost of Instructional Coach Recommendation			
Prototypical School	**FTE**	**Estimated Annual Cost**	**Estimated Annual Cost Including Benefits and Substitute Allocation**
Elementary School	1,427	$98,610,000	$128,501,000
Middle School	391	$26,993,000	$35,175,000
High School	455	$31,426,000	$40,951,000
Total	**2,273**	**$157,029,000**	**$204,627,000**
Note: Estimated number of prototypical schools based on June 2012 OSPI apportionment. Each CIS FTE is allocated 4 substitute days. Additional FTE costs include health care and other benefits.			

Mentors

In addition to funding instructional coaches in every prototypical school, the Compensation TWG recommends providing a separate mentor categorical allocation for school districts based on the number of first, second, and third year teachers as reported in the S275. An additional allocation should be provided for probationary teachers in accordance with ESSB 5895, Section 1 (4b), which states, "the evaluator may authorize one additional certificated employee to evaluate the probationer and to aid the employee in improving his or her areas of deficiency." This recommendation will ensure that every Washington school district will have sufficient resources through reliable and regular state funds to support the need to mentor novice teachers. As a categorical allocation, the funding provided must be used for the mentor program; however, school districts can determine the appropriate use of the funding to best support the needs of their teachers and students. The Compensation TWG recommends the following levels of funding for a robust mentor program:

Exhibit 14: Fiscal Estimate for Mentor Recommendation

Annual Cost of Mentor Recommendation				
	Mentor FTE Required	**Average Number of Teachers 2007-2012**	**Estimated Annual Cost**	**Estimated Annual Cost Including Benefits**
First year teacher	.088	2,333	$14,107,000	$18,397,000
Second year teacher	.061	2,208	$9,180,000	$11,972,000
Third year teacher	.042	2,359	$6,785,000	$8,847,000
Probationary teacher	.088	459	$2,794,000	$3,641,000
Total		**7,359**	**$32,866,000**	**$42,857,000**
Note: Average number of new teachers based on 2007-2012 average of 1st, 2nd, and 3rd year teachers as reported in OSPI S275 Personnel Reports. Number of probationary teachers reported to OSPI. Each CIS FTE is allocated 4 substitute days. Additional FTE costs include health care and other benefits.				

Allocation of dollar amounts will be contingent on the number of personnel reported in these categories to OSPI on the S275 Personnel Reports October 1 snapshots and the number of teachers placed on probationary status after completion of the evaluation process. As required in 28A.150.230, school districts must report the number of staff in each evaluation rating. As an allocation, smaller districts may have the opportunity to leverage capacity and infrastructure through partnerships with educational service districts. Implementation of this recommendation will assist the state in its paramount duty to provide a basic education to public school students through a stable funding source. While many school districts deliver beneficial mentor support to novice teachers through the use of local funds, the Compensation TWG believes that it is vital for the state to categorically fund these programs in order to provide regular and reliable funding to ensure the long-term viability of induction programs.

The allocation amounts shown in Exhibit 14 provide funding for an average of two hours of mentor support per week[14] for first year and probationary teachers and an average caseload of not greater than 15 novice teachers for a full-time mentor.[15] Mentor support is decreased to an average of 1.5 hours per week for 2nd year teachers and an average of one hour per week for 3rd year teachers, with the mentor caseload adjusted accordingly. This caseload is not cumulative. The allocation includes three additional professional development days for mentees in the first year and one professional development day in subsequent years, while probationary teachers also receive three additional professional development days. The FTE allocation also includes eight percent of the salary costs to cover district administrative costs. The total salary cost is calculated using each districts average salary allocation for certificated instructional staff based on the salary allocation model recommended in this report, as the Compensation TWG recommends that a mentor must be on a teaching contract. Additionally, the cost estimate includes health and mandatory benefits, as well as an OSPI allocation of four substitute days per 1.0 FTE.

7) Provide Appropriate Staffing Levels and Increased Program Support for Basic Education

RCW 28A.400.201(1) "continuing to attract and retain the highest quality educators will require increased investments."

The Compensation TWG recommends that their compensation recommendations occur in tandem with the statutory requirements in SHB 2776 and the basic education funding recommendations proposed by the Quality Education Council (QEC). Working conditions and workload play a significant role in the attraction and retention of staff. The Compensation TWG declares that sufficiently funded staffing levels and categorical program support will improve the workload of K-12 staff and lead to higher retention. Therefore, the Compensation TWG believes, if basic education is fully funded, there will not be a need for additional state-funded bonuses provided to teachers working in challenging schools. Although the group does not recommend including the challenging schools bonus in the definition of basic education, they do not recommend repealing current law.

SHB 2776 requires the state to fully fund full-day kindergarten, K-3 class size of 17 students, material, supplies and operating costs, and pupil transportation. In the 2010 Quality Education Council Final Report to the Legislature, the QEC provisionally recommended the lower class sizes and increased certificated staffing levels displayed in Exhibits 15 and 16. The QEC was informed by the work of the Washington Learns Committee and the Basic Education Finance Task Force, which cumulatively represents ten years of study by policy makers, research experts, and practitioners. The Compensation TWG re-affirms that improved staffing level allocations are critical to the task of amply funding basic education.

Exhibit 15: QEC Provisional Recommendations for Class Size

CLASS SIZE	Non-High Poverty Schools		Poverty Schools	
	Proposed	Change from Current	Proposed	Change from Current
Grades K-3	17.00	(8.23)	15.00	(9.10)
Grade 4	25.00	(2.00)	22.00	(5.00)
Grades 5-6	25.00	(2.00)	23.00	(4.00)
Grades 7-8	25.00	(3.53)	23.00	(5.53)
Grades 9-12	25.00	(3.74)	23.00	(5.74)
Career and Technical Education (CTE)	19.00	(7.57)	19.00	(7.57)
Skills Center	16.00	(6.76)	16.00	(6.76)

Exhibit 16: QEC Provisional Recommendations for Staffing Levels, Certificated School Staff

	Proposed Staffing Levels			Change from Current Allocation Levels		
	Elementary School (400 K-6 students)	Middle School (432 7-8 students)	High School (600 9-12 students)	Elementary School (400 K-6 students)	Middle School (432 7-8 students)	High School (600 9-12 students)
Principals	1.3	1.4	1.9	0.047	0.047	0.020
Librarian/Media	1.0	1.0	1.0	0.337	0.481	0.477
Guidance Counselor	0.5	2.0	3.5	0.007	0.884	1.591
Health and Social Services	1.0	1.0	1.0	0.865	0.932	0.882

In addition to the certificated instructional staff recommendations shown in Exhibit 16, the QEC recommended professional development coaches in every school as well as increased funding for new teacher support. Their recommendations helped inform the Compensation TWG's Recommendation #6 – Allocate Mentors and Instructional Coaches in the Basic Education Funding Formula. In the 2011 Quality Education Council Report to the Legislature, the QEC provisionally adopted the recommendations of the Classified Staffing Adequacy Working Group:

Exhibit 17: QEC Provisional Recommendations for Staffing, Classified School Staff

	Proposed Staffing Levels			Change from Current Allocation Levels		
	Elementary School (400 K-6 students)	Middle School (432 7-8 students)	High School (600 9-12 students)	Elementary School (400 K-6 students)	Middle School (432 7-8 students)	High School (600 9-12 students)
Teaching Assistance	1.195	1.295	1.121	0.259	0.595	0.469
Office Support	3.220	3.029	3.382	1.208	0.704	0.113
Custodians	3.186	3.454	4.512	1.529	1.512	1.547
Student Safety	0.099	0.506	0.723	0.020	0.414	0.582
Family Involvement	0.676	0.676	0.676	0.676	0.676	0.676

Exhibit 18: QEC Provisional Recommendations for Staffing, Classified District Staff

Per 1,000 K-12 Students	Proposed Staffing Levels	Change from Current Allocation Levels
Technology	2.010	1.382
Facilities/Maintenance/Grounds	4.719	2.906
Warehouse/Laborer/Mechanic	0.571	0.239

In the 2011 Quality Education Council Report to the Legislature, the QEC supported strengthening the Transitional Bilingual Instructional Program, the Highly Capable Program, and the Learning Assistance Program based on the recommendations of the working groups. The working groups recommended the following changes:

Exhibit 19: QEC Provisional Recommendations for Categorical Programs

	Proposed			Change from Current Allocation Levels		
Categorical Program	**Class Size**	**Hours**	**% Eligible**	**Class Size**	**Hours**	**% Eligible**
Transitional Bilingual Instructional	15	8		0	3.222	
Highly Capable K-6	15	6.5	5%	0	4.341	2.686%
Highly Capable 7-12	15	3.1	5%	0	0.941	2.686%
Learning Assistance K-6	6	3.75		(9)	2.2344	
Learning Assistance 7-12	15	5		0	3.4844	

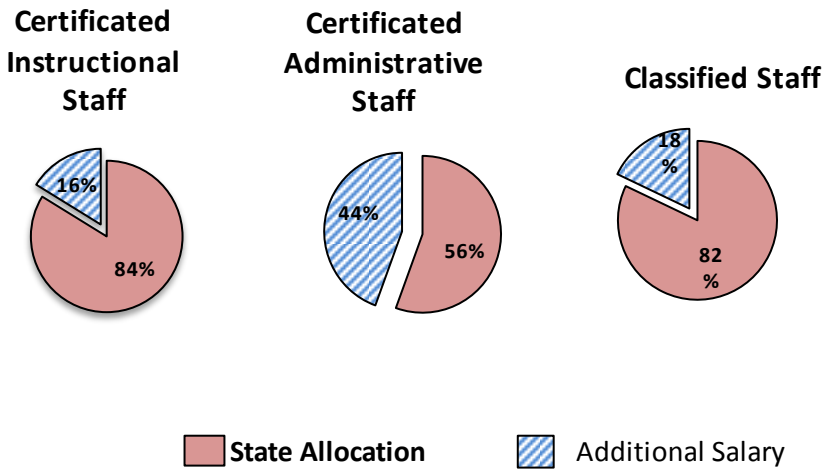
8) Amply Fund State Basic Education Salary Allocations and Limit Locally Funded Salary Enhancements to No More than 10% of the State Allocation

RCW 28A.400.201(2) "(b) How to account for labor market adjustments; (c) How to account for different geographic regions of the state where districts may encounter difficulty recruiting and retaining teachers"

The state is responsible for fully funding the salaries of staff performing basic education activities. The Compensation TWG affirms that average comparable wages are sufficient to recruit and retain high-quality staff. However, the group acknowledges that some local school districts may have unique circumstances that lead to difficulties recruiting and retaining staff. The group recommends that districts be allowed to provide locally funded salary enhancements for non-basic education functions. However, to ensure equity around the state, the locally funded enhancements should be limited to 10 percent above the state allocation.

All 295 school districts in Washington offer additional compensation above the base salary allocation provided by the state for at least one basic education employee category. As displayed in Exhibit 20, the amount of average additional salary over the base state allocation is significant.

Exhibit 20: Percentage of 2010-11 Average Additional Salary Above State Allocation



Supplemental pay for certificated instructional staff takes the form of Time, Responsibility and Incentive (TRI) contracts, in which salaries are allowed to exceed the average salary compliance standards, "only by separate contract for additional time, for additional responsibilities, for incentives or for implementing specific measurable innovative activities."[16] Utilizing supplemental contracts for the purposes of basic education is prevented, specifically that "no district may enter into a supplemental contract under this subsection for the provision of services which are part of the basic education program required by Article IX."[17]

However, after reviewing collective bargaining agreements and sharing professional experiences with TRI contracts, the Compensation Technical Working Group overwhelming concluded that TRI contracts are most often used to increase the salary allocations of staff performing basic education functions in order to provide a competitive wage to K-12 staff.

Upon full state funding of basic education salaries at comparable wage levels, the Compensation TWG recommends that the use of local funds for salaries of basic education staff be restricted to a salary limit no more than 10 percent above the state allocation. The use of local funds within the salary limit will be defined at the school district level and will provide districts an opportunity to address non-basic education functions. For purposes of determining the limit calculation, salary is compensation for the regular duties during the contracted year associated with that position. Pay for additional duties outside the contract, such as summer school or tutoring, is not salary for purposes of determining a district's limit.

In order to clarify the distinction between state and local funding of salaries, upon full state funding of their recommended comparable salary allocations, the Compensation TWG recommends that the Legislature repeal Section 3 of RCW 28A.400.200, which provides for average salary compliance and Section 4, which provides for TRI (Time, Responsibility and Incentive) contracts.

As part of the discussion of roles and types of bonuses, the Compensation TWG recognized the fact that each of the 295 school districts has unique needs that impact local recruitment and retention issues. Therefore, the salary limit recommendation allows the flexibility for school districts to provide locally funded salary enhancements for non-basic education needs. Further discussion is included in Appendix 7-Roles and Types of Bonuses.

9) Ensure School Districts Receive the Same or Higher State Salary Allocations per State-Funded Employee

RCW 28A.400.201(2)(f) "including a recognition that staff on the existing salary allocation model would have the option to grandfather in permanently to the existing schedule."

The Compensation TWG recommends that the Washington State Legislature fully fund all of the recommendations immediately. At full implementation of the proposed salary allocations, every K-12 employee will receive a higher state salary allocation and there will be no need for any individual to grandfather into the old state salary allocation model.

During any phase-in of the new salary allocation levels, the Compensation TWG recommends that school districts should receive the higher allocation from either the old or new state salary allocation model for every state-funded employee.

III. FISCAL ESTIMATES

Salary Allocation Recommendations Fiscal Estimate

The Compensation Technical Working Group (TWG) recommends immediate implementation of the recommendations in this report in order to "attract and retain the highest quality educators" to Washington schools through full funding of competitive salaries with state revenue sources. Immediate implementation will ensure that salaries for basic education staff are paid with state funds as required by the Washington State Constitution; local funds can then be used for community programs and locally defined needs in school districts, as intended. Exhibit 21 displays the increased state allocation for current state-funded basic education staff based on the salary allocation levels recommended by the Compensation TWG. Proposed salary allocations for certificated instructional staff are calculated based on the new staff mix times the recommended base salary allocation of $48,687.

Please note that Exhibit 21 is the cost estimate to increase the salaries of current state-funded staffing levels for each prototypical job category before implementation of the SHB 2776 or QEC recommendations. Total salaries are based on average salaries (excluding extracurricular assignment pay) as reported in the 2011-12 OSPI S275 Personnel Report times the current state allocated FTE levels. All amounts are in 2012 dollars and have not been adjusted for inflation. It is important to note that the non-state-funded column represents the amount that school districts rely on through non-state fund sources to supplement current basic education salaries.

Exhibit 21: Annual Fiscal Estimate for Salary Recommendations

TOTAL ESTIMATED ANNUAL COST TO IMPLEMENT SALARY RECOMMENDATIONS IMMEDIATELY						
Total Current State Allocated FTE	**Total Amount State Pays**	**Additional Amount Paid by Local School Districts**	**Total Actual Salaries of Current State Allocated FTE**	**Total Proposed Amount State Will Pay**	**Total Increase in State Payment for Salaries**	**Total Increase in State Payment Including Benefits**
Certificated Administrative Staff (CAS)						
Principals, Assistant Principals, and other Certificated Building-Level Administrators						
2,884	$167,584,000	$128,084,000	$295,668,000	$303,902,000	$136,318,000	$157,707,000
Central Office Staffing, Certificated Administrators						
806	$46,827,000	$47,811,000	$94,638,000	$84,916,000	$38,089,000	$44,066,000
Career and Technical Education (CAS)						
241	$14,012,000	$11,572,000	$25,584,000	$25,442,000	$11,430,000	$13,224,000
Skills Center (CAS)						
23	$1,317,000	$1,082,000	$2,399,000	$2,374,000	$1,057,000	$1,222,000
Small Schools/Remote & Necessary (CAS)						
29	$1,903,000	$1,191,000	$3,094,000	$3,097,000	$1,194,000	$1,382,000
Subtotal, Certificated Administrative Staff						
3,983	**$231,643,000**	**$189,740,000**	**$421,383,000**	**$419,731,000**	**$188,088,000**	**$217,599,000**
Certificated Instructional Staff (Averages based on projected and actual Staff Mix of 2011-12 staff) (CIS)						
Teachers						
40,144	$2,128,178,000	$302,767,000	$2,430,945,000	$2,773,290,000	$645,112,000	$746,330,000

TOTAL ESTIMATED ANNUAL COST TO IMPLEMENT SALARY RECOMMENDATIONS IMMEDIATELY						
Total Current State Allocated FTE	**Total Amount State Pays**	**Additional Amount Paid by Local School Districts**	**Total Actual Salaries of Current State Allocated FTE**	**Total Proposed Amount State Will Pay**	**Total Increase in State Payment for Salaries**	**Total Increase in State Payment Including Benefits**
Teacher Librarians						
1,261	$66,841,000	$17,390,000	$84,231,000	$87,106,000	$20,265,000	$23,444,000
Guidance Counselors						
1,826	$96,832,000	$22,805,000	$119,637,000	$126,166,000	$29,334,000	$33,937,000
All Health						
248	$13,153,000	$756,000	$13,909,000	$17,140,000	$3,987,000	$4,613,000
Career and Technical Education (CIS)						
2,778	$147,756,000	$21,178,000	$168,934,000	$192,408,000	$44,652,000	$51,659,000
Skills Center (CIS)						
259	$13,717,000	$2,059,000	$15,776,000	$17,868,000	$4,151,000	$4,802,000
Small Schools/Remote & Necessary (CIS)						
565	$30,110,000	$4,367,000	$34,477,000	$39,162,000	$9,052,000	$10,472,000
Learning Assistance Program						
1,746	$92,578,000	$13,976,000	$106,554,000	$120,641,000	$28,063,000	$32,466,000
Transitional Bilingual Instructional Program						
1,131	$59,968,000	$9,053,000	$69,021,000	$78,146,000	$18,178,000	$21,030,000
Highly Capable Program						
128	$6,777,000	$1,023,000	$7,800,000	$8,831,000	$2,054,000	$2,377,000
Subtotal, Certificated Instructional Staff						
51,255	**$2,655,910,000**	**$395,374,000**	**$3,051,284,000**	**$3,460,758,000**	**$804,848,000**	**$931,130,000**
Classified Staff						
Teaching Assistance (Instructional Aides/Para-educators)						
1,733	$54,949,000	$2,734,000	$57,683,000	$78,648,000	$23,699,000	$27,308,000
School Office Support and Noninstructional Aides						
4,789	$151,820,000	$31,803,000	$183,623,000	$196,088,000	$44,268,000	$51,010,000
Custodians						
4,066	$128,914,000	$21,326,000	$150,240,000	$160,429,000	$31,515,000	$36,315,000
Classified staff providing student and staff safety						
194	$6,135,000	$2,279,000	$8,414,000	$8,522,000	$2,387,000	$2,751,000
Technology						
578	$18,331,000	$40,942,000	$59,273,000	$48,134,000	$29,803,000	$34,342,000
Facilities, maintenance, and grounds						
1,669	$52,920,000	$26,355,000	$79,275,000	$83,551,000	$30,631,000	$35,297,000
Warehouse, laborers, and mechanics						
306	$9,691,000	$3,997,000	$13,688,000	$11,163,000	$1,472,000	$1,697,000
Central Office Staffing, Classified						
2,358	$74,764,000	$55,637,000	$130,401,000	$132,935,000	$58,171,000	$67,030,000
Career and Technical Education (Classified)						
1,001	$31,610,000	$6,365,000	$37,975,000	$45,881,000	$14,271,000	$16,443,000
Skills Center (Classified)						
80	$2,504,000	$511,000	$3,015,000	$3,658,000	$1,154,000	$1,330,000
Small Schools/Remote & Necessary (Classified)						
209	$6,549,000	$1,392,000	$7,941,000	$9,568,000	$3,019,000	$3,478,000
Subtotal, Classified Staff						
16,981	**$538,187,000**	**$193,341,000**	**$731,528,000**	**$778,577,000**	**$240,390,000**	**$277,001,000**

TOTAL ESTIMATED ANNUAL COST TO IMPLEMENT SALARY RECOMMENDATIONS IMMEDIATELY						
Total Current State Allocated FTE	**Total Amount State Pays**	**Additional Amount Paid by Local School Districts**	**Total Actual Salaries of Current State Allocated FTE**	**Total Proposed Amount State Will Pay**	**Total Increase in State Payment for Salaries**	**Total Increase in State Payment Including Benefits**
TOTAL						
71,050	**$3,425,740,000**	**$778,455,000**	**$4,204,195,000**	**$4,659,066,000**	**$1,233,326,000**	**$1,425,730,000**
Note: Totals based on state allocated FTE for June 2012 per OSPI apportionment. Total salaries are averages as reported in the 2011-12 OSPI S275 Personnel Reports for staff in all programs (except institutions). If a district did not report a salary for a prototypical job category, the district average was used. Non-state-funded salaries are paid from local, federal, and any other non-state funds available to school districts. State payment for CIS includes NBPTS bonus.						

Additional Recommendations Fiscal Estimate

In addition to the increased salary allocations for basic education staff, the cost estimate to the state for the mentor and instructional coach recommendations, the additional 10 days of professional development for certificated instructional staff, and the increased allocation for substitutes for both certificated instructional staff and instructional aides are shown in Exhibit 22. These estimates are in current dollars to reflect the cost of immediate implementation.

Exhibit 22: Annual Fiscal Estimate for Additional Recommendations

TOTAL ANNUAL COST TO IMPLEMENT ADDITIONAL RECOMMENDATIONS IMMEDIATELY		
	Total Additional Salary Allocations	**Total Including All Benefits and Substitute Allocation**
Professional Development Days, CIS	$192,264,000	$222,431,000
Mentor Allocation	$32,866,000	$42,857,000
Instructional Coach Allocation	$157,029,000	$204,627,000
Substitutes	$13,321,000	$13,321,000
Total	**$395,480,000**	**$483,236,000**
Note: OSPI currently allocates 4 substitute days per 1.0 CIS FTE; amount is calculated at recommended substitute allocation. CIS allocations are based on projected new staff mix based on recommended salary allocation schedule. Benefits include Health Care for additional recommended FTE and other benefits for all salaries.		

The recommendations in Exhibits 21 and 22 will lead to increased funding for Special Education at a total impact of $155,204,000.

2776 and QEC Provisional Recommendations Fiscal Estimate

In addition to the recommendations outlined in Exhibits 21 and 22, the Compensation Technical Working Group recommends that the Legislature fully fund basic education, including the 2776 statutory requirements and the provisional recommendations adopted by the Quality Education Council (QEC). The total cost estimate based on current dollars is provided in Exhibit 23. The first column depicts the estimated annual cost of the 2776 and QEC recommendations prior to the increased salary allocations proposed by the Compensation TWG. The second column is the cost of adding the salary allocation recommendations to the 2776 and QEC recommendations.

Exhibit 23: Annual Fiscal Estimate to Implement 2776 and QEC Provisional Recommendations

	Annual Fiscal Estimate BEFORE Salary Recommendations	Annual Fiscal Estimate WITH Salary Recommendations
2776 Full Day Kindergarten	$162,836,000	$212,317,000
2776 K-3 Class Size Reduction	$554,028,000	$707,063,000
2776 MSOC	$594,145,000	$594,145,000
2776 Transportation	$110,000,000	$110,000,000
Total 2776 Statutory Requirements	**$1,421,009,000**	**$1,623,525,000**
Grades 4-12 Class Size of 25	$281,675,000	$359,122,000
CTE and Skills Center Class Size	$85,832,000	$111,751,000
Poverty K-3 Class Size Reduction	$114,420,000	$145,816,000
Poverty 4-12 Class Size Reduction	$105,276,000	$134,205,000
Principals	$8,138,000	$13,830,000
Librarians, Counselors and Health and Social Services	$313,751,000	$400,679,000
Classified Staffing Levels	$746,279,000	$1,044,495,000
Transitional Bilingual Program	$53,792,000	$70,176,000
Highly Capable Program	$38,515,000	$50,246,000
Learning Assistance Program	$466,275,000	$608,292,000
Total QEC Provisional Recommendations	**$2,213,953,000**	**$2,938,612,000**
TOTAL ANNUAL FISCAL ESTIMATE	**$3,634,962,000**	**$4,562,137,000**

Total Basic Education Funding Fiscal Estimate

Therefore, the annual fiscal estimate for the state to fully fund basic education, including the 2776 requirements, the QEC provisional recommendations, and the Compensation Technical Working Group recommendations is $6.6 billion. As noted in the Levy and Local Effort Assistance Report, $2 billion of local revenue is already being spent on salaries, staff, special education, pupil transportation, and materials, supplies, and operating costs.[18]

Exhibit 24: Annual Fiscal Estimate Including 2776, QEC and Compensation Recommendations

	Annual Fiscal Estimate WITH Salary Recommendations
Certificated Administrative Staff (CAS)	$217,599,000
Certificated Instructional Staff (CIS)	$931,130,000
Classified Staff	$277,001,000
Professional Development Days, CIS	$222,431,000
Mentor Allocation	$42,857,000
Instructional Coach Allocation	$204,627,000
Substitutes	$13,321,000
Special Education Impact	$155,204,000
Total Compensation Recommendations	**$2,064,170,000**
Total 2776 Statutory Requirements	**$1,623,525,000**
Total QEC Provisional Recommendations	**$2,938,612,000**
TOTAL FISCAL ESTIMATE	**$6,626,307,000**

VI. IMPLEMENTATION

The Compensation TWG recommends that the Washington State Legislature fully fund basic education immediately. At full implementation of the proposed salary allocations, school districts will receive a higher state salary allocation for every employee and there will be no need for any individual to grandfather into the existing state allocation model. Until the new allocation model is fully funded, school districts should receive the higher allocation from either the old or new state salary allocation model (SAM) for every state-funded employee.

While the Compensation TWG recommends immediate implementation of all recommendations, the group prepared an alternative five-year implementation plan of the proposed salary allocations to begin in the 2013-14 school year. This plan assumes a regular increase in the salary allocations each year until full implementation of all recommended salary allocations in the 2017-18 school year. The plan also includes cost of living (COLA) increases during the implementation phase for the old SAM, new SAM, and NBPTS base bonus amount. The Compensation TWG recommends that the state provide the higher of the existing salary allocation versus the proposed allocation to school districts for each individual certificated instructional staff (CIS), certificated administrative staff (CAS) and classified staff during this period.

Current law provides a base bonus for educators that attain National Board for Professional Teaching Standards (NBPTS) certification, and an additional bonus for NBPTS certified educators working in challenging schools. The Compensation TWG recommends the Legislature continue to pay the bonus for NBPTS educators serving in challenging schools. However, for the base NBPTS bonus, the group recommends that the bonus be eliminated for individual educators that would receive a higher allocation under the proposed salary allocation model that embeds the NBPTS certification within the model as compared to their existing salary allocation plus the NBPTS base bonus amount. The Compensation TWG affirms that school districts should receive at least the same amount from the state or more for every individual employee's compensation.

Exhibit 25 illustrates the base salaries and estimated implementation costs for the five year implementation period in excess of current allocations. The total cost estimate is based on the current state allocated FTE staffing levels for certificated instructional staff (CIS) in basic education programs. The total estimated cost in Exhibit 25 includes the average derived staff mix for the state for each year of the implementation period multiplied by the recommended base allocation compared to current allocations at the same staffing levels. Base allocations for amounts in each year include the COLA as shown in Exhibit 25.

Exhibit 25: Fiscal Estimate for Five-year Implementation Plan – CIS

5-year Implementation Estimated Costs – Certificated Instructional Staff (CIS)					
	2013-14	**2014-15**	**2015-16**	**2016-17**	**2017-18**
Cost of Living Allowance (COLA)	2.080%	2.046%	2.519%	2.439%	2.271%
Recommended Base Allocation	$39,297	$42,755	$46,553	$50,475	$54,472
Current Base Allocation (non-grandfathered districts)	34,096	34,793	35,670	36,540	37,370
NBPTS bonus	$5,196	$5,302	$5,436	$5,568	$5,695
Total estimated salary additional cost, CIS	$140,122,000	$275,751,000	$472,247,000	$680,969,000	$898,450,000
Average staff mix	1.4482	1.4204	1.4191	1.4190	1.4190
Number of grandfathered districts with higher current base allocation	4	2	0	0	0
Seattle CPI values are provided by the Washington Economic and Revenue Forecast Council as of the June Forecast. The average staff mix includes all CIS reported on the 2011-12 OSPI S275 Personnel Reports weighted for FTE levels, except those staff reported in programs 26, 56, and 59 (institutions), with an estimated new staff mix that will produce the higher of the existing allocation or proposed allocation when multiplied by the recommended base allocation each year. For NBPTS certified CIS, the NBPTS base bonus is added to the existing allocation when creating the derived staff mix calculation.					

Exhibit 26 displays a derived staff mix for the first three years of implementation of the proposed salary allocation model for non-NBPTS certificated instructional staff (CIS). This staff mix is developed by comparing the existing allocation model to the recommended salary allocation model and choosing the higher amount. The higher salary allocation for each cell is then divided by the recommended base salary for each year. These schedules will allow the state to allocate the higher amount for all CIS until full salary equalization is attained with the recommended salary allocation model. The charts in Exhibit 26 indicate that salary equalization occurs in year three of the five year implementation for all non-grandfathered districts. This means that allocations in each of the cells are higher in year three using the new salary allocation model and the state will no longer need to maintain the old salary allocation model for the non-grandfathered school districts.

Exhibit 26: Recommended Staff Mix Factors for Five-year Implementation, CIS (Non-grandfathered school districts)

Recommended Base Salary, 2013-2014 (adjusted for inflation) **$39,297**

Best Staff Mix, 2013-2014, not NBPTS (283 non-grandfathered districts)

Years	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	PhD/MA+90
0					1.0178	1.0681		1.1183	1.1687
1					1.0320	1.0820		1.1307	1.1807
2				**1.0000**	1.0453	1.0959	**1.0800**	1.1421	1.1926
3					1.0580	1.1098		1.1529	1.2047
4									
5									
6					**1.2000**			**1.2960**	
7									
8						1.2168			1.3054
9									
10									
11									
12									
13				**1.4400**			**1.5552**		
14						1.4740			1.5627
15					1.4414	1.5124			1.6033
16 or more					1.4702	1.5426		1.5658	1.6353

Recommended Base Salary, 2014-2015 (adjusted for inflation) **$42,755**

Best Staff Mix, 2014-2015, not NBPTS (283 non-grandfathered districts)

Years	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	PhD/MA+90
0						1.0018			1.0961
1						1.0148			1.1074
2					**1.0000**	1.0278	**1.0800**		1.1186
3						1.0409		1.0814	1.1299
4									
5									
6						**1.2000**			**1.2960**
7									
8									
9									
10									
11									
12						**1.4400**			**1.5552**
13									
14									
15									
16 or more						1.4469			

Recommended Base Salary, 2015-2016 (adjusted for inflation)	$46,553

Best Staff Mix, 2015-2016, not NBPTS (283 non-grandfathered districts)

Years	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	PhD/MA+90
0									
1						**1.0000**			**1.0800**
2									
3									
4									
5									
6						**1.2000**			**1.2960**
7									
8									
9									
10									
11									
12						**1.4400**			**1.5552**
13									
14									
15									
16 or more									

There are twelve school districts that currently receive a higher base allocation for certificated instructional staff due to previous grandfathering of these higher allocations. The group recommends that all school districts receive the same base salary allocation amount in the proposed model. However, comparing the current allocation amounts in each cell to the proposed model and dividing the higher value by the recommended base salary results in a slightly higher derived staff mix through the first several years of implementation. Exhibit 27 shows the derived staff mix for the Everett School District, which currently has the highest base salary allocation in the state. By the fourth year of implementation, the salary allocation amount in each cell for Everett School District is based on the proposed salary allocation model, and salary allocations for CIS are equalized across the state. The salary allocation model for all districts and all certificated instructional staff, including those with NBPTS bonuses, is converted to the recommended model for all cells of the current model by the 2016-17 school year in this five year implementation plan.

Exhibit 27: Recommended Staff Mix Factors for Five-year Implementation, CIS (Everett School District)

Recommended Base Salary, 2013-2014, adjusted for inflation **$39,297**

Best Staff Mix, 2013-2014, not NBPTS (Everett SD)

Years	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	PhD/MA+90
0					1.0683	1.1210	1.0918	1.1738	1.2266
1				1.0004	1.0832	1.1357	1.1040	1.1868	1.2392
2			**1.0000**	1.0146	1.0972	1.1502	1.1162	1.1988	1.2518
3				1.0281	1.1105	1.1648	1.1278	1.2101	1.2645
4									
5									
6						1.2093			1.3032
7			**1.2000**			1.2366	**1.2960**		1.3297
8					1.2174	1.2772		1.3104	1.3702
9									
10									
11									
12						1.4515		**1.5552**	
13			**1.4400**			1.4985			1.5915
14					1.4745	1.5472		1.5705	1.6402
15					1.5129	1.5874		1.6113	1.6828
16 or more					1.5431	1.6191		1.6435	1.7165

Recommended Base Salary, 2014-2015 (adjusted for inflation) **$42,755**

Best Staff Mix, 2014-2015, not NBPTS (Everett SD)

Years	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	PhD/MA+90
0					1.0020	1.0515		1.1009	1.1505
1					1.0159	1.0652		1.1131	1.1623
2				**1.0000**	1.0291	1.0788	**1.0800**	1.1243	1.1741
3					1.0416	1.0925		1.1350	1.1860
4									
5									
6						**1.2000**			**1.2960**
7									
8									
9									
10									
11									
12					**1.4400**			**1.5552**	
13									
14						1.4511			
15						1.4889			1.5784
16 or more					1.4473	1.5186			1.6099

Recommended Base Salary, 2015-2016 (adjusted for inflation) **$46,553**

Best Staff Mix, 2015-2016, not NBPTS (Everett SD)

Years	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	PhD/MA+90
0									1.0832
1						1.0029			1.0944
2					**1.0000**	1.0158	**1.0800**		1.1055
3						1.0287			1.1167
4									
5									
6						**1.2000**			**1.2960**
7									
8									
9									
10									
11									
12						**1.4400**			**1.5552**
13									
14									
15									
16 or more									

Recommended Base Salary, 2016-2017 (adjusted for inflation) **$50,475**

Best Staff Mix, 2016-2017, not NBPTS (Everett SD)

Years	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	PhD/MA+90
0									
1									
2						**1.0000**			**1.0800**
3									
4									
5									
6						**1.2000**			**1.2960**
7									
8									
9									
10									
11									
12						**1.4400**			**1.5552**
13									
14									
15									
16 or more									

Salary allocations for certificated administrative staff and classified staff should also be provided with inflation adjusted increases over the five year implementation period until

reaching the full recommended allocations in the 2017-18 school year. The recommended allocations are increased each year at a proportionate amount from the current allocations and include a cost of living adjustment. As recommended, the cost estimate assumes that each school district will receive the maximum of its existing state allocation versus the recommended allocation for each individual employee for each year of implementation. Exhibit 28 illustrates these allocations over the time period and the cost estimate based on current state allocated FTE staffing levels.

Exhibit 28: Fiscal Estimate for Five-year Implementation Plan – CAS and Classified

5-year Implementation Estimated Costs – Certificated Administrative Staff and Classified Staff					
	2013-14	**2014-15**	**2015-16**	**2016-17**	**2017-18**
Classified Administrative Staff (CAS)					
Principals, Assistant Principals, and other Certificated Building-Level Administrators	$74,133	$84,179	$95,044	$106,319	$117,895
Certificated District Administrator	$74,133	$84,179	$95,044	$106,319	$117,895
Total estimated additional salary cost, all CAS	$59,410,000	$94,024,000	$131,165,000	$169,998,000	$210,317,000
Number of grandfathered districts	14	0	0	0	0
Classified Staff					
Teaching Assistance (Instructional Aides/Para-educators)	$36,717	$39,920	$43,440	$45,955	$50,778
Office Support and Noninstructional Aides	$35,207	$37,609	$40,281	$40,975	$45,814
Custodians	$34,699	$36,831	$39,217	$39,678	$44,142
Classified staff providing student and staff safety	$36,259	$39,220	$42,482	$43,658	$49,273
Technology	$49,602	$59,643	$70,400	$77,698	$93,145
Facilities, maintenance, and grounds	$38,306	$42,353	$46,766	$48,881	$56,005
Warehouse, laborers, and mechanics	$33,701	$35,304	$37,130	$37,132	$40,861
Family Involvement Coordinator	$36,717	$39,920	$43,440	$44,826	$50,778
Central Office Classified Administrators	$56,009	$69,451	$83,806	$94,044	$114,213
Central Office Support Staff	$36,567	$39,692	$43,128	$44,445	$50,287
Total estimated additional salary cost, all classified staff	$76,885,000	$121,423,000	$168,460,000	$181,436,000	$268,740,000
Number of grandfathered districts	5	2	0	0	0

5-year Implementation Estimated Costs – Certificated Administrative Staff and Classified Staff					
	2013-14	2014-15	2015-16	2016-17	2017-18
Note: Seattle CPI values are provided by the Washington Economic and Revenue Forecast Council as of the June Forecast. Additional costs are calculated based on the higher of existing or proposed allocation for each category by school district on current FTE for all basic education staff, including CTE, Skills Center, Small Schools/Remote and Necessary, and Categorical Programs. All allocations are equalized by the 2015-16 school year.					

During the 2013-14 school year, there are 14 districts that will be grandfathered at the current allocation amount for certificated administrative staff (CAS); however, all allocations for CAS are equalized by the 2014-15 school year. There are five grandfathered districts for classified staff allocations during 2013-14. This number drops to two districts during 2014-15, with full allocation equalization for classified staff achieved during the 2015-16 school year. The total estimated cost shown in Exhibit 29 is calculated using the higher of the proposed allocation versus the existing allocation for the state allocated staffing levels. All amounts are adjusted for inflation.

Exhibit 29: Summary Chart of Estimated Five-Year Implementation Costs

5-year Implementation Estimated Costs – All K-12 Staff (Basic Education)					
	2013-14	2014-15	2015-16	2016-17	2017-18
Certificated Administrative Staff (CAS)	$59,410,000	$94,024,000	$131,165,000	$169,998,000	$210,317,000
Certificated Instructional Staff (CIS)	$140,122,000	$275,751,000	$472,247,000	$680,969,000	$898,450,000
Classified Staff	$76,885,000	$121,423,000	$168,460,000	$181,436,000	$268,740,000
Total Additional Salary Allocations	$276,417,000	$491,198,000	$771,872,000	$1,032,403,000	$1,377,507,000

Exhibit 30: Summary Chart of Estimated Five-Year Implementation Costs Including Benefits

5-year Implementation Estimated Costs Including Benefits – All K-12 Staff (Basic Education)					
	2013-14	2014-15	2015-16	2016-17	2017-18
Certificated Administrative Staff (CAS)	$68,732,000	$108,776,000	$151,744,000	$196,670,000	$243,316,000
Certificated Instructional Staff (CIS)	$162,107,000	$319,017,000	$546,342,000	$787,813,000	$1,039,417,000
Classified Staff	$88,595,000	$139,915,000	$194,116,000	$209,068,000	$309,669,000
Total Additional Salary Allocations	$319,434,000	$567,708,000	$892,202,000	$1,193,551,000	$1,592,402,000

VII. FURTHER WORK

The Compensation TWG was required by its authorizing statute to "include in its report recommendations for whether additional further work of the group is necessary."[19] Given the fact that the group only had a year to complete complex work, there are several areas identified for further work.

Professional Development Needs for Principals, Probationary Teachers and Classified Employees

The Compensation TWG finds that there is a need for further work to be completed on the mentoring and professional development needs of novice principals. Additionally, as the new evaluation system is implemented, there will be additional work in defining the professional supports provided for teachers who are placed into probationary status. While instructional aides were included in the Compensation TWG's recommendation regarding professional development, other classified staff were not identified for additional professional development and additional work is needed to define the professional development needs of the classified staff categories in the prototypical model.

Research on Recruitment, Retention and Mobility Patterns of Staff Upon Full Funding and Implementation of Recommendations

After the full funding and implementation of the recommendations, additional research is needed to determine if these policy changes have affected the recruitment and retention of staff in schools and school districts. The Compensation TWG believes that the review should happen at regular intervals.

Research on Certification in Washington and the ProTeach Portfolio

The Compensation TWG recognizes that the Professional Educator Standards Board has contracted for research comparing teacher's results on the ProTeach Portfolio to student learning gains. After the results are published in 2014, careful review of the findings of this research and the possible need to re-weight the exam and entry into professional certification is needed.

Effect of Retirement on Older Classroom Teachers

The Compensation TWG affirms the need for Second Engrossed Senate Bill 6378 (2ESB 6378), which directs the select committee on pension policy, with the assistance of the office of the superintendent of public instruction, to study existing early retirement factors and job requirements that may limit the effectiveness of the older classroom employee.

APPENDIX 1 – Statutory Charge – RCW 28A.400.201

Enhanced salary allocation model for educator development and certification — Technical working group — Report and recommendation.

(1) The legislature recognizes that providing students with the opportunity to access a world-class educational system depends on our continuing ability to provide students with access to world-class educators. The legislature also understands that continuing to attract and retain the highest quality educators will require increased investments. The legislature intends to enhance the current salary allocation model and recognizes that changes to the current model cannot be imposed without great deliberation and input from teachers, administrators, and classified employees. Therefore, it is the intent of the legislature to begin the process of developing an enhanced salary allocation model that is collaboratively designed to ensure the rationality of any conclusions regarding what constitutes adequate compensation.

(2) Beginning July 1, 2011, the office of the superintendent of public instruction, in collaboration with the human resources director in the office of financial management, shall convene a technical working group to recommend the details of an enhanced salary allocation model that aligns state expectations for educator development and certification with the compensation system and establishes recommendations for a concurrent implementation schedule. In addition to any other details the technical working group deems necessary, the technical working group shall make recommendations on the following:

(a) How to reduce the number of tiers within the existing salary allocation model;

(b) How to account for labor market adjustments;

(c) How to account for different geographic regions of the state where districts may encounter difficulty recruiting and retaining teachers;

(d) The role of and types of bonuses available;

(e) Ways to accomplish salary equalization over a set number of years; and

(f) Initial fiscal estimates for implementing the recommendations including a recognition that staff on the existing salary allocation model would have the option to grandfather in permanently to the existing schedule.

(3) As part of its work, the technical working group shall conduct or contract for a preliminary comparative labor market analysis of salaries and other compensation for school district employees to be conducted and shall include the results in any reports to the legislature. For the purposes of this subsection, "salaries and other compensation" includes average base salaries, average total salaries, average employee basic benefits, and retirement benefits.

(4) The analysis required under subsection (1) of this section must:

(a) Examine salaries and other compensation for teachers, other certificated instructional staff, principals, and other building-level certificated administrators, and the types of classified employees for whom salaries are allocated;

(b) Be calculated at a statewide level that identifies labor markets in Washington through the use of data from the United States bureau of the census and the bureau of labor statistics; and

(c) Include a comparison of salaries and other compensation to the appropriate labor market for at least the following subgroups of educators: Beginning teachers and types of educational staff associates.

(5) The working group shall include representatives of the office of financial management, the professional educator standards board, the office of the superintendent of public instruction, the Washington education association, the Washington association of school administrators, the association of Washington school principals, the Washington state school directors' association, the public school employees of Washington, and other interested stakeholders with appropriate expertise in compensation related matters. The working group may convene advisory subgroups on specific topics as necessary to assure participation and input from a broad array of diverse stakeholders.

(6) The working group shall be monitored and overseen by the legislature and the quality education council created in RCW 28A.290.010. The working group shall make an initial report to the legislature by June 30, 2012, and shall include in its report recommendations for whether additional further work of the group is necessary.

[2011 1st sp.s. c 43 § 468; 2010 c 236 § 7; 2009 c 548 § 601. Formerly RCW 43.41.398.]

APPENDIX 2 – Background and History

Basic Education Finance in the State of Washington

Constitutional Mandate

The Constitution of the State of Washington is unique in regard to education, with a strong mandate for public education. In Article IX, Section 1 it states,

> *"It is the **paramount** duty of the state to make **ample** provision for the **education** of **all** children residing within its borders, without distinction or preference on account of race, color, cast or sex."*[20]

The meanings of the words "paramount," "ample," "education" and "all" have been at the center of policy and legal debates in Washington for the last 30 + years.

Past Court Decisions and Legislative Action Regarding Basic Education Finance

Beginning in the 1970's, the interpretation, implications and implementation of the "paramount duty" clause of the Washington Constitution (Article IX, Section I) has been the subject of several court cases, both at the district and Supreme Court levels.

In order to understand the current reform package authorized under ESHB 2261 and SB 6696, it is important to review a timeline of the cumulative effect of several court decisions and corresponding legislative action.

Year	Cases, Legislative Action and Committees
1976	**"Doran I"** **Seattle School District v. State of Washington** After a levy failure in 1976, Seattle School district sued the state alleging that the state was not meeting its constitutional duty to make ample provision for education. Judge Doran found the basic program of education was insufficiently funded by the state. The Legislature was directed to define and fully fund a program of basic education through regular and dependable tax sources and could not rely on local excess levies to fund basic education.
1977	**Basic Education Act** It defined what is included as "basic education." A state funding allocation formula was created based on ratios of staff to students. **Levy Lid Act** It reduced excess property tax levies to 10%, with the exception of a few school districts that are "grandfathered" in at higher levels. The intention was for the grandfathered

Year	Cases, Legislative Action and Committees
	districts to be reduced over a period of four years to insure a "uniform system of public schools;" however this period was extended and the grandfathered school districts remain.
1983	**"Doran II"** Judge Doran made subsequent decisions that expanded and clarified the state's responsibility for basic education. Categorical programs were included in the state's responsibilities for basic education: • Special Education • Bilingual Education • Remediation (Learning Assistance Program) • Pupil Transportation
2005	**Washington Learns** The 2005 Legislature created the Washington Learns Steering Committee, which had advisory committees for early learning, K-12, and higher education. Picus and Associates conducted a K-12 funding analysis and recommended a prototypical schools model.
2007	**Joint Task Force on Basic Education Finance** The 2007 Legislature created the Basic Education Finance Taskforce to review the definition of basic education and develop options for a new funding structure. The taskforce recommended allocating funding to local school districts based on a hypothetical school model that sets funding levels for the required number of teachers and other staff; maintenance, supplies and other operating costs; specialized programs for struggling students, English language learners, and students with disabilities.

Recent Education Finance Reform – ESHB 2261, SHB 2776 and ESHB 6696

The 2009 and 2010 legislatures passed three historic K-12 education bills. Engrossed Substitute House Bill 2261 (2009) outlined the prototypical schools funding model and a new pupil transportation funding formula; increased instructional hours; increased high school diploma requirements; added all-day kindergarten to the definition of basic education; and established that the programs shall be fully funded by the 2018-19 school year. Substitute House Bill 2776 (2010) authorized the first steps for implementation of the new funding system beginning in the 2011-12 school year. Engrossed Substitute Senate Bill 6696 (2010) set in motion transformative change in four areas: more rigorous academic standards, improvements in teacher effectiveness and the evaluation system, better use of data to drive improvement in student learning, and intervention in schools with persistently low student learning and graduation rates.

***McCleary v. State of Washington* – 2012 Supreme Court Case**

The Supreme Court of Washington ruled on January 5, 2012 on the *McCleary v. State of Washington* case (Supreme Court Case No. 84362-7) that the State of Washington has failed to meet its duty to fund public schools under Article IX, Section 1 of the State Constitution.

The ruling affirmed that Article IV, Section I, "confers on children in Washington a positive constitutional right to an amply funded education."[21] Many constitutional rights are negative in their orientation, "framed as negative restrictions on government action," with the "role of the court to police the outer limits of government powers, relying on the constitutional enumeration of negative rights to set the boundaries."[22] Conversely, a positive constitutional right, like the right of children within Washington State to receive an amply funded education, uses a different lens "where the court is concerned not with whether the State has done too much, but with whether the State has done enough. Positive constitutional rights do not restrain government action; they require it."[23]

Additionally, the Court upheld the decision in *Seattle School District* that the duty to provide an amply funded basic education "requires the State to make ample provision for funding a basic education "by means of dependable and regular tax sources." [24] As such, the court "held that funding a basic education with local levy dollars violates article IX, section 1 because levies are 'wholly dependent of the electorate,' are available on only a temporary basis, and rely on the assessed valuation of real property at the local level."[25] A distinction was made on levies, stipulating that schools could rely on levies to fund programs that serve as an enrichment to basic education.

Moreover, the legislative reform package under ESHB 2261 was noted by the Court to be "promising," with the belief "if fully funded, will remedy deficiencies in the K-12 funding system."[26] The Supreme Court has retained jurisdiction in the case in order to monitor the progress the Legislature makes in the implementation of the reforms established in ESHB 2261. The Court opinion discussed the balancing of constitutional responsibilities and powers, noting that "the Legislature's uniquely constituted fact-finding and opinion gathering processes provide the best forum for addressing difficult policy questions inherent in forming the details of an education system."[27] The Court does wish to maintain clear divisions between the responsibilities of the judiciary and legislature, affirming "the division of responsibilities between the judiciary and the legislature is evident from our refusal to establish specific guideline for staffing ratios, salaries and individualization of instruction. These considerations, we noted, are better left to legislative discretion as informed by the broad educational concepts under Article IX, Section I."[28]

The Compensation Technical Working Group concurs with the Supreme Court ruling that Washington has failed to adequately fund basic education, including certificated and classified employee salaries and benefits. The Compensation TWG also believes that the Legislature must respond to the Supreme Court and implement all of the basic education reforms and funding levels through the prototypical schools funding model necessary to provide an ample, equitable and adequate education for all children in Washington.

Current Allocation Methodology

The current allocation methodology is used solely to determine the amount of state funding to apportion to schools and is not used to determine the configuration of staff at a district or school level, as those decisions are locally determined in response to the needs of students and the community.

Staffing Level Allocation Methodology

Prior to the 2011-12 school year, basic education staffing level allocations were based on a 1,000 annual average full time equivalent student enrollment:

- 49 certificated instructional staff to 1,000 kindergarten through third grade students
- 46 certificated instructional staff to 1,000 fourth through twelve grade students
- 4 certificated administrative staff to 1,000 K-12 students
- 16.67 classified staff to 1,000 K-12 students

The Washington State Legislature provided an enhancement to these staffing levels up to 53.2 certificated instructional staff to 1,000 K-4 grade students, but cut the enhanced funding in 2010.

As a result of basic education reform, beginning in the 2011-12 school year, staff are now allocated based on a prototypical school model. The prototypical school FTE calculations illustrated are the cost neutral translation from the previous funding formula with no increased FTE levels. SHB 2776 states that the class size for grades K-3 shall be reduced to 17, beginning with schools with the highest percentage of students eligible for free and reduced-price lunches (FRPL), by the 2017-18 school year. During the 2011-13 biennium, K-3 class size in schools with more than 50% of students eligible for FRPL were funded at 24.1.

Certificated Instructional Staff (CIS)

The CIS allocation was separated out by staffing category. Teachers are allocated based on varying class sizes by grade:

Exhibit 31: Current Class Sizes Used for Teacher Allocations

	Grades K-3	Grades 4-6	Grades 7-8	Grades 9-12
Class Size	25.23	27	28.53	28.74

Other certificated instructional staff FTE are allocated according to the following staffing levels:

Exhibit 32: Current Prototypical Staffing Levels, Other Certificated Instructional Staff

	Elementary School (400 K-6 students)	Middle School (432 7-8 students)	High School (600 9-12 students)
Teacher Librarians	0.663	0.519	0.523
Guidance Counselors	0.493	1.116	1.909
Health & Social Services:			
School Nurses	0.076	0.060	0.096
Social Workers	0.042	0.006	0.015
Psychologists	0.017	0.002	0.007

Certificated Administrative Staff (CAS)

The 4 to 1,000 CAS allocation was separated into a prototypical school allocation and a central administration level allocation. Staff units for central administration, including CAS and classified, are determined by applying 5.3 percent to the total number of other staffing units. Principals, assistant principals, and other certificated building level administrators are allocated based on the following:

Exhibit 33: Current Prototypical Staffing Levels, Building Level Certificated Administrative Staff

	Elementary School (400 K-6 students)	Middle School (432 7-8 students)	High School (600 9-12 students)
Building Level Administrators	1.253	1.353	1.880

Classified Staff

The 16.67 to 1,000 classified staff allocation was separated into a prototypical school allocation and a district level allocation. Central Office Administration staff are allocated at 5.3% of all other staff; this category is separated into 25.5% central office certificated administrators and 74.5% classified central office administration, including classified administrators and support staff. Additional district level classified staffing units are allocated based on 1,000 K-12 students in the district:

Exhibit 34: Current Prototypical Staffing Levels, District Classified Staff

Per 1,000 K-12 Students	
Technology	0.628
Facilities/Maintenance/Grounds	1.813
Warehouse/Laborer/Mechanic	0.332

The allocation for building level classified staff is as follows:

Exhibit 35: Current Prototypical Staffing Levels, School Classified Staff

	Elementary School (400 K-6 students)	Middle School (432 7-8 students)	High School (600 9-12 students)
Teaching Assistance	0.936	0.700	0.652
Office Support	2.012	2.325	3.269
Custodians	1.657	1.942	2.965
Student & Staff Safety	0.079	0.092	0.141
Parent Involvement Coordinators	0	0	0

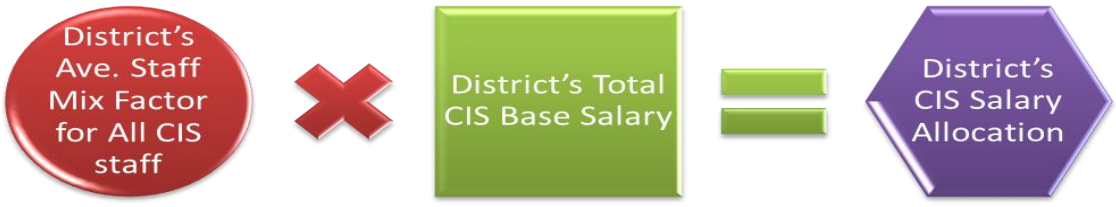
Salary Allocation Methodology

Even though staffing levels are distinguished by different job categories, the salary allocation methodologies are made at the CIS, CAS, and classified levels.

Certificated Instructional Staff (CIS)

Salaries for teachers, teacher librarians, counselors, school nurses, social workers, psychologists, occupational therapists, physical therapists, and speech language pathologists are allocated based on the district's staff mix times the district's base salary.

Exhibit 36: Current Salary Allocation Methodology, Certificated Instructional Staff



Staff Mix Factor CIS Staff

The staff mix factor recognizes increments over a base of 1.0 for increases in compensation based on years of experience and additional educational degrees and credit hours.

Exhibit 37: Current Staff Mix, Certificated Instructional Staff

Years of Service	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135	MA+0	MA+45	MA+90 or Ph.D.
0	1.00000	1.02701	1.05499	1.08304	1.17303	1.23099	1.19891	1.28891	1.34693
1	1.01346	1.04084	1.06918	1.09846	1.18939	1.24704	1.21224	1.30317	1.36079
2	1.02628	1.05393	1.08257	1.11411	1.20478	1.26303	1.22566	1.31632	1.37458
3	1.03950	1.06741	1.09636	1.12890	1.21940	1.27905	1.23838	1.32881	1.38850
4	1.05246	1.08160	1.11072	1.14439	1.23542	1.29551	1.25171	1.34274	1.40286
5	1.06585	1.09513	1.12454	1.16008	1.25077	1.31206	1.26526	1.35599	1.41728
6	1.07961	1.10825	1.13866	1.17597	1.26623	1.32785	1.27915	1.36942	1.43100
7	1.10379	1.13286	1.16367	1.20301	1.29461	1.35793	1.30517	1.39673	1.46008
8	1.13919	1.16984	1.20138	1.24398	1.33681	1.40246	1.34610	1.43896	1.50458
9		1.20814	1.24125	1.28538	1.38038	1.44826	1.38747	1.48253	1.55041
10			1.28158	1.32891	1.42517	1.49532	1.43104	1.52733	1.59744
11				1.37371	1.47207	1.54362	1.47584	1.57423	1.64574
12				1.41708	1.52023	1.59391	1.52240	1.62236	1.69607
13					1.56956	1.64544	1.57060	1.67169	1.74756
14					1.61913	1.69890	1.62022	1.72451	1.80105
15					1.66126	1.74310	1.66233	1.76934	1.84788
16 or more					1.69447	1.77794	1.69557	1.80472	1.88482

District's Total CIS Base Salary

The majority of districts receive a base salary allocation of $33,401 for the 2011-12 and 2012-13 school years. However, there are 12 districts with higher base salary allocations. The state has attempted to equalize the base salary levels, but the higher levels have remained since the Basic Education Act in 1977.

Exhibit 38: Base Allocation for Grandfathered School Districts, CIS

District	CIS Base Salary	% Above Lowest
Everett	$35,058	5.0%
Orondo	$34,990	4.8%
Northshore	$34,788	4.2%
Marysville	$34,687	3.9%
Puyallup	$34,073	2.0%
Shaw Island	$34,038	1.9%
Southside	$33,904	1.5%
Lake Chelan	$33,892	1.5%
Mukilteo	$33,799	1.2%
Lopez Island	$33,763	1.1%
Seattle	$33,626	0.7%
Oak Harbor	$33,618	0.6%
283 Other Districts	$33,401	

CIS Salary Allocation

For the majority of districts, the result of multiplying the staff mix times the base salary is the following salary allocation model.

Exhibit 39: Current State Salary Allocation Model

Years of Service	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135	MA+0	MA+45	MA+90 or Ph.D.
0	33,401	34,303	35,238	36,175	39,180	41,116	40,045	43,051	44,989
1	33,851	34,765	35,712	36,690	39,727	41,652	40,490	43,527	45,452
2	34,279	35,202	36,159	37,212	40,241	42,186	40,938	43,966	45,912
3	34,720	35,653	36,620	37,706	40,729	42,722	41,363	44,384	46,377
4	35,153	36,127	37,099	38,224	41,264	43,271	41,808	44,849	46,857
5	35,600	36,578	37,561	38,748	41,777	43,824	42,261	45,291	47,339
6	36,060	37,017	38,032	39,279	42,293	44,352	42,725	45,740	47,797
7	36,868	37,839	38,868	40,182	43,241	45,356	43,594	46,652	48,768
8	38,050	39,074	40,127	41,550	44,651	46,844	44,961	48,063	50,254
9		40,353	41,459	42,933	46,106	48,373	46,343	49,518	51,785
10			42,806	44,387	47,602	49,945	47,798	51,014	53,356
11				45,883	49,169	51,558	49,295	52,581	54,969
12				47,332	50,777	53,238	50,850	54,188	56,650
13					52,425	54,959	52,460	55,836	58,370
14					54,081	56,745	54,117	57,600	60,157
15					55,488	58,221	55,523	59,098	61,721
16 or more					56,597	59,385	56,634	60,279	62,955

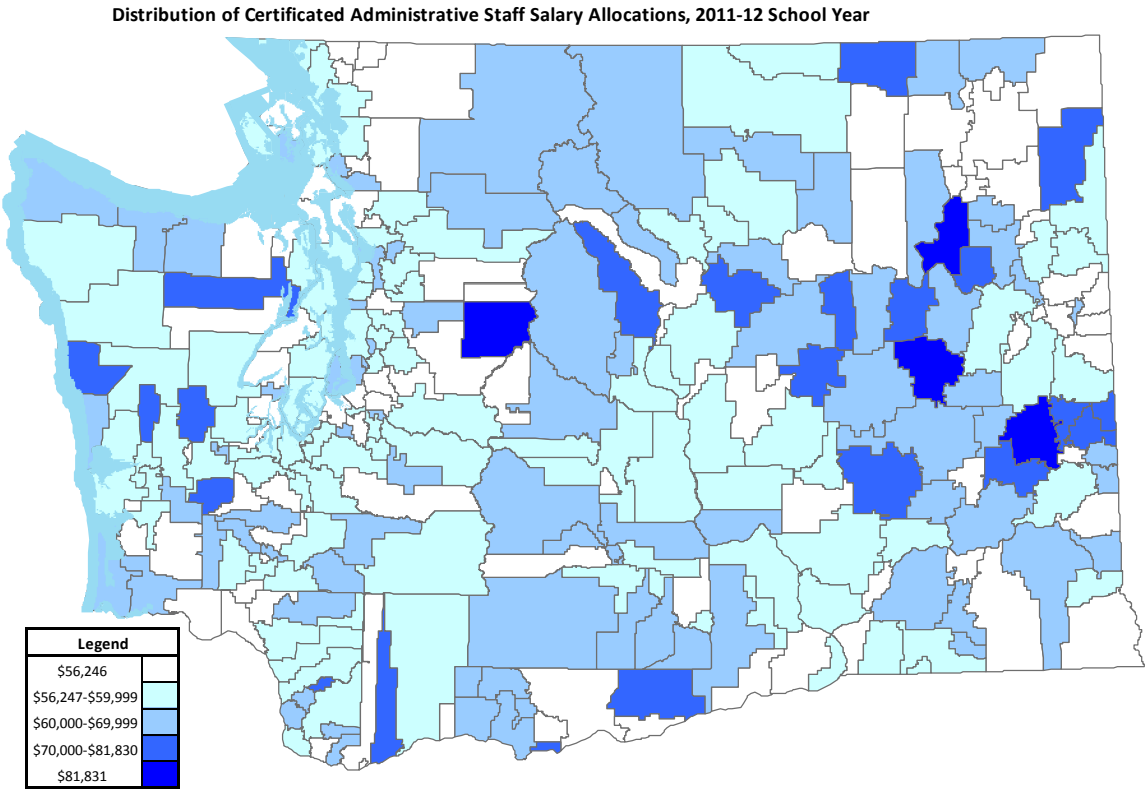
Certificated Administrative Staff (CAS)

Prior to 1987, CAS were funded using the CIS methodology. In 1987, CAS were removed from the salary schedule and funded at the district average salary level for CAS at that time. The result is varying allocation levels with no geographic pattern to the distribution of salary allocations:

Exhibit 40: Current State Salary Allocations, Certificated Administrative Staff

District	CAS Salary Allocation	% Above Lowest
4 Districts	$81,831	45.5%
24 Districts	$70,000-$81,830	24.5% - 45.5%
84 Districts	$60,000-$69,999	6.7% - 24.5%
97 Districts	$56,247-$59,999	0% - 6.7%
88 Districts	$56,246	

Exhibit 41: Map of Current CAS State Salary Allocations



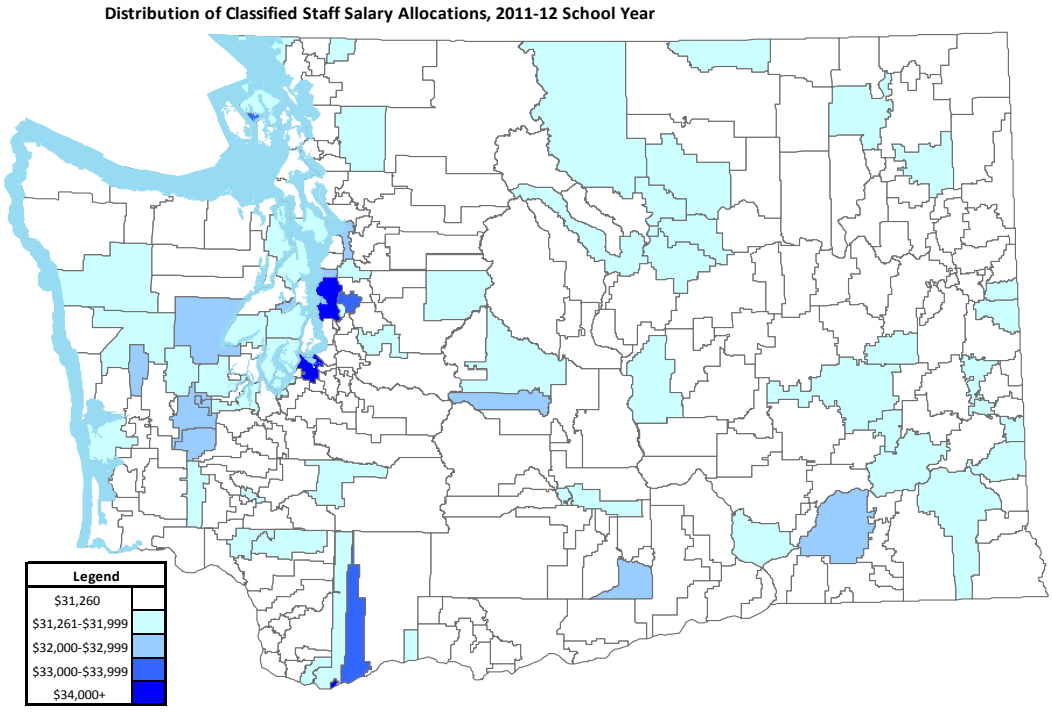
Classified Staff

Districts also have varying allocation levels for classified staff with no geographic pattern.

Exhibit 42: Current State Salary Allocations, Classified Staff

District	Classified Salary Allocation	% Above Lowest
Seattle	$36,078	15.4%
Mount Pleasant	$34,544	10.5%
Tacoma	$34,290	9.7%
Bellevue	$33,851	8.3%
Skamania	$33,285	6.5%
Shaw Island	$33,088	5.8%
11 Districts	$32,000 - $33,000	2.4% - 5.6%
54 Districts	$31,261 - $31,999	0% - 2.4%
224 Districts	$31,260	

Exhibit 43: Map of Current Classified State Salary Allocations



Categorical Program Funding

The Learning Assistance Program (LAP) provides funding for supplemental instruction and services for underachieving students. The allocations are based on the percent of students in grades K-12 who were eligible for free or reduced price meals in the prior school year. SHB 2776 changed the LAP funding formula from a per pupil amount to provide 1.5156 hours per week in extra instruction with a class size of 15 students per teacher. In the 2011-12 school year, 432,128 students were eligible for LAP, which generated funding for 1,746 LAP teachers.[29]

The Transitional Bilingual Instructional Program (TBIP) provides funding for supplemental instruction and services for eligible students whose primary language is other than English. SHB 2776 changed the TBIP funding formula from a per pupil amount to provide 4.7780 hours per week in extra instruction with a class size of 15 students per teacher. In the 2011-12 school year, 88,755 students were eligible for TBIP, which generated funding for 1,131 TBIP teachers.[30]

The Highly Capable Program (HiCap) provides funding for accelerated learning and enhanced instruction for highly capable students. The allocations are based on 2.314 percent of each school district's enrollment. SHB 2776 added HiCap to the definition of basic education and changed the funding formula from a per pupil amount to provide 2.1590 hours per week in extra instruction with a class size of 15 students per teacher. In the 2011-12 school year, 22,236 students were eligible for HiCap, which generated funding for 128 HiCap teachers[31]

The teachers funded through LAP, TBIP, and HiCap are allocated salaries based on the same methodology described above: district's average staff mix times district's base salary. Because staff funding of these categorical programs are part of the definition of basic education, the recommendations in this report affect salary allocations for all certificated instructional staff.

History of Compensation Reform

Employee salaries and benefits account for $8.1 billion, 82.7% of total expenditures in the 2010-11 school year.[32] Given the large portion of the education budget provided by the state for the salary allocations for public school employees, compensation has been an integral part of education reform efforts.

The Evolution of the State Salary Allocation Model

Payroll, salary and contract negotiations have remained within the discretion of each local school district, since enacted in 1969 in RCW 28A.405.200: "Every school district by action of its board of directors shall adopt annual salary schedules and reproduce the same by printing, mimeographing or other reasonable method, which shall be the basis for salaries for all certificated employees in the district."[33]

The first state salary allocation model was created in 1979 by the Legislative Evaluation and Accountability Program (LEAP) and has subsequently been referred to as a LEAP Document. The salary allocation model was created using an analysis of 1977-78 negotiated salary schedules for Bellevue, Everett, Mercer Island, Seattle and Spokane School Districts, as compared to the actual salaries, years of experience and education as reported in the 1977-78 S275 Personnel Report from the Office of Superintendent of Public Instruction (OSPI). A staff mix factor was created by a statistical analysis of increases in compensation based on education and years of experience. The staff mix factor recognized increments over a base of 1.0 for increases in compensation based on years of experience and additional educational degrees and credit hours. Each annual increase in experience resulted in a 3.7% increase in salary.

Exhibit 44: The First State Salary Schedule-1979

Years of Service	BA+0	BA+15	BA+30	BA+45	BA+90	BA+135	MA+0	MA+45	MA+90 or Ph.D.	Ph.D+45
0	1.000	1.027	1.055	1.083	1.173	1.231	1.173	1.244	1.305	1.368
1	1.037	1.065	1.094	1.124	1.217	1.276	1.217	1.290	1.353	1.419
2	1.075	1.104	1.134	1.167	1.262	1.323	1.262	1.338	1.403	1.471
3	1.115	1.145	1.176	1.211	1.308	1.372	1.308	1.387	1.455	1.526
4	1.156	1.188	1.220	1.257	1.357	1.423	1.357	1.438	1.509	1.582
5	1.199	1.232	1.265	1.305	1.407	1.476	1.407	1.492	1.564	1.641
6	1.244	1.277	1.312	1.355	1.459	1.530	1.459	1.547	1.622	1.701
7	1.290	1.324	1.360	1.406	1.513	1.587	1.513	1.604	1.683	1.764
8	1.337	1.373	1.410	1.460	1.568	1.646	1.569	1.663	1.745	1.830
9		1.424	1.463	1.515	1.627	1.707	1.627	1.725	1.809	1.897
10			1.517	1.573	1.687	1.770	1.687	1.789	1.876	1.968
11				1.633	1.750	1.835	1.750	1.855	1.945	2.040
12					1.815	1.903	1.815	1.924	2.017	2.116
13					1.882	1.973	1.882	1.995	2.092	2.194
14						2.046	1.951	2.068	2.169	2.275

After the salary allocation model was created, changes to the staff mix factor were made over time by the Legislature. The 1989 Legislature adjusted the staff mix factor to give higher increases to newer teachers and teachers with a Master's degree, including a provision that beginning in January 1, 1992, BA+90 cannot move to BA+135 but must earn a Master's degree. In the 1990 Legislature, additional years were added, including a 12th year in the BA +45 column, a 14th Year in the BA +90 column and 15th year in the BA +90 and higher columns.

Additional increases were given to newer teachers by the 1999 Legislature, as well as an additional 16th year of experience added to the BA +90 and higher columns. The last change was made by the 2003 Legislature, with increases being provided only to certificated instructional staff in their first seven years. Our current salary allocation model hasn't changed since 2004, maintaining more funding for staff with higher levels of education and experience: individuals with 16 or more years of experience and a Ph.D. earn 88.5% more than an individual with no credits beyond a BA and no years of experience.

Efforts to Equalize the Base Salary

Since the Doran Decision I in 1976, there have been continued efforts to equalize the base salary. In 1981, each school district had a unique authorized percentage salary increase for 1981-82 and 1982-83 specified, depending on the district's relationship to the 1980-82 state average. In 1986, funding was given to increase each certificated employee salary to the minimum base salary level. In addition, districts with average base salaries below the minimum were given funding to raise the average. Districts above the base salary were given less of a salary increase in both 1987 and 2007.

Salary Lid Law

Salary compliance was enacted in 1987 in order to ensure a base minimum salary is paid to certificated instructional staff. Certificated administrative staff and classified staff salaries are not held to the same compliance laws as certificated instructional staff. Previously, in the 1981 Legislature, school district authority to grant compensation increases was limited to amounts specified in the biennial operating budget. The Superintendent of Public Instruction was directed to withhold the amount in excess of the salary compensation lid or 5% of that district's basic education allocation, whichever was less. The 1987 Legislature repealed the law, allowing the Superintendent to impose penalties to districts out of compliance and enacted what is essentially RCW 28A.400.200. Within this statute, Section 2 requires that the minimum salary paid to certificated instructional staff not be less than the state allocated salary for BA +0; and the salary paid to an employee with a master's degree not be less than the state allocated salary for MA+0. Section 3 requires that a district's actual average salary paid to certificated instructional staff not be greater than the district's state allocated salary and Section 4 allows districts to provide supplemental contracts for additional time, responsibilities or incentives (TRI).

Cost of Living Adjustments (COLA)

Prior to 2001, there were no guaranteed cost of living adjustments (COLA) for all teachers. As mentioned earlier, salary increases were targeted to new teachers or districts with lower average salaries. In November 2000, Initiative 732 was passed by voters, which provided an annual cost of living adjustment (COLA) for teachers and other school district employees beginning in the 2001-2002 school year. However, in 2003, the Legislature did not provide a COLA in the 2003-04 and 2004-05 school years and removed language that required the COLA

to be provided to all employees. The 2009 Legislature suspended the COLA in 2009-10 and 2010-11 school years, adding a "catch-up provision" to allow for providing the COLA in the future. Recently, the 2011 Legislature suspended the COLA in the 2011-12 and 2012-13 school years, removing the catch-up provision.

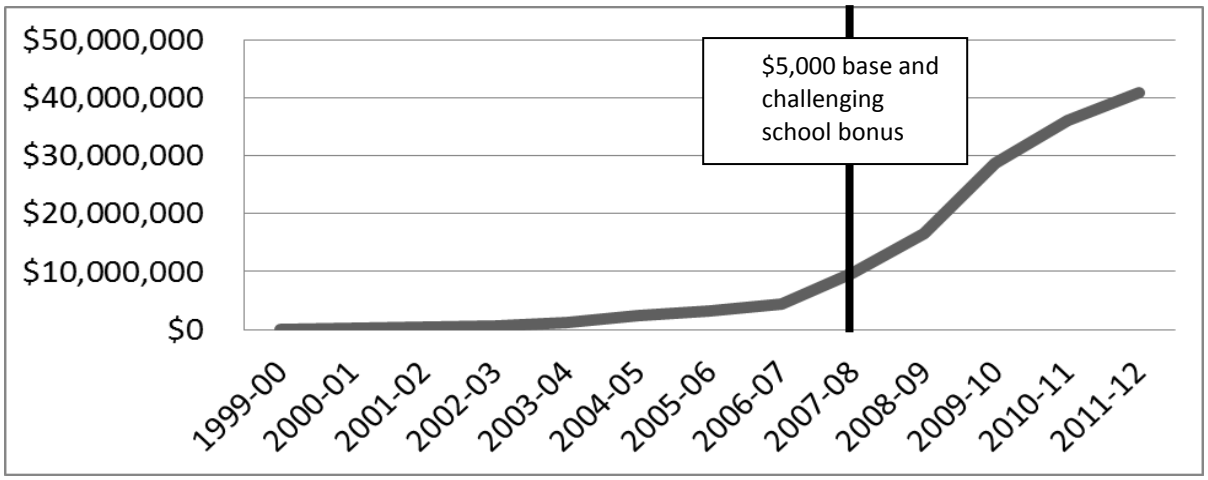
History of National Board Bonus

The National Board for Professional Teaching Standards (NBPTS) was developed in 1987 to "advance student learning and achievement by establishing the definitive standards and systems for certifying accomplished educators." As of 2012, the NBPTS has developed standards for accomplished teaching in 16 subject areas and offers 25 different teaching certificates based on various developmental age groups. [34]

In 2000, the Washington State Legislature provided a one-time 15 percent salary increase to individuals who had received a National Board certificate. From 2001 to 2008, the bonus was provided through budget appropriation at $3,500. In 2008, HB 2262 passed the legislature, codifying the bonus in statute and increasing the amount to $5,000. An additional bonus of $5,000 was provided to individuals working in a "challenging school" defined as a school with a high percentage of students receiving free and reduced price lunches.

In 2009, the base bonus was increased to $5,090. In 2010, a $2,000 conditional loan was made available to new applicants. In 2011, bonuses for first year certificate holders were reduced by 60% in the first year only. Exhibit 45 provides a history of the national board appropriations made by the Washington State Legislature. It is estimated that during the 2011-12 school year, 5,648 educators are expected to receive the base bonus and 1,535 educators are expected to receive the additional challenging schools bonus.

Exhibit 45: History of Appropriations for National Board for Professional Teaching Standards Certification Bonus



History of Certification and Expectations for Educator Development

The Compensation Technical Working Group is charged with aligning the salary allocation model to the state expectations for educator development and certification. State expectations for teachers have changed significantly since the adoption of the first salary allocation model in 1979.

Between 1979 and 1987, teachers received a certificate that, after the first 90 days of teaching, allowed them to teach any grade or subject. After one year of experience, the certificate is valid for the life of the teacher; there are no renewal requirements.

In 1987, a second tier certificate, the continuing certificate, and a subject matter endorsement system that limited assignment to the endorsed subject were introduced. Teachers received an endorsed initial certificate upon entry into the profession. Assignment was limited to areas in which the teacher was endorsed. To receive a continuing certificate, teachers must have taught for a minimum of 180 days. In addition, they were required to obtain a master's degree from an accredited university or 45 quarter hours of upper division coursework. In order to maintain the continuing certificate, teachers must complete 150 approved clock hours every five years.

Beginning September 2000, performance-based standards that described desired teaching practice were introduced and the certificate programs were aligned to those standards. New teachers received a residency certificate after completing an approved teacher preparation program. Beginning with the 2012-2013 school year, new teachers will need to pass a classroom-based assessment of teacher effectiveness called the Teacher Performance Assessment before receiving their residency certificate.

Teachers were granted the second tier certificate, the professional certificate, if they completed an approved Professional Certificate (ProCert) program, offered through institutions of higher education. Professional certificates are renewed through completion of 150 approved clock hours.

Beginning September 2010, professional certificates are issued based on the completion of a ProTeach portfolio, which replaced the Professional Certificate program. The ProTeach portfolio measures attainment of professional standards via teacher and student-based evidence. . In order to align with the current salary allocation model and compensate for the teachers' professional growth, ProTeach completers are granted 150 additional clock hours. The Center for Education Data and Research is conducting a study to be completed in 2014 on the relationship between teacher scores on ProTeach and student achievement gains.

Beginning September 2012, professional growth plans, not clock hours, will be phased in as a requirement for the five year renewal of professional certificates. Professional growth planning

requires educators to complete a self-assessment of their growth needs and goals related to certification and context-related benchmarks and formulate plans for professional growth and what will constitute evidence of its acquisition that must be approved via supervisor review. Since 2001, a certificate from the National Board for Professional Teaching Standards (NBPTS) satisfies the requirement for the professional certificate. In order to incorporate the NBPTS certificate process into the salary allocation model, individuals are awarded 45 clock hours for completing the assessment and an additional 45 clock hours upon achieving certification.

As evidenced in the historical changes, the state teacher certification system has evolved from a system with minimal accountability requirements to a system that measured professional development based on credits and clock hours and then to the current focus on performance-based teaching standards and evidence of student learning.

Past Washington Policy Recommendations Regarding Compensation

In addition to historical changes to the funding mechanics of the salary allocation model, policy recommendations have been made about the compensation structure in Washington.

Miller Report – 1975

The 1975 Washington State Legislature contracted with Miller and Associates to conduct a study of common school financing and operations. Under the section titled "Other Education Reforms" is an alternative concept for establishing teacher salaries "based upon an emerging educational staffing plan called differentiated staffing."[35] The alternate plan included classifying beginning teachers as an intern for two years and matching them with a master teacher for guidance. Once teachers became a classroom teacher they would have been able to advance based 25 percent on educational attainment, 25 percent on subject matter knowledge, 25 percent on pedagogic skill, and 25 percent on administrative assessment. The master teacher column would have been limited to 10 percent of teachers in the district and was for "recognizing outstanding performance in the mastery of subject matter skills and pedagogical practices."[36]

Exhibit 46 Miller Report-Proposed Salary Allocation Model

Years of Experience	Intern Teacher	Classroom Teacher				Master Teacher
		I	II	III	IV	
1						
2						
3						
4						
5						
6						

Washington Learns-2006

The Washington Learns Steering Committee was authorized by the 2005 Legislature through SB 5441. The K-12 Advisory Committee contracted with Lawrence O. Picus and Associates to conduct a K-12 funding analysis. The salary structure in Exhibit 47 was a potential option provided the K-12 Advisory Committee. The progression on the career ladder would be based on a score on a performance evaluation/assessment of teacher that is linked to student learning gains.[37]

Exhibit 47: Washington Learns-Proposed Salary Allocation Model (Picus & Odden)

	Step within level	Bachelors w/o NBPTS	Bachelors w/ NBPTS	Masters w/o NBPTS	Masters w/ NBPTS	Masters + 60 Doctorate w/o NBPTS	Masters + 60 Doctorate w/ NBPTS
Entry	1	Xx,xxx		Xx,xxx		Xx,xxx	
	2	Xx, xxx		Xx,xxx		Xx,xxx	
	3	Xx,xxx		Xx,xxx		Xx,xxx	
Emerging Career	1	Xx, xxx	Xx,xxx	Xx, xxx	Xx, xxx	Xx, xxx	Xx, xxx
	2	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	3	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	4	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	5	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	6	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
Career	1	Xx, xxx	Xx, xxx	Xx, xxx	Xx, xxx	Xx, xxx	Xx, xxx
	2	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	3	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	4	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	5	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	6	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
Master	1	Xx, xxx	Xx, xxx	Xx, xxx	Xx, xxx	Xx, xxx	Xx, xxx
	2	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	3	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	4	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	5	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx
	6	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx	Xx,xxx

Joint Task Force on Basic Education-2009

The Joint Task Force on Basic Education Finance was created by the 2007 Legislature through E2SSB 5627. The purpose of the task force was to review the definition of basic education and develop options for a new funding structure, including school employee compensation.[38] They recommended creating a career ladder with residency, professional and master levels; master teachers are those who have earned National Board for Professional Teaching Standards certification. Master teachers would provide mentoring to new teachers and objective, structured peer reviews. The recommended compensation system included bonuses for school-

wide improvement in student achievement, serving in hard to staff positions and schools and a regional labor market adjustment based on comparable occupations. The taskforce also recommended increasing the number of contract days for teachers from 180 to 190 days.

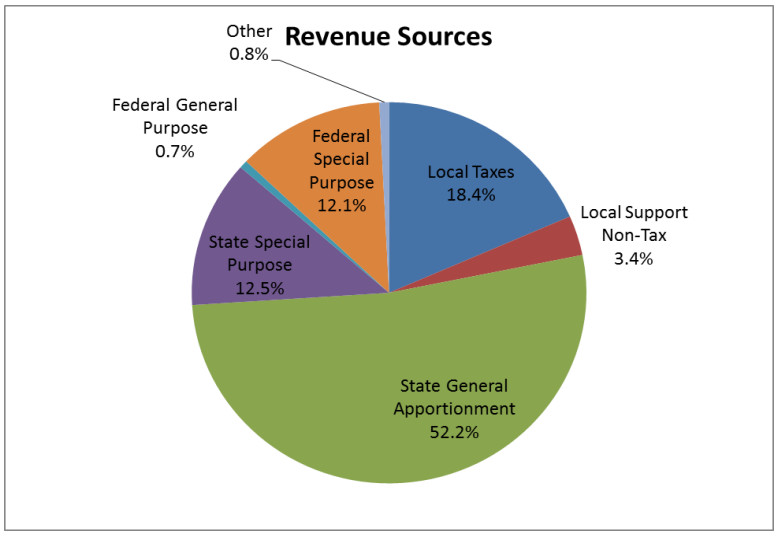
Exhibit 48: Joint Task Force on Basic Education Finance-Proposed Salary Allocation Model

Professional Status	Experience (Years)	Base Pay	Mentor Stipend	Peer Reviewer Stipend	Hard to Staff Supplement	School Performance Bonus	Regional Wage Adjustment
Residency	1	$XX,XXX				$X,XXX	(by district)
Residency	2	$XX,XXX				$X,XXX	(by district)
Residency	3	$XX,XXX				$X,XXX	(by district)
Professional	1	$XX,XXX				$X,XXX	(by district)
Professional	2	$XX,XXX				$X,XXX	(by district)
Professional	3	$XX,XXX				$X,XXX	(by district)
Professional	4	$XX,XXX				$X,XXX	(by district)
Professional	5	$XX,XXX				$X,XXX	(by district)
Professional	6	$XX,XXX				$X,XXX	(by district)
Professional	7	$XX,XXX				$X,XXX	(by district)
Professional	8+	$XX,XXX				$X,XXX	(by district)
Master	1	$XX,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	(by district)
Master	2	$XX,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	(by district)
Master	3	$XX,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	(by district)
Master	4	$XX,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	(by district)
Master	5	$XX,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	(by district)
Master	6+	$XX,XXX	$X,XXX	$X,XXX	$X,XXX	$X,XXX	(by district)

Funding Sources

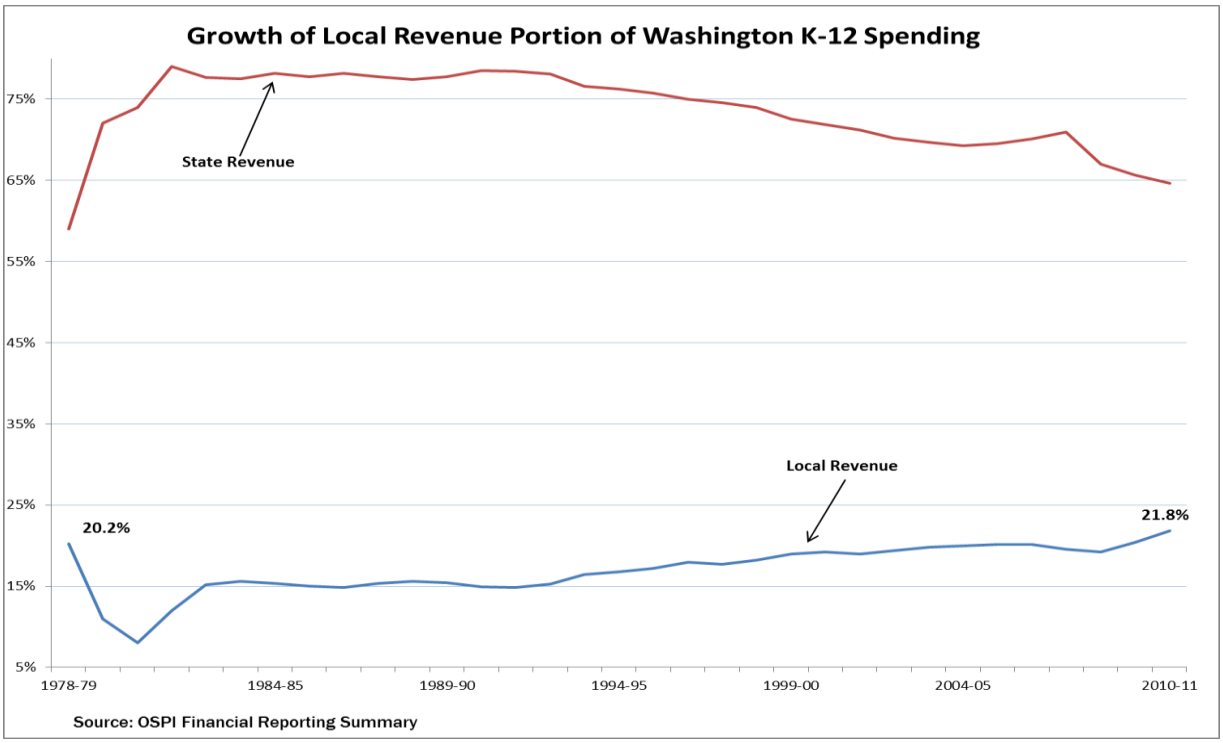
In the 2010-11 school year, local revenue made up 21.8 percent of total K-12 revenue, while state revenue made up 64.7 percent.

Exhibit 49: Revenue Sources for K-12 Funding



The proportion of local funding is closely related to the level of state funding. As state funding levels for basic education have declined, local funding has necessarily had to increase in order to make up for the deficit. The proportion of local revenue relied on by school districts is the highest since the Basic Education Act of 1977.

Exhibit 50: Changes in Local and State Funding for K-12

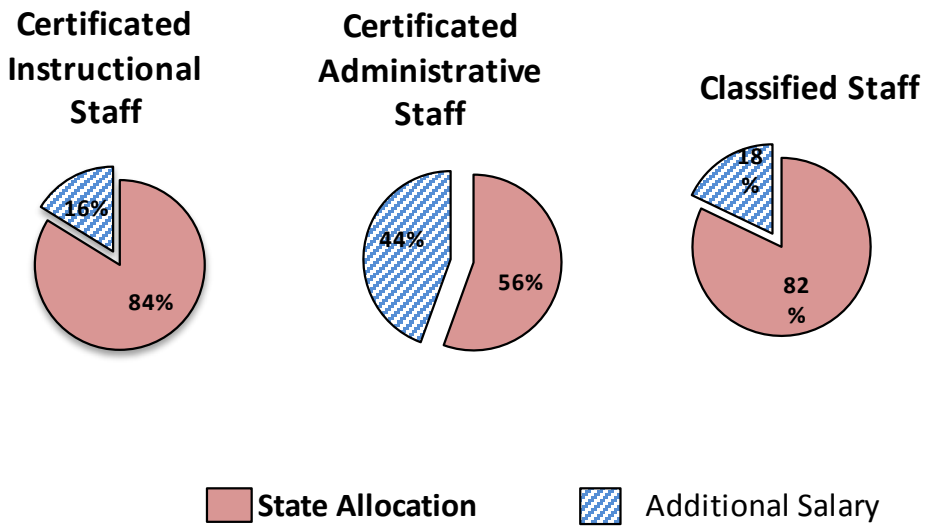


The capacity for districts to raise local funds varies around the state based on a school district's ability to pass a levy. Maintenance and operations (M&O) levies are authorized under state law for K-12 school districts to levy local property taxes to support schools and district operations. The levy must be approved with a simple majority of local voters, is valid for up to four years and is used in addition to funding school districts receive from the state and federal governments. The majority of school districts have voter-approved levies, with 281 out of 295 districts receiving levy funding from their local tax payers. The Levy and Local Effort Assistance Technical Working Group deferred a decision to specify or recommend a specific adjustment to local levy authority in recognition that "compensation accounts for a significant share of school district expenditures and any substantive compensation changes will dramatically affect the needs and uses of local levy funds."[39]

Local funding makes up a percentage of the funding of the average salaries for certificated instructional, certificated administrative and classified staff. The amount of average additional salary over the base state allocation is significant, particularly due to the fact that many basic education program responsibilities are being carried out by staff paid in part through local funding which may be more appropriately paid for by the state allocation. Furthermore, both

the capacity of local school districts to pay additional salary in the form of TRI (time, responsibility and incentive) contracts and other supplemental contracts is influenced by their levy lid, tax base and ability to run and pass an excess tax levy to support basic education programs.

Exhibit 51: Percentage of 2010-11 Average Additional Salary Above State Allocation



APPENDIX 3 – Deliberation and Input

Washington State Public School Employees Survey

In order to gather preliminary input from public school employees about their compensation preferences and to provide them with additional information about the Compensation Technical Working Group (TWG), the Washington State Public School Employee Survey was created and administered to public school employees.

The survey was created using questions utilized in other research regarding compensation preferences, as well as questions developed by the Compensation TWG. A SurveyGizmo link was distributed to all public school employees reported in the S275 Personnel Report, with a three week response window in November of 2011. In order to ensure a representative response rate, school district superintendents, business managers and technology personnel were contacted to ensure the delivery of the email. Additionally, the Washington Education Association (WEA), the Public School Employees of Washington (PSE), the Washington State School Directors Association (WSSDA), the Association of Washington School Principals (AWSP) and the Washington Association of School Administrators (WASA) supported the survey and encouraged their members to participate. As a result, the survey yield a response rate of approximately 11 percent of employees (approximately 16,000 respondents), with a sample very representative of the public school employee demographics as represented in the S275 Personnel Report.

Among certificated instructional staff, the most favored elements in compensation are "status quo" options that are currently recognized in the salary allocation model or are bonuses funded through the state:

- Years of experience
- Educational levels
- Credits and clock hours
- National Board for Professional Teaching Standards (NBPTS) certification

However, other elements were strongly favored, some of which the Compensation Technical Working Group recognized have been paid for by state, federal or private grants or through local levy funds:

- Professional certification and additional levels of certification
- Leadership roles
- Mentoring novice teachers
- Serving in a low performing, challenging school assignment

Moderately favored compensation elements included:

- Hard to fill subjects, schools and positions

The least favored compensation elements among certificated staff were:

- Individual classroom gains in student achievement
- School wide classroom gains in student achievement
- Successful evaluations by principal
- Successful evaluations by principal and peer reviewers

Additional statistical analysis broke certificated instructional staff responses down further by their demographic data, with notable differences in preferences for different compensation elements by race and ethnicity, age, years of experience and levels of education.

Classified employees were asked similar questions as certificated employees with some appropriate rewording and with exceptions for questions related to individual student achievement gains. Currently classified employees are not included on the salary allocation model, but are paid through a single allocation from the state. Some local school districts have developed salary allocation models for certain classified employee groups which recognize longevity, educational levels, additional certifications and leadership roles.

Among classified employees, all compensation elements were strongly favored including:

- Occupational expertise
- Years of Experience
- School wide gains in student achievement
- Credits and clock hours
- Additional college credits or degrees
- Successful annual performance evaluations
- Leadership roles

Stakeholder Panels and Presentations

The Compensation Technical Working Group convened several stakeholder panels in order to gather more feedback. The human resource professional's panel included business and human resource officers from school districts regionally distributed around the state. The community and family panel included representatives from the Governor's Office of Indian Affairs, the WA PTA, the Commissions on African-American, Asian Pacific American and Hispanic Affairs and the Office of the Education Ombudsman.

Human Resource Professionals in Public Education Panel

Hard to Fill Definition:

> Teacher shortage areas have been identified by the Professional Educator Standards Board through survey and self-reported data from school districts. The PESB recognizes this isn't the most reliable data. Some of the data may be due to poor recruitment and retention practices, as well as some out-of-field placements due to the recession.

Shortage areas are identified by supply and demand and regional markets around the state, which can be defined both geographically and through the proximity of other school districts that compete for teachers (based on levy funding, grandfathered salary allocations, professional development and other benefits offered by competing districts).

Hard to Fill Positions:

There was consensus from the panel that some Educational Staff Associate positions, including psychologists, occupational therapists, physical therapists, speech language pathologists/audiologists and nurses are hard to fill. This is due in part to only receiving credit for 2 years of prior private sector experience, as well as the working conditions, lack of competitive wages with private sector positions and schedule flexibility. Classified positions that are hard to fill include HVAC technicians, instructional technology supervisors, and HR administrators.

Hard to fill subjects were identified to include special education, science and math, career and technical education, and ELL/Bilingual endorsed teachers. Hard to fill schools were discussed with agreement that schools that qualify for Title I funding and have higher percentages of poverty are often hard to fill within a school district.

TRI Contracts:

The panel discussed the implications of TRI (time, responsibility and incentive) contracts for attracting and retaining employees. Due to the different abilities to pay additional contracts due to levies, neighboring school districts can compete for teachers through salaries along with non-monetary factors. The inequitable ability to pay TRI contracts results in regional labor markets based on the levy funding of school districts. Supplemental contracts also pay for many functions and responsibilities that are part of basic education, including serving in leadership and mentoring roles. Some school districts are using TRI to make up the cost of living adjustments (COLA) that were cut, as well to backfill the lack of state funding. The group discussed that local levy dollars should be used for locally determined outcomes and purposes, not basic education functions. The regional variations in pay are amplified with TRI contracts that are added on top of the base salary, leading to wide distributions of pay levels regionally for the same work.

Regional Markets:

Regional labor markets within the state were discussed, defined by geographic areas, school district levy levels and cultural/social amenities. While the cost of living in metropolitan areas is high, rural areas have increased transportation costs to access services, such as medical care. The panel does not see much movement from Eastern to Western Washington, but more movement in easily commutable areas, such as from Seattle to Everett.

Recruitment and Retention:

Another area of concern was the recruitment and retention of educators of color, with consensus that the staff in schools does not usually mirror the demographics of the students. The panel discussed strategies to address this issue, including recruiting from other states, trying to provide community supports and other supports within the school district.

Salary Allocation Model Recommendations:

The panel discussed several options for the salary allocation model, including the creation of a career ladder, with job enlargement elements that recognize the role of mentoring or leadership roles and assuming additional responsibilities. Additionally, the expectation of continued professional development was discussed, with references to the Teacher and Principal Evaluation Pilot (TPEP) and the expectations for continuing professional development, evaluation and reflection.

For ESA positions, putting different positions at different funding levels was discussed in order to address shortage areas, although the panel felt that it would be difficult to manage it at district levels in local bargaining and through a model.

Community and Family Panel

The Community and Family Panel discussed how to attract and retain high-quality educators, particularly diverse educators who mirror the ethnic and racial demographics of our state. Several concerns about the retention of educators of color were expressed, including the difficulty of being a minority in a school of white educators, especially when the community surrounding the school may not be culturally responsive, and the obstacles encountered when the school environment may not be culturally competent. Additionally, the educational opportunity gap (also referred to as the achievement gap) affects the pipeline of college students of color and the supply of educators of color. The panel voiced that many potential educators are not attracted to the profession due to low levels of pay, lack of respect and prestige for the profession, and the need for first generation college graduates to be financially successful. The panel agreed that compensation was only one aspect of the attraction and retention of educators of color.

Human Resources and Recruitment Issues:

The panel discussed the interview process, suggesting that partnering with community organizations might help educators of color feel more supported. The panel also suggested that screening tools that give points for bicultural experiences or other aspects of an applicant's experience that are not traditionally accounted for in an interview be used. The panel also discussed pre-service issues, including the need for evening classes for working professionals and that the endorsement and basic skills test

requirements (WEST B and WEST E) may serve as potential barriers for some educators of color entering the profession.

Compensation Strategies:

A competitive comparable salary was offered as the first priority for educators. Several other options for compensation were proposed by the panel, including providing stipends for educators who:
1) provide needed bilingual services;
2) participate on behalf of the school in community groups; or
3) serve as advisors for clubs that increase academic achievement.

Additionally, resources for professional development, professional collaboration, mentoring for beginning educators, and increased leadership opportunities were discussed. The panel also recommended grants or scholarships to cultivate more qualified applicants, as well as loan forgiveness for teaching in Title I schools. Housing allowances and additional resources for the classroom were also suggested as alternative educator compensation.

APPENDIX 4 – Comparative Labor Market Analysis

The Compensation Technical Working Group (TWG) conducted a labor market analysis for all prototypical job classifications as required by RCW 28A.400.201. This analysis considers salary information collected from the U.S. Bureau of Labor Statistics (BLS) and the Washington Employment Security Department (ESD) Occupational Statistics Unit at national, regional, state, and local levels. The Compensation TWG gave initial consideration to the following methodologies to examine salaries:

- Washington State average wages
- Washington State average wages by ownership, including private industry, all government, federal government, state government, and local government (including K-12 public schools)
- National average wages
- National average wages in the elementary/secondary school industry
- Regional average wages
- Comparable Wage Analysis presented by Dr. Lori Taylor
- Comparable Wage Analysis presented by the Washington Employment Security Department (ESD)
- Average total final salaries and base salaries per the OSPI 2010-11 S275 Personnel Data

After careful analysis of these methodologies to examine salaries, the Compensation TWG elected to further consider the results of the following four analyses as the most representative of comparable earnings for K-12 staff. It is important to note that the average annual wages presented are for occupations that typically work 12 months in a year. Appropriate adjustments must be considered for any K-12 occupation that assumes a shorter contracted year.

Exhibit 52: Comparison of Labor Market Analysis Methodologies

Analysis	Data Source	Methodology
Dr. Lori Taylor Comparable Wage Index	2000 Census Data, with growth in the occupational employment statistics used to grow baseline wages.	Hedonic wage analysis matches demographic characteristics of K-12 employees to employees in comparable occupations.
Washington Employment Security Department Comparable Occupations	Bureau of Labor Statistics weighted average wages as of May 2010*, greater than 90 percent match.	Compares knowledge, skills, abilities, and work context, along with minimum education and experience requirements of K-12 occupations to all other occupations.

Washington Private Industry	Bureau of Labor Statistics, Occupational Statistics Unit as of June 2011.	Exact job match with private industry occupations.
K-12 Actual Total Salaries	2010-2011 OSPI S275 Personnel Data, excluding extracurricular pay	Total final salary includes state allocations and TRI for certificated instructional staff; total base salary was used for classified staff to eliminate potential overtime that is reported in total final salary.

Exhibit 53: Summary of Comparable Wage Analysis for all K-12 Prototypical Jobs

K-12 Job Category	Average Annual Wage (full-time 12-month salary)			
	S275 Personnel Data	Dr. Lori Taylor Comparable Wages	WA Private Industry	ESD Comparable Occupations*
CERTIFICATED STAFF				
Principals, Assistant Principals, and other Certificated Building-Level Administrators	$104,011	$92,704	$73,662	$103,877
Central Office Administration, Certificated Administrators	$117,845	N/A	N/A	$103,877
Teachers	$63,198	$67,515	$48,810	$71,214
Beginning Teachers	$42,803	$47,648	N/A	$57,714
Teacher Librarians	$71,865	$67,515	$62,689	$79,170
School Nurses	$57,794	$68,321	$74,692	$71,836
Social Workers	$67,900	$47,421	$38,638	$68,511
School Psychologists	$69,158	$61,681	$89,762	$59,386
Physical Therapists	$68,865	$73,251	$76,412	$71,017
Occupational Therapists	$66,859	$73,529	$73,038	$70,671
Speech-Language Pathologist/Audiologist	$68,084	$70,223	$78,193	$71,921
Guidance Counselors	$68,350	$43,606	$47,809	$68,337
CLASSIFIED STAFF				
Teaching Assistance (Instructional Aides/Para-educators)	$32,011	$40,448	$26,431	$45,346
Office support and other noninstructional aides	$37,600	$36,344	$39,762	$41,013
Custodians	$36,520	$30,353	$31,276	$38,966

K-12 Job Category	Average Annual Wage (full-time 12-month salary)			
	S275 Personnel Data	Dr. Lori Taylor Comparable Wages	WA Private Industry	ESD Comparable Occupations*
Classified staff providing student and staff safety	$37,037	$48,221	$49,988	$41,130
Family Involvement Coordinators	N/A	N/A	N/A	$45,346
Technology	$56,136	$60,901	$73,994	$83,013
Facilities, maintenance, and ground	$46,916	$45,059	$48,619	$49,846
Warehouse, laborers, and mechanics	$42,039	$42,572	$36,232	$36,649
Central Office Administration, Classified	$53,615	N/A	N/A	$56,374
Transportation	$39,845	$38,039	$38,928	$47,879
Food service	$31,089	$28,754	$25,900	$32,075

Note: Annual wage for certificated instructional staff per OSPI S275 Personnel Reports represents average total salary per 1.0 FTE for an instructional school year; annual wage for classified staff represents average base salary (to eliminate overtime) per 1.0 FTE Data compiled from final 2010-11 OSPI S275 Personnel Reports (all staff, all programs), ''But Are They Competitive in Seattle? An Analysis of Educator and Comparable Non-educator Salaries in the State of Washington" by Dr. Lori Taylor, Washington Occupational Employment Statistics as of June 2011, U.S. Bureau of Labor Statistics as of May 2010.

*****At the time of consideration of the labor market options, 2010 data was used for the ESD analysis. Since that time, the data was updated and the more recent 2011 data is included in the body of this report.

Dr. Lori Taylor Hedonic Comparable Wage Analysis

The Compensation TWG contracted with Dr. Lori Taylor from the Bush School of Government and Public Service at Texas A&M University to prepare a comparable wage analysis for all K-12 job categories for which salaries are allocated by the state, titled, "But Are They Competitive in Seattle? An Analysis of Educator and Comparable Non-educator Salaries in the State of Washington." Dr. Taylor previously presented the report, "Washington Wages: An Analysis of Educator and Comparable Non-educator Wages in the State of Washington," to the Joint Task Force on Basic Education Finance in November 2008. Dr. Taylor has written and researched extensively on the cost of education and developed a Comparable Wage Index for the National Center for Education Statistics (NCES). Through the use of a hedonic model that compares characteristics of K-12 staff as documented in the S275 Personnel Data Reports to workers outside of education, Dr. Taylor presents a recommended comparable state average wage to a set of similar occupations for all K-12 job classifications, including those without an exact match outside of education and all types of Educational Staff Associates (ESA). The average salary is provided for a 12-month occupation with no adjustments for the length of the school year. The index uses 2000 Census data as a base and ages salaries by applying wage growth estimates provided by BLS Occupational Employment Statistics. Regional salaries are estimated utilizing Dr. Taylor's Comparable Wage Index (CWI) for the state of Washington. Beginning teachers are

compared to a 25 year old college graduate with a Bachelor's Degree for purposes of an estimated initial wage, leading to a state average comparable starting salary of $47,648 for a 52-week employee. This hedonic model is developed using a multiple regression model where employee salary is the dependent variable and employee characteristics are the independent variables. The analysis compares salaries of similar occupations while holding demographic factors constant, with the goal of determining the salary needed to recruit and retain staff with the specific qualities of current staff. Because the comparable salaries developed indicate the competitive wage required to attract and retain candidates with similar personal attributes, this methodology may not be effective in recruiting a wider or more varied pool of candidates to K-12 occupations.

Washington Employment Security Department Comparable Wage Analysis

The Washington Employment Security Department (ESD) developed a set of comparable occupations and average salaries for all job categories for which salaries are allocated by the state using an exclusive analysis developed for the Compensation TWG (Further information provided in the next section). This analysis compares the importance of almost 200 categories of knowledge, skills, abilities, and job context of all occupations as reported by employers at the national level to O*Net (Occupational Information Network). The analysis allows for the development of a similarity factor for each profession to all jobs in the database that ranges up to 100 percent for a complete match with itself. The analysis also adds a filter for minimum entry education, experience, or training requirements of an occupation as reported to BLS. The analysis was prepared for each K-12 occupation using the best matching SOC (Standard Occupational Classification) Code and the minimum education, experience, or training requirements for that profession. Classified prototypical job categories were developed as a combination of multiple job codes using the recommended occupations and FTE as indicated in the Classified Adequacy Staffing Reports, prepared in December 2010 by the Office of Superintendent of Public Instruction and expert workgroups for each staffing category. A weighted average (by employment) of salaries for all job matches with a similarity factor above 90 percent using the BLS Washington wages as of May 2011 leads to a comparable annual wage for each occupation. BLS does not record starting salaries, so beginning teachers are compared to those workers paid at the 25th percentile in the comparable occupations, per the BLS suggestion for a salary estimate for a worker entering a new field with little or no experience. A weighted average of these wages suggests a Washington average comparable 12-month wage for beginning teachers of $57,714. The underlying assumption of this methodology is that wages of K-12 staff must be competitive with the comparable occupations because individuals may choose to work in the other jobs and industries requiring a similar education or experience and skill set, either prior to entering the education field or during current employment. The competitive salary must be offered to recruit or retain someone with the required knowledge, skills, abilities, and education or experience level. This analysis is useful in determining a competitive wage to recruit people with different demographic characteristics than current personnel into K-12 professions as it is not influenced by the composition of current staff. The comparable wage for beginning teachers is more likely to represent alternative professions considered by individuals with the desired skill set and educational background of educators.

Private Sector Wage Analysis

The Compensation TWG prepared a comparable wage analysis using the Standard Occupational Classification (SOC) codes for K-12 professions and examining Washington State and regional average wages in the private sector provided by the Washington ESD Occupational Statistics Unit. The private sector includes all non-governmental entities and may include private schools. Average salaries for the classified prototypical job categories were developed using the recommended occupations and FTE proportions as specified in the Classified Adequacy Staffing Reports prepared by OSPI and school district staff in December 2010. This analysis calculates compensation levels based on the competitive wages of workers in the private sector with the same occupations. In a sufficiently large labor market, private salaries are not influenced by school district wages and the index is fairly simple to calculate. However, private wage data is limited for Teachers, Teacher Aides (Instructional Aides and Para-educators) and School Administrators as most of these positions are filled in the public sector; therefore this methodology is not beneficial in determining a comparable wage for these occupations. Private wage data is also limited for individual geographic regions and is unavailable for several of the clusters of Washington rural counties. Public sector salaries and education spending may influence private salaries in smaller areas where public schools are one of the major employers in the area.

Actual K-12 Public School Salaries Comparable Wage Analysis

The Compensation TWG examined average base salaries and average total salaries for all job categories for which the state allocates salaries using the S275 Personnel Data for 2010-2011 (Final). This data represents annualized actual salaries for each job classification as paid by school districts. Total salaries include state allocations as well as amounts paid from additional funding sources, such as local levies or federal grants. The analysis removed pay received for extracurricular activities. Total salaries as reported for classified staff may include overtime, so dollar amounts shown for classified staff represent base salaries. This data may also reflect factors in salary variations such as the availability and amount of additional funding sources, the relative strength of local bargaining units, and the challenge and attractiveness of assignments in various school districts. Another disadvantage of using actual salary data for state allocations is the argument that this data may be subject to manipulation. Finally, a limitation of the S275 Personnel Data is that the total final salary is updated for staff throughout the year; however, the instructions do not require total FTE for personnel to be updated; therefore, some annualized salaries may not be accurate.

Exhibit 54: Average Total Salaries by School District – Certificated Staff (2010-11 S275 Final)

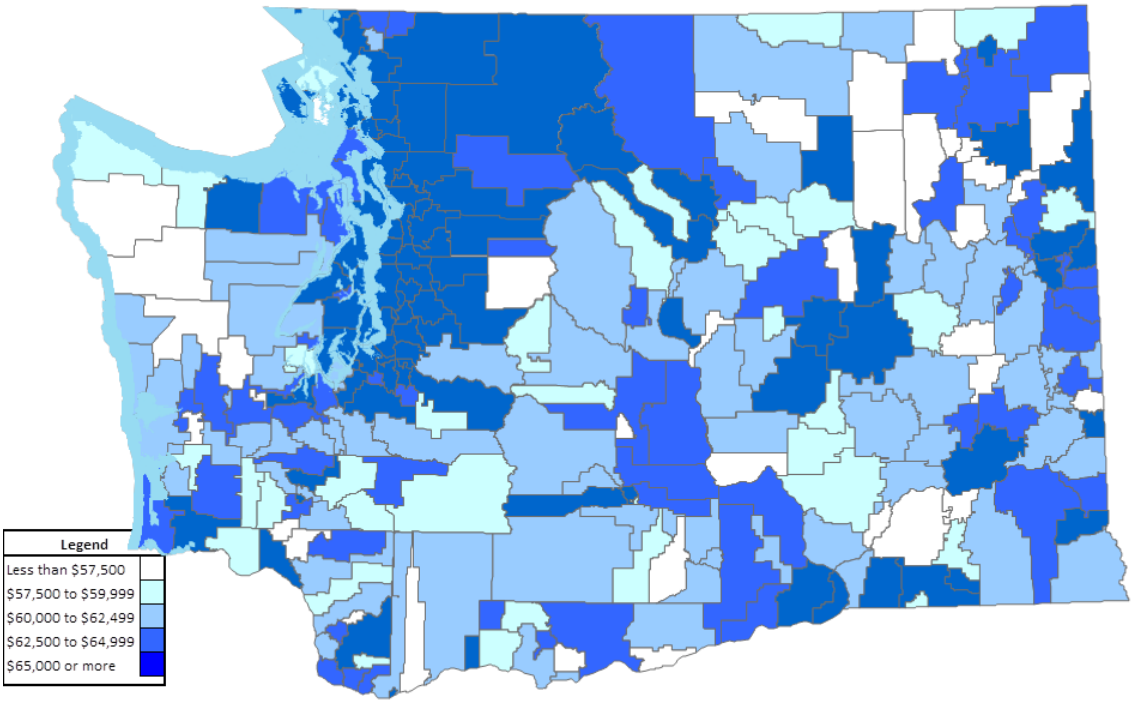
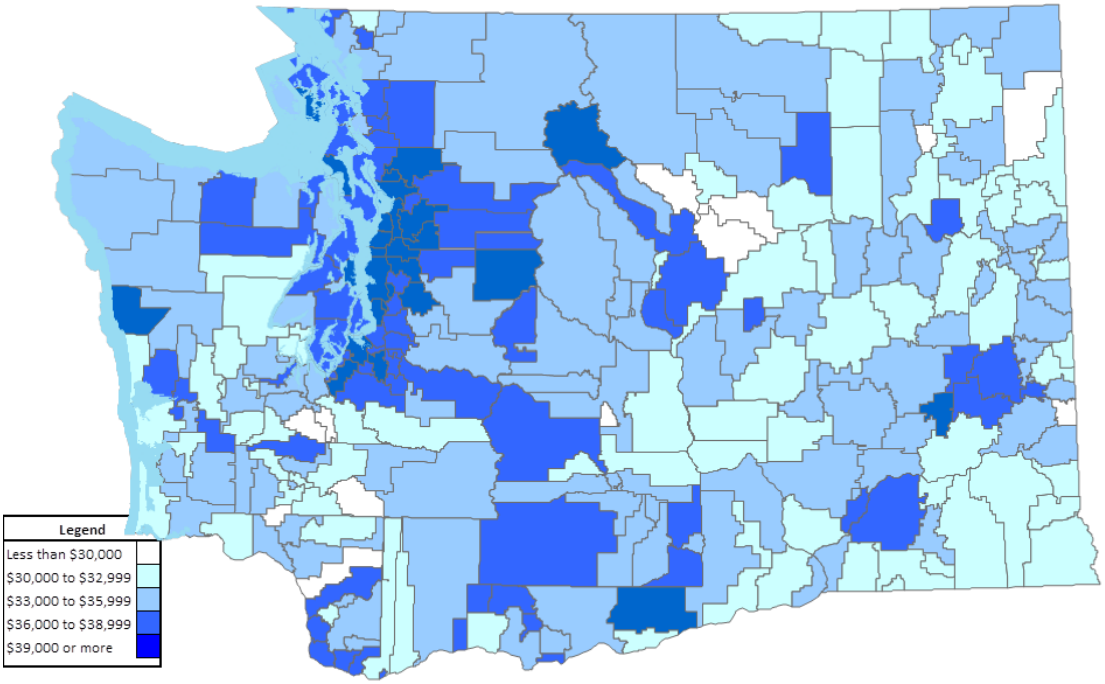


Exhibit 55: Average Base Salaries by School District – Classified Staff (2010-11 S275 Final)



Comparable Wage Recommendation

The Compensation TWG the Employment Security Department (ESD) analysis be used to determine the salary allocation levels for all prototypical job categories. Because this analysis matches the knowledge, skills, and abilities along with the education and training requirements for all jobs, the salaries represent occupations that compete with school districts for staff from the entire population with the desired attributes for each job. By offering a wage competitive with comparable occupations, the state is able to attract and retain individuals into the K-12 industry. The Compensation TWG also recommends that the state revisit this analysis every four years to ensure that salaries remain competitive with these occupations. As described in the cost of living adjustment (COLA) section, an annual COLA should be provided in the interim years.

Certificated Administrative Staff (CAS)

The Compensation TWG recommends that the state increase the allocation for Building Level Administrators and Certificated District Administrators to $105,374 per 1.0 allocated FTE based on the ESD analysis. This analysis required a minimum education level of a Bachelor's Degree plus related work experience, a Master's Degree, or a Doctorate for similar occupations. This recommended allocation is similar to the actual average salary for building administrators of $101,860 and for Certificated District Administrators of $114,135 per the 2011-12 OSPI S275 Personnel Reports, and will allow school districts to pay competitive wages for building administrators with state allocations, freeing up local funds for community defined needs.

Exhibit 56: Comparable Wage Recommendation, Certificated Administrative Staff

Prototypical Funding Category	2011-12 Average State Allocation per 1.0 FTE	Additional Average Salary paid by Local School Districts	2011-12 Actual Average 12-month Salary (All Fund Sources)	Comparable 12-month Salary
Principals, Assistant Principals, and Other Certificated Building-Level Administrators	$58,175	$43,685	$101,860	**$105,374**
Central Office Certificated Administrators	$58,175	$55,960	$114,135	**$105,374**

Note: Current average allocation from June 2012 OSPI Apportionment; actual average pay per 2011-12 OSPI S275 Personnel Reports for all staff, excluding pay for extracurricular activities; proposed allocation updated per Bureau of Labor Statistics May 2011 data released March 2012.

Certificated Instructional Staff (CIS)

The Compensation TWG recommends that the state increase the starting wage in the salary allocation model for certificated instructional staff (CIS) to $48,687, which is 10/12 of the comparable wages at the 25th percentile per the ESD analysis. The adjustment to 10/12 of the comparable wage represents a typical 10 month, or 180 day contracted instructional school year. While BLS does not provide information on starting salaries, the agency suggests that the 25th percentile wages may be used as a proxy for these beginning wages. The analysis included occupations with similar knowledge, skills and abilities, and a required minimum education of a Bachelor's Degree, Bachelor's Degree plus work experience, Master's Degree, or Doctorate. The Compensation TWG recommends that all CIS, including teachers, teacher librarians, and educational staff associates, remain on the salary allocation model, with experience credit given for educational staff associates with applicable work experience outside of K-12. Therefore the group recommends striking language in RCW 28A.150.410 Section 4 that only allows two years of non-school service for occupational therapists, physical therapists, speech-language pathologists, audiologists, nurses, social workers, counselors, and psychologists to count on the salary allocation model.

The Compensation TWG expects this higher starting salary to be more effective at attracting world-class educators to Washington public schools. A competitive beginning wage will also address many of the staffing difficulties at school districts. In addition, because school districts must supplement pay with local funds, when available, in order to pay a reasonable wage, an increased state allocation that covers the true cost of competitive salaries will allow schools districts to use local funds to address the specific needs of their communities and to recruit and retain world-class educators.

Classified Staff

The Compensation TWG recommends that the state provide separate salary allocations for all classified staff prototypical funding categories, including "Teaching Assistance", "Office Support and other Noninstructional Aides", "Custodians", "Classified Staff Providing Student and Staff Safety", "Technology Support", "Facilities, Maintenance and Grounds", "Warehouse, Laborers, and Mechanics," and "Central Office Staffing", based on the ESD comparable wage analysis. The range between actual salaries in the classified job categories is significant (see Exhibit 57) and the separate allocations will ensure that the state is fully funding the salaries for these positions based on the recommended FTE per the prototypical funding formula. As noted in Exhibit 57, there is a large difference between the average state allocation for classified salaries and the actual salaries paid at the district level using both state and local funds. Comparable wages represent a weighted average of the jobs and their recommended distribution for each category as recommended in the Classified Staffing Adequacy Report. The minimum education and training requirements used reflected minimums for each job as reported by BLS.

Exhibit 57: Comparable Wage Recommendation, Classified Staff

Prototypical Funding Category	2011-12 Average State Allocation per 1.0 FTE	Additional Average Salary paid by Local School Districts	2011-12 Actual Average 12-month Salary (All Fund Sources)	Comparable 12-month Salary
Teaching Assistance (Instructional Aides/Para-educators)	$31,699	$1,197	$32,896	**$45,386**
Office Support and other Non-instructional Aides	$31,699	$6,037	$37,736	**$40,949**
Custodians	$31,699	$5,070	$36,769	**$39,454**
Classified staff providing student and staff safety	$31,699	$5,651	$37,350	**$44,040**
Family Involvement Coordinator	N/A	N/A	N/A	**$45,386**
Technology	$31,699	$23,249	$54,948	**$83,253**
Facilities, maintenance, and grounds	$31,699	$15,616	$47,315	**$50,057**
Warehouse, laborers, and mechanics	$31,699	$10,743	$42,442	**$36,522**
Central Office, Classified	$31,699	$22,872	$54,571	**$56,374**

Note: Current average allocation from June 2012 OSPI Apportionment; actual average pay per 2011-12 OSPI S275 Personnel Reports for all staff, excluding pay for extracurricular activities; proposed allocation updated per Bureau of Labor Statistics May 2011 data released March 2012.

It is important to note that the salaries shown in Exhibit 57 represent a 52 week salary. Many classified staff work a shorter year and salaries are adjusted accordingly at the local level. However, the state allocates salaries based on full-time equivalent allocations. The higher salary for Instructional Aides/Para-educators reflects new federal requirements to hire highly-qualified para-educators with a minimum of an Associate's Degree, rather than the previous requirement to possess at least a High School Diploma. As the state fully funds these classified salary allocations with competitive amounts, school districts will have access to additional local funds to provide programs outside of basic education that are desired by the community.

Substitutes

The state currently provides an allocation for substitutes; each school district receives $151.86 per day for four days per allocated teacher. The Compensation TWG recommends the rate be increased by the same percentage as the recommended starting salary allocation for teachers

to a daily allocation of $221.36. In addition, the Compensation TWG recommends a substitute allocation for instructional aides due to their critical work in the classroom. The daily rate for instructional aides should be $174.56 based on the comparable wage recommendation of this category. The Compensation TWG recommends an allocation of four days per allocated instructional aide at the comparable daily rate.

Employment Security Department Comparable Wage Analysis

The Washington Employment Security Department (ESD) developed a comparable wage analysis using data gathered at the national level from the Occupational Information Network (O*Net) and wages reported by the Bureau of Labor Statistics (BLS). O*Net is sponsored by the U.S. Department of Labor - Employment and Training Administration. BLS belongs to the U.S. Department of Labor and is the primary Federal agency responsible for measuring labor market activity and collecting economic information to support decision-making.

O*Net is a comprehensive database of worker attributes and job characteristics. Information is collected through statistically random samples of businesses and workers on a national basis for over 1,100 occupations identified with a Standard Occupational Classification (SOC) code. The analysis compares the reported importance of attributes on a scale of one to five in the following areas:

- Knowledge – organized sets of principals and facts applied in general domains and acquired and/or developed through experience and education.
- Skills – developed capacities that facilitate learning or the more rapid acquisition of knowledge related to previous work activities.
- Abilities – enduring attributes of the individual that influence performance and the capacity to acquire knowledge and skills required for effective work performance.
- Work context – physical, social, and other characteristics of the organization that influence the nature of work.

The comparable wage analysis for each K-12 prototypical job category compares the knowledge, skills and abilities reported to all other occupations. The comparison examines the difference in scores between every occupation for over 200 attributes and results in a similarity factor between every set of jobs that ranges up to 100 percent for a match with itself. The analysis filters positions by the minimum education or experience as reported by BLS for each occupation. All occupations with a similarity factor above 90 percent are included in the set of comparable jobs for each K-12 prototypical job. The comparable wage is calculated using the Washington average wages for each position weighted by Washington employment for that job. The same technique also leads to a salary level for the 25th and 75th percentile wages for the set of comparable occupations. This analysis uses May 2011 wages that were reported by BLS in March 2012.

It is important to note that all comparable wages listed represent a 12-month salary. The salaries of K-12 staff who work less than a 12-month year are adjusted accordingly at the district level; however, the state apportions FTE based on a full-year employee. Certificated instructional staff (CIS) FTE are allocated for an instructional school year, or approximately 10

months. Therefore, the comparable beginning wage for a teacher is adjusted to 10/12 of the comparable wages due to the shorter contracted year.

O*Net data is compiled through an ongoing national data collection program, which will support an update of the comparable occupations every four years as suggested in this report. BLS wages are released on an annual basis and are considered for Washington State only.

While this ESD analysis leads to a list of comparable occupations for all jobs, the Compensation TWG chose the actual jobs and SOC codes to use in this comparison. Many K-12 occupations have an exact match within the BLS data; however, multiple prototypical jobs are made up of a combination of SOC codes as shown in Exhibit 58. The Compensation TWG used the minimum education or experience requirements shown as a filter in the analysis.

Exhibit 58: SOC Codes Used in Comparable Wage Analysis

Prototypical Job Category	Comparable Wage (12 month)	SOC Code (s)	Minimum Education or Training
Certificated Administrative Staff			
Principals, Assistant Principals, and other Certificated Building-Level Administrators	$105,374	11-9032	Bachelor's degree plus experience, master's degree, or doctorate
Certificated District Administrator	$105,374	11-9032	Bachelor's degree plus experience, master's degree, or doctorate
Certificated Instructional Staff			
Teachers	$72,097	25-2021 25-2022 25-2031	Bachelor's degree, bachelor's degree plus experience, master's degree, or doctorate
Beginning Teachers (25th Percentile)	$58,424	25-2021 25-2022 25-2031	Bachelor's degree, bachelor's degree plus experience, master's degree, or doctorate
Teacher Librarians	$79,675	25-4021	Bachelor's degree, bachelor's degree plus experience, master's degree, or doctorate
Guidance Counselors	$69,123	21-1012	Master's degree
School Nurses	$72,543	29-1111	Bachelor's degree or bachelor's degree plus experience.
Social Workers	$69,323	21-1021	Master's degree
Psychologists	$59,615	19-3031	Master's degree or doctorate
Classified Staff			
Teaching Assistance (Instructional Aides/Para-educators)	$45,386	25-9041	Associate's degree

Prototypical Job Category	Comparable Wage (12 month)	SOC Code (s)	Minimum Education or Training
Office Support and Noninstructional Aides	$40,949	43-1011 43-6011 43-9061 33-9032 39-9011 31-9092 43-6014 43-9021 43-4161 43-4111 43-4051 43-4171 25-4031 43-4121 21-1093	Work experience in a related occupation or moderate-term on-the job training Work experience in a related occupation or moderate-term on-the job training Short-term on-the-job training Short-term on-the-job training Short-term on-the-job training Short-term on-the-job training Moderate-term on-the-job training Moderate-term on-the-job training Moderate-term on-the-job training Short-term on-the-job training Short-term on-the-job training Moderate-term on-the-job training Short-term on-the-job training Postsecondary vocational training or work experience in a related occupation Short-term on-the-job training Moderate-term on-the-job training
Custodians	$39,454	37-1011 37-2011	Short-term on-the-job training Moderate-term on-the-job training or work experience in a related occupation

Prototypical Job Category	Comparable Wage (12 month)	SOC Code (s)	Minimum Education or Training
Classified staff providing student and staff safety	$44,040	33-9032 33-9099 33-3051	Short-term on-the-job training N/A Long-term on-the-job training
Family Involvement Coordinator	$45,386	25-9041	Associate's degree
Technology	$83,253	11-3021 15-1150 15-1142 15-1141 13-2011	Bachelor's Degree plus work experience Associate's degree or postsecondary vocational training Associate's degree or bachelor's degree Bachelor's degree Bachelor's degree
Facilities, maintenance, and grounds	$50,057	47-2031 47-2152 47-2111 47-2141 49-9021 49-9094 47-2121 47-2181 49-9071 13-1199 47-1011 49-1011 49-9098 37-3011	Long-term on-the-job training Long-term on-the-job training or postsecondary vocational training Long-term on-the-job training Moderate-term on-the-job training Long-term on-the-job training or postsecondary vocational training Moderate-term on-the-job training Long-term on-the-job training Moderate-term on-the-job training Bachelor's degree Work experience in a related occupation Work experience in a related occupation Short-term on-the-job training Short-term on-the-job training

Prototypical Job Category	Comparable Wage (12 month)	SOC Code (s)	Minimum Education or Training
Warehouse, laborers, and mechanics	$36,522	53-7062 49-9041	Short-term on-the-job training Long-term on-the-job training

Prototypical Job Category	Comparable Wage (12 month)	SOC Code (s)	Minimum Education or Training
Central Office Administration	$56,451	11-1021	Bachelor's degree plus work experience
		11-2031	Bachelor's degree plus work experience
		11-3011	Bachelor's degree plus work experience
		11-3021	Bachelor's degree plus work experience
		11-3031	Bachelor's degree plus work experience
		11-3061	Bachelor's degree plus work experience
		11-3071	Work experience in a
		11-3111	related field
			Bachelor's degree plus
		11-3121	work experience
			Bachelor's degree plus
		11-3131	work experience
			Bachelor's degree plus
		11-9051	work experience
		11-9151	Moderate-term on-the-
		43-1011	job training
			Long-term on-the-job training
		43-6011	Work experience in a related occupation or moderate-term on-the-
		43-6014	job training
			Work experience in a related occupation or
		43-4161	moderate-term on-the-
			job training
			Work experience in a
		43-3031	related occupation or
		43-3051	moderate-term on-the-
		13-1041	job training
			Work experience in a
		13-1071	related occupation or
		13-1151	moderate-term on-the-
			job training
		13-1199	Moderate-term on-the-
		27-3031	job training
		13-2011	Moderate-term on-the-
		13-2031	job training
		13-2051	Bachelor's degree or long-term on-the-job training
			Bachelor's degree
			Bachelor's degree or bachelor's degree plus work experience

Prototypical Job Category	Comparable Wage (12 month)	SOC Code (s)	Minimum Education or Training
Non-prototypical Jobs			
Occupational Therapist	$71,289	29-1122	Bachelor's degree, bachelor's degree plus experience or master's degree
Physical Therapist	$71,906	29-1123	Bachelor's degree, bachelor's degree plus experience or master's degree
Speech-Language Pathologist - Audiologist	$72,756	29-1127	Master's degree

As noted, several analyses used multiple SOC codes. Because BLS classifies K-12 teachers into elementary, middle, and high school categories, the Compensation TWG included comparable occupations with a match above 90 percent for all three teacher categories. To develop proportions for multiple occupations in other categories, the Compensation TWG used the recommendations in the Classified Staffing Adequacy Reports and the professional judgment of Compensation TWG members with experience in school district business offices. The following exhibits indicate the proportions of each SOC code used.

Exhibit 59: Occupation Mix Used, Office Support and Non-instructional Aides

Job Classification	SOC Code	Elementary School Annual FTE	Middle School Annual FTE	High School Annual FTE	Total FTE	Total Percentage
Office Manager	43-1011	0.889	0.808	0.318	2.02	20.92%
Assistant Office Manager	43-6011	0.889	0.808	0.238	1.94	20.09%
Office Assistant/Clerk	43-9061	0.334	1.114	0.543	1.99	20.67%
Non Instructional Aide (Student Supervision)	33-9032	-	-	0.107	0.11	1.11%
Non Instructional Aide (Student Supervision)	39-9011	0.705	-	-	0.71	7.32%
Health Assistant	31-9092	0.403	0.300	0.177	0.88	9.14%
Attendance Specialist	43-6014	-	-	0.578	0.58	6.00%
Data Processor	43-9021/ 43-4161	-	-	0.311	0.31	3.23%
Registrar	43-4111/ 43-4051	-	-	0.329	0.33	3.42%
Receptionist	43-4171	-	-	0.282	0.28	2.93%
Library Assistant	25-4031/ 43-4121	-	-	0.139	0.14	1.44%
Counseling Assistant	21-1093	-	-	0.359	0.36	3.73%
Total		3.220	3.030	3.381	9.63	100.00%

Exhibit 60: Occupation Mix Used, Custodian

Job Classification	SOC Code	Elementary	Middle School	High School	Percentage of Total
Custodian, Supervisor	37-1011	1.000	1.000	1.000	45.7%
Custodian	37-2011	0.657	0.942	1.965	54.3%
Total FTE Allocated		1.657	1.942	2.965	100%

Exhibit 61: Occupation Mix Used, Classified Staff Providing Student and Staff Safety

Job Classification	SOC Code	Elementary	Middle School	High School	Percentage of Total
Security Guard	33-9032	68.6%	68.6%	0.0%	37.6%
Other Protective Services	33-9099	31.4%	31.4%	0.0%	17.2%
Police and Sheriff's Patrol Officers	33-3051	0.0%	0.0%	100.0%	45.2%
Total FTE Allocated		0.079	0.092	0.141	0.312

Exhibit 62: Occupation Mix Used, Technology

Job Classification	SOC Code	FTE recommended	Percentage of Total
Director, Manager, or Supervisor	11-3021	0.23	11.4%
Field/Help Desk Support	15-1150	0.87	43.3%
Specialized IT Skills	15-1142 / 15-1141	0.75	37.3%
Asset Tracking	13-2011	0.16	8.0%
Total		2.01	100.0%

Exhibit 63: Occupation Mix Used, Facilities, Maintenance, and Grounds

Job Classification	SOC Code	Annual FTE	Percentage of Total
Carpenter	47-2031	1.15	16.1%
Plumber	47-2152	0.48	6.7%
Electrician	47-2111	0.86	12.0%
Painter	47-2141	0.48	6.7%
HVAC Technician	49-9021	0.95	13.3%
Locksmith	49-9094	0.24	3.4%
Glazier	47-2121	0.11	1.5%
Roofer	47-2181	0.10	1.4%
General Maintenance	49-9071	0.57	8.0%
Resource Conservation Manager	13-1199	0.24	3.4%
Foreman/Lead	47-1011	0.38	5.3%
Supervision	49-1011	0.19	2.7%
Support Staff	49-9098	0.19	2.7%
General Grounds	37-3011	1.20	16.8%
Total		7.14	100.0%

Exhibit 64: Occupation Mix Used, Warehouse, Laborers, and Mechanics

Job Classification	SOC Code	Annual FTE	Percentage of Total
Warehouse Worker	53-7062	0.57	69.5%
Mechanic	49-9041	0.25	30.5%
Total		0.82	100.0%

Exhibit 65: Occupation Mix Used, Central Office Administration

Job Classification	SOC Code	Percentage of Category
Certificated District Administrators	11-9032	100.0%
Classified District Administrators		100.0%
General and Operations Managers	11-1021	8.3%
Public Relations and Fundraising Managers	11-2031	8.3%
Administrative Service Managers	11-3011	8.3%
Computer and Information Systems Managers	11-3021	8.3%
Financial Managers	11-3031	8.3%
Purchasing Managers	11-3061	8.3%
Transportation, Storage, and Distribution Managers	11-3071	8.3%
Compensation and Benefits Managers	11-3111	8.3%
Human Resources Managers	11-3121	8.3%
Training and Development Managers	11-3131	8.3%
Food Service Managers	11-9051	8.3%
Social and Community Service Managers	11-9151	8.3%
Central Office Administration, Classified		
Central Office Clerical		
First-line supervisors of office and administrative support workers	43-1011	2.0%
Executive secretaries and executive administrative assistants	43-6011	12.0%
Secretaries and administrative assistants, except legal, medical, and executive	43-6014	21.6%
Human resources assistants, except payroll and timekeeping	43-4161	16.9%
Bookkeeping, accounting, and auditing clerks	43-3031	11.3%
Payroll and timekeeping clerks	43-3051	9.1%
Central Office Business Operations		
Compliance Officers	13-1041	1.1%
Human Resources, Training, and Labor Relation Specialists, all other	13-1071	8.0%
Training and Development Specialists	13-1151	0.0%
Business Operations Specialists, all other	13-1199	5.3%
Public Relations Specialists	27-3031	5.2%
Accountants and Auditors	13-2011	3.5%
Budget Analysts	13-2031	3.0%
Financial Analysts	13-2051	1.1%

Dr. Lori Taylor's Comparative Labor Market Analysis

But Are They Competitive in Seattle? An Analysis of Educator and Comparable Non-educator Salaries in the State of Washington

Executive Summary

Wages vary substantially from place to place and from occupation to occupation. In order to attract and retain a high-quality workforce, Washington school districts must offer teachers a salary and benefits package that is competitive not only with teaching jobs in other states, but also with non-teaching jobs in the local community.

This report examines the relative salaries and benefits of Washington educators using three different lenses. The first lens compares estimates of the prevailing salaries for educators with estimates of the prevailing salaries for non-educators. The second lens compares base teacher salaries in Washington with base teacher salaries in other states. The third and final lens examines the extent to which the fringe benefits teachers receive in the state of Washington are competitive with private-sector benefits. Whenever possible, the analysis has been conducted for each school district, metropolitan area, and non-metropolitan labor market in the state.

Comparing Educators with Non-educators in Washington

Average wages are typically low in communities where most of the workers are young and inexperienced, and high in communities where most of the workers are college-educated. Areas where most of the college graduates are health care workers will tend to have higher average wages than areas where most of the college graduates are social workers. Areas where most of the accountants are relatively inexperienced will have lower average accounting wages than areas where most of the accountants are highly experienced. Average teacher salaries can be high in a district that chooses to hire only experienced teachers with advanced degrees, and low in a district that can only afford to hire beginning teachers. None of these differences in average wages necessarily imply anything about differences in the competitiveness of educator salaries.

To make fair comparisons between educators and non-educators in various locations, one needs to consider the demographically and occupationally adjusted—or prevailing—salaries. Variations in the prevailing salaries of educators reflect how much more or less each school district spends to recruit and retain similar school personnel. Meanwhile, variations in the prevailing salaries for each occupation indicate how much more or less employers pay in each location to employ the typical worker. Comparing prevailing salaries for educators with prevailing salaries for non-educators provides a particularly useful lens through which to view the relative competitiveness of educator salaries in the state of Washington.

Baseline estimates of the prevailing salaries for non-educator occupations come from regression analyses of individual earnings data from the 2000 U.S. Census. Those baseline analyses were then updated using earnings data from the Occupational Employment Survey (OES), which is conducted annually by the U.S. Bureau of Labor Statistics (BLS).

The methodology was adapted from the one used to generate the National Center for Education Statistics' Comparable Wage Index (CWI), and generally follows the methodology Taylor (2008a) used in a previous analysis of educator salaries in Washington. Thus, I used the baseline regression model underlying the CWI to predict the prevailing salary in 1999 for each certified occupation under analysis. The prevailing salary in each labor market is the salary that would be expected for a college graduate who had the same educational and industrial profile as the average Census respondent in that occupational category, assuming that the person worked 40 hours a week and 52 weeks a year. I then used the OES data to calculate the growth in wages between 1999 and 2010 for each occupation and location, and adjusted the baseline prevailing salaries accordingly. For example, the baseline CWI regression model predicts that the prevailing salary for registered nurses in Seattle was $48,002 in 1999. Analysis of the OES data indicates that, on average, nurses' salaries in Seattle rose 53.55 percent between 1999 and 2010. Therefore, the prevailing salary for nurses in Seattle in 2010 was predicted to be $73,708 ($73,708 =$48,002*1.5355). Similarly, I estimated the prevailing salary for classified personnel using a baseline regression analysis of high school graduates without college degrees. Table E.1 indicates the occupations and prevailing salary estimates used in this analysis.

Table E.1: State Average Prevailing Salaries in Washington, by Occupation

	State Average Predicted Salary 2010
Certified Occupations	
All College Graduates	$67,515
ACM Teacher-Comparable Occupations	$65,923
STEM Occupations	$76,051
Registered Nurses	$68,231
Social Workers	$47,421
Psychologists	$61,681
Counselors	$43,606
Occupational Therapists	$73,529
Physical Therapists	$73,251
Speech And Language Pathologists	$70,223
Audiologists	$71,363
Selected Managerial Occupations	$92,704
All Managerial Occupations Except Legislators	$88,900
Classified Occupations	
All High School Graduates	$41,958

Supervisors	$45,943
Office And Administrative Support Occupations	$36,344
Janitorial Occupations	$30,353
Protective Service Occupations, Excluding Fire Safety Personnel	$48,221
Information Technology Occupations	$60,901
Facilities, Maintenance and Grounds	$45,059
Warehouse, Laborers and Mechanics	$42,572
Motor Vehicle Operators	$38,039
Food Preparation and Serving Occupations	$28,754

Note: The state average predicted salary is a pupil-weighted average of the salary predictions for each school district. The pupil-weighted state average is calculated using the FTE student counts from the 2010-11 school year.

Estimates of the prevailing salary for Washington educators come from hedonic wage analyses of data provided by the Office of Superintendent for Public Instruction (OSPI). The hedonic salary models for Washington educators describe each educator's salary as a function of his or her personal characteristics, his or her job assignments, and the school building and school district in which he or she works. I use these models to predict average full-time-equivalent salaries in each school district, holding constant the influence of demographic and job characteristics. Those predictions indicate the prevailing salaries in each school district. Variations in the prevailing salaries reflect how much more or less each school district pays to recruit and retain comparable school personnel. The prevailing salary for a labor market is just a weighted average of the prevailing salaries in its constituent school districts.

This analysis applies hedonic wage analysis to two measures of educator salaries—full-time-equivalent base salaries and full-time-equivalent total salaries. Base salaries measure employee earnings during the school year under terms of the base employment contract and are paid for by the state. Total salaries measure the final gross pay of each employee from all sources, including the state, local levies, and federal monies. For purposes of this analysis, pay for extracurricular and public activities has been excluded from both base and total salaries.

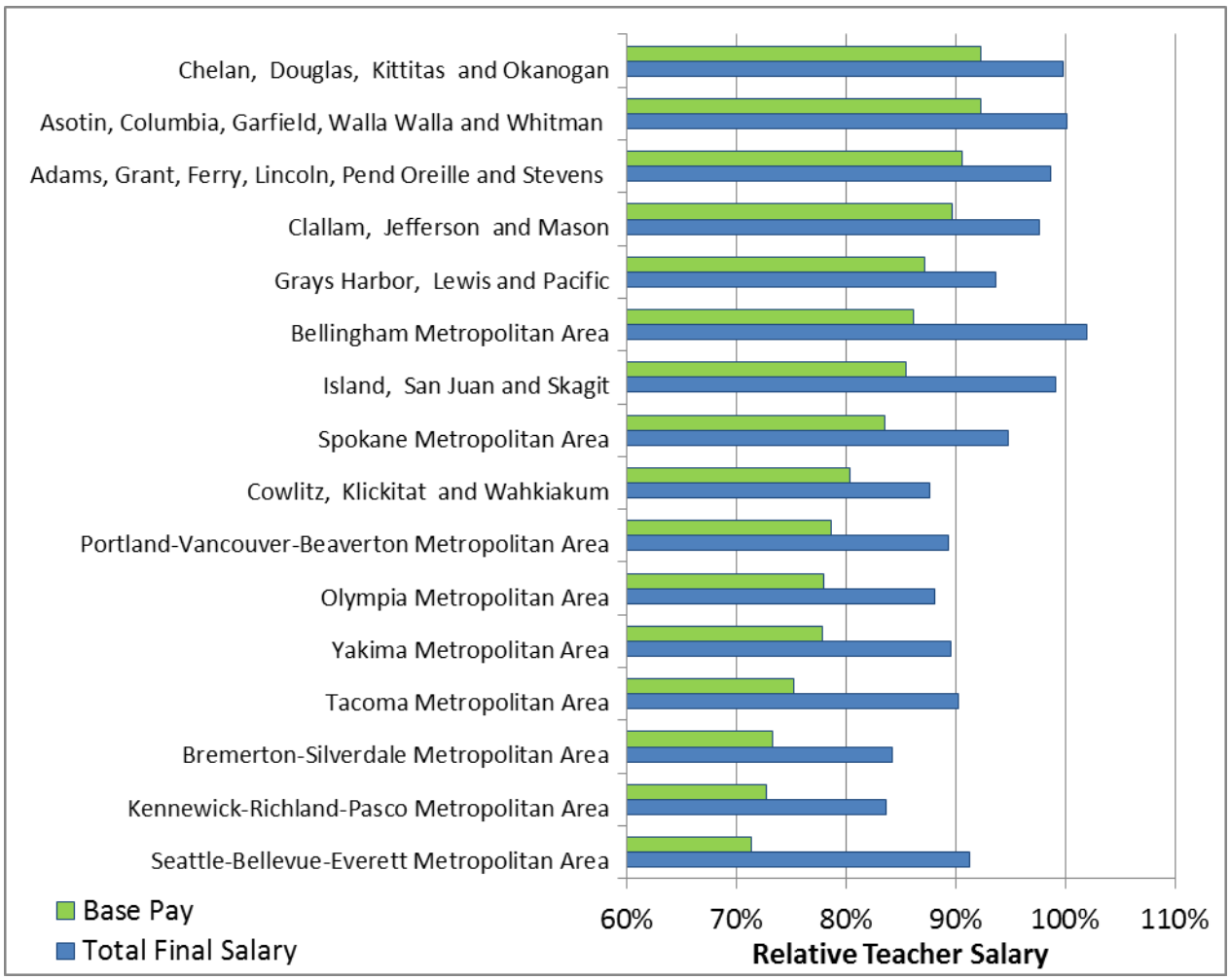
Figure E.1 illustrates the results of the analysis of all types of teachers. The figure indicates the ratio of teaching salaries to comparable non-teaching salaries—in this case the prevailing salary for all college graduates. A relative salary greater than 100 percent indicates that the average teacher is paid better than the average college graduate, whereas a relative salary less than 100 percent indicates that the average teacher is paid less than the average college graduate. As the figure illustrates, relative total salaries are more than 83 percent, on average, in all of the labor markets in the state.

The 83-percent threshold is important because it indicates that full-time-equivalent total salaries for teachers in Washington are at or above the 10-month salaries for college graduates (10/12=.833). Recall that the prevailing salary for college graduates was constructed assuming that non-educators worked 52 weeks per year. The typical school

year is obviously shorter than that. A common rule of thumb is to assume that the school year is 10 months long. A relative salary above 83 percent suggests that teaching salaries are higher than the 10-month salaries for the average college graduate. Thus, the evidence suggests that total teacher salaries are competitive with non-teacher salaries throughout the state of Washington.

The evidence on relative base salaries is much more mixed. Relative base salaries are above the 10-month threshold in all of the county clusters except Cowlitz, Klickitat and Wahkiakum counties in southwestern Washington. They are below the 83 percent threshold in all of the major metropolitan areas except Bellingham and Spokane. The base salary for an average teacher in the Seattle metropolitan area is only 71 percent of the average salary for a college graduate.

Figure E.1: Relative Teacher Salaries by Labor Market, 2010-11



Note: Relative teacher salaries are the full-time-equivalent teaching salaries divided by the prevailing salary for all college graduates in each location.

Source: Author's calculations using OSPI's S275 files and the updated CWI.

The complete report presents similar analyses for a variety of school district personnel. The analysis examines two additional teacher groups—beginning teachers and teachers who are certified in math and science. It also examines relative prevailing salaries for a variety of other certified and classified personnel, including school administrators, educational staff associates, teacher aides and food service workers.

Together with the analysis of all teachers, these analyses support four key findings:

1. The salaries most Washington teachers actually receive (i.e. their total final salaries) meet or exceed the salaries received by comparable non-teachers in their communities. On average, teachers in Washington earn 91 percent of the annual salary for the average college graduate, despite working a substantially shorter year. Only 30 school districts, which serve only 4 percent of the school children in Washington, pay total teacher salaries below the average 10-month salary for a typical college graduate.
2. In contrast, the teacher salaries funded by the state through the school finance formula (i.e. the base salaries) are not competitive in most major metropolitan areas. Although base salaries are competitive in some parts of the state, less than one quarter of the school children in Washington attend a school district where base teacher salaries equal or exceed the 10-month salary for a typical college graduate. The base salary for an average teacher in the Seattle metropolitan area is only 71 percent of the average salary for a college graduate.
3. As a general rule, non-teaching school district employees receive salaries that are competitive with or well above those received by their counterparts outside of the education sector. The only major exceptions are the instructional aides. Teacher aides earn substantially less than the typical high school graduate throughout the state.
4. The non-teaching salaries funded by the state are generally not competitive. In the Seattle and Kennewick metropolitan areas, for example, the salary allocation for school district administrators represents less than 63 percent of the prevailing salary for comparable managers, on average.

Comparing Base Teacher Salaries across States

The Schools and Staffing Survey (SASS) is conducted periodically by the National Center for Education Statistics. Public school districts, principals and teachers throughout the nation are surveyed about a variety of education topics, including teacher salaries and benefits. Those survey responses are the best available evidence for determining whether or not teacher salaries in Washington are competitive with those in other states and form the basis for the analysis in this section of the report. In all cases, salaries have been adjusted for regional differences in labor cost using the updated CWI.

The most recent SASS covers the 2007-08 school year and surveyed school districts about their "normal yearly base salary." Thus, this is an analysis of base salaries rather than total salaries. In 2007-08, total final salaries (excluding extracurricular and public activities) exceeded base salaries by an average of 15 percent in Washington, so the salaries that

teachers actually received were probably more competitive than their base salaries. Unfortunately, the SASS provides no information on the relationship between base salary and total salary in each state, so it is impossible to say how much more competitive.

Analysis of the SASS suggests that base teacher salaries in Washington are low by national standards. After adjustments for regional differences in labor cost, only Colorado, North Dakota, Iowa and Washington DC had base salaries for starting teachers that were lower than those in Washington. Cost-adjusted base salaries for mid-career teachers were also near the bottom of the national distribution. Because base salaries in Washington have risen more slowly than salaries in other occupations since 2007-08, it is unlikely that Washington's position relative to other states has improved substantially over the last few years.

Comparing Fringe Benefits across Sectors

The third and final lens compares the typical benefits packages in public education to those available in the private sector. The evidence presented here comes from the U.S. Bureau of Labor Statistics (BLS) and from analyses of survey data conducted by the Economic Policy Institute (EPI) and the Employee Benefits Research Institute (EBRI). Those sources can be used to compare benefits in Washington with benefits in the rest of the country and to compare benefits by occupation. Given the limitations in the data, it is not possible to reliably compare benefits by occupation within the state of Washington. However, the evidence suggests that the benefit patterns for the state of Washington largely mirror those of the nation as a whole.

Here, the evidence is clear. Teachers in Washington are more likely to receive retirement and health insurance benefits than comparable private sector employees, and school districts pay more for teacher benefits than comparable employers pay for non-teacher benefits.

Conclusions

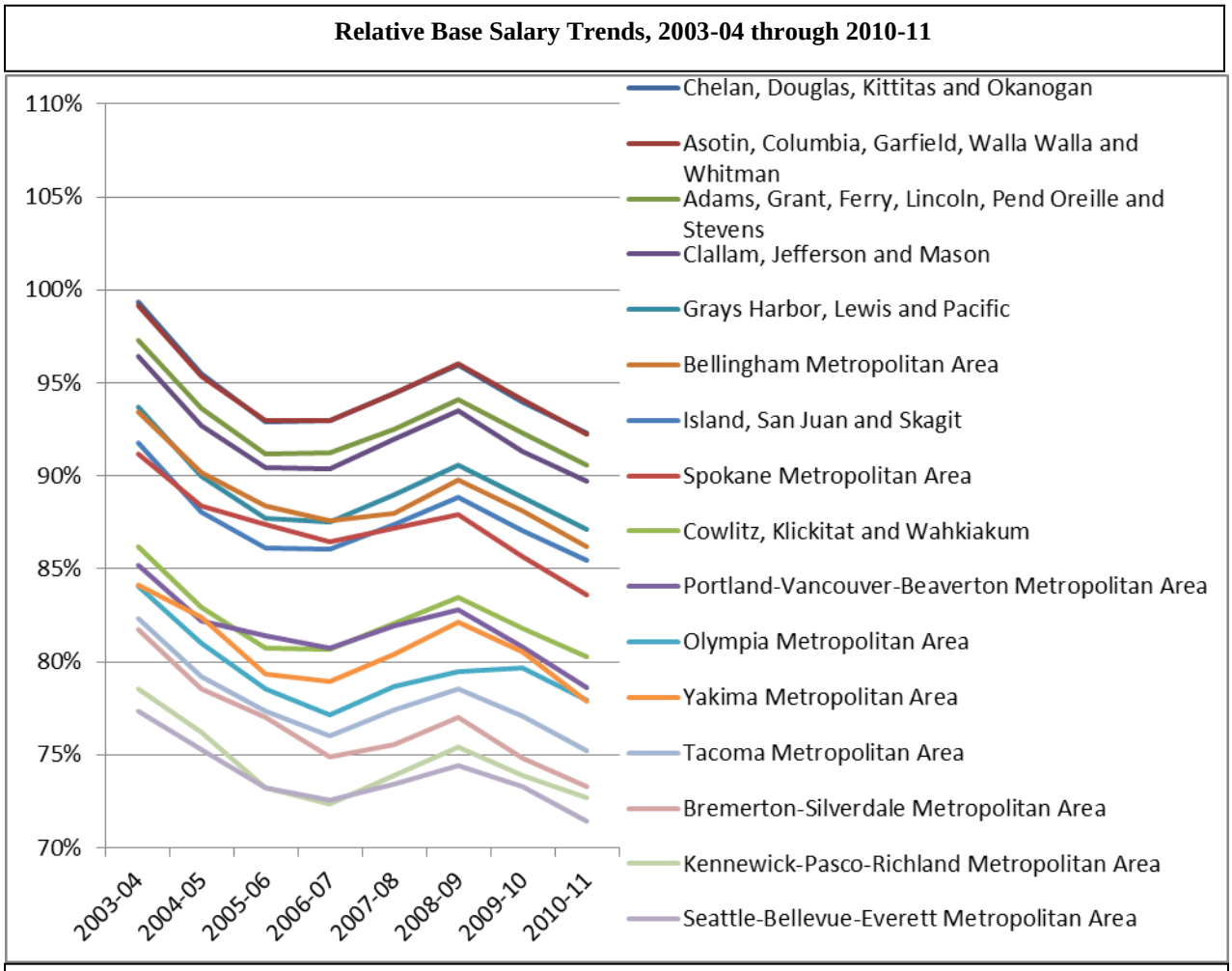
Each of the three lenses used in this analysis report provides a slightly different perspective on educator compensation in the State of Washington. All told, the evidence suggests that teacher base salaries are generally not competitive with teacher base salaries in other states or with comparable non-teacher salaries in metropolitan Washington. Base salaries are also not competitive for most non-teaching personnel. On the other hand, total salaries are competitive in most of the state, and the fringe benefits appear unusually generous. As such, the total compensation packages offered by Washington school districts appear sufficient to attract and retain a high-quality workforce.

Note: The full report is available on the Compensation Technical Working Group website.

Cost of Living Adjustment (COLA)

63 percent of Washington voters approved Initiative 732 (I-732) in November 2000[40] to ensure that educator salaries would keep up with inflation. Exhibit 66 developed by Dr. Lori Taylor also illustrates the recent decline in relative base salaries.

Exhibit 66: Relative State Salary Allocation Trends, Washington Teachers



Source: Dr. Lori Taylor calculations using OSPI's S-275 files and the updated CWI; see Figure 7 of the accompanying report, "But Are They Competitive in Seattle? An Analysis of Educator and Comparable Non-educator Wages in the State of Washington."

Initiative 732

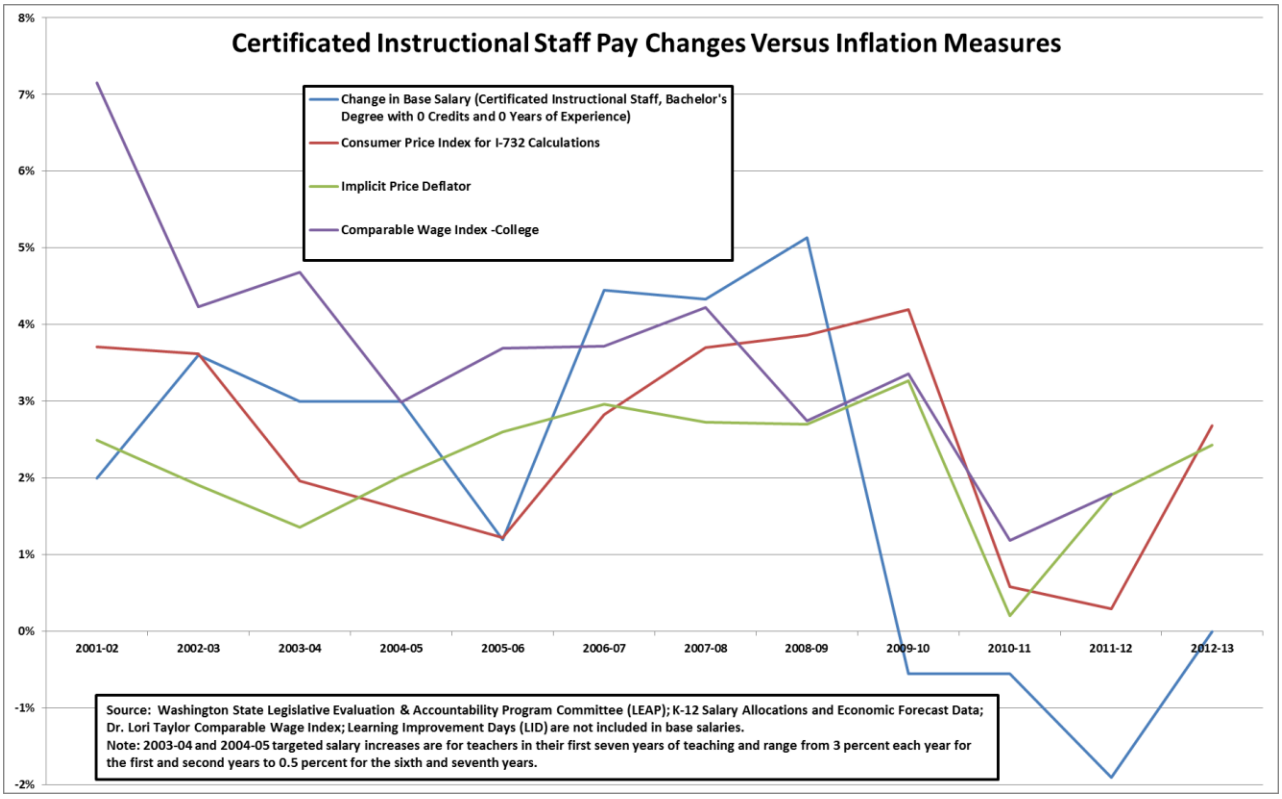
I-732 requires the state of Washington to provide an annual cost-of-living adjustment (COLA) for all K-12 employees, as well as certain staff at community and technical colleges. The initiative states that the COLA shall be based on the Consumer Price Index (CPI) prepared by the United States Bureau of Labor Statistics for the most recent year and shall be applied to all employees of the district. It also directs the legislature to fully fund the cost of living adjustment

as part of its obligation to meet the basic education requirements as laid out in the State of Washington Constitution. Each school district must distribute the COLA in accordance with the district's salary schedules, collective bargaining agreements, and compensation policies, and certify that the district spent the funds for COLAs. At the time of the election, Washington K-12 teachers and other staff as well as community college faculty had not received a cost-of-living raise in four of the prior eight years. The ballot measure stated that funds for the COLA should come from existing resources; Washington was operating with a budget surplus at the time.

After a 2003 ruling of the Washington Supreme Court (McGowan v. State) interpreted I-732 to require the state to provide a COLA for all K-12 staff, including locally and federally funded staff, the Washington State Legislature amended the statute to require payment of a COLA for state-funded allocations only. All staff receive the COLA, so this amendment ensured that dollars required for locally and federally funded staff salary increases would come from alternative funding sources rather than the state. The court also determined that the portion of I-732 declaring the COLA to be part of basic education was unconstitutional. House Bill 6059 suspended funding of I-732 for the 2003-2005 biennium, although funds were allocated for targeted increases to newer teachers and classified staff. The Washington State Legislature allotted $186 million for I-732 and other salary increases for state-funded K-12 employees for the 2005-07 biennium[41]. The Washington State Legislature funded I-732 and other compensation increases with approximately $500 million for the 2007-2009 school years[42]. When legislators again suspended funding for I-732 for the 2009-2011 biennium in Senate Bill 5470 , they specified that the missed COLAs must be caught up during the 2011-2013 biennium; however, House Bill 1132 suspended COLAs for the 2011-2013 and 2013-2015 school years and eliminated the catch-up provision.

The Basic Education Task Force recommended retaining the provisions of Initiative 732 to provide necessary cost of living adjustments to educators and school staff in its final report[43]. The 2008 Full Funding Coalition recommended an increase in average salaries for all K-12 staff beyond the COLA appropriated for I-732[44]. The 2010 State of Washington Total Compensation Survey indicates that 35 percent of respondents currently pay an annual adjustment to staff based on an inflation index.[45]

Exhibit 67: Base Pay for Certificated Instructional Staff Compared to Inflation



The change in base salary as shown in Exhibit 67 is the annual percentage change in the state salary allocation schedule for a teacher with zero years of experience, a Bachelor's Degree, and zero additional credits. The Consumer Price Index represents the change in a market basket of goods and services in the Seattle metropolitan area as reported by the Economic and Revenue Forecast Council. The Implicit Price Deflator measures the change in the level of all domestic goods and services (gross domestic product) produced in the United States rather than a specific market basket. The comparable wage index was prepared by Dr. Lori Taylor and represents the change in the level of wages in non-education occupations requiring at least a Bachelor's Degree compared to the national average.

Cost of Living Adjustment Recommendation

The Compensation Technical Working Group recommends that the Seattle-Bremerton Consumer Price Index be applied annually to salary allocations as recommended in this report. As evidenced by Exhibit 67, K-12 state allocated teacher salaries are falling behind compared to several common measures of inflation for Washington, particularly in the last three years when the state decreased funding for base salaries. In order to remain competitive, school districts must rely on local funding and other available sources to attempt to keep all salaries at an equitable level and to make up for employees' loss of purchasing power, shifting a greater percentage of the salary burden onto individual school districts instead of the state (See Exhibit 49). RCW 28A.400.201(3) requires the Compensation TWG to conduct a comparative labor market analysis of salaries for school district employees; however, without cost of living

adjustments, the state allocated salaries will soon lag other occupations and school districts will again have to rely on local funding or other adjustments to continue to pay competitive wages. All recommendations in this report assume that a cost of living adjustment as mandated by I-732 will be applied to K-12 salaries on an annual basis in order to maintain the comparable salary levels as suggested.

In addition, the Compensation TWG recommends that an updated comparable wage analysis be prepared every four years to ensure that educator salaries remain competitive with salaries in other industries. The market basket factor used as an inflation adjustment measures the change in the cost of goods and services, not wages; therefore, while the COLA is intended to compensate K-12 staff for changes in purchasing power, an updated comparable wage analysis will ensure that K-12 salaries remain competitive with like occupations and the state can continue to attract and retain the highest quality educators.

Average Employee Benefits

The Compensation Technical Working Group considered K-12 employee basic healthcare benefits and retirement benefits as part of the labor market analysis required by RCW 28A.400.201. However, it is important to note that benefit information is limited both regionally and nationally and comparability to other occupations and industries is difficult to measure.

Health Benefits

The Washington State auditor prepared an analysis of K-12 employee health benefits in February 2011. This report states that school districts paid 84 percent of health benefit premiums in 2009-2010; the state paid 64 percent of the total cost, while districts paid the remaining 20 percent with alternative funding sources.[46] The amount paid by K-12 staff ranges from 5 percent of premium for single plans to 39 percent for the employee plus a family,[47] although this amount varies by district due to allocations provided in local bargaining agreements and funding availability. The U.S. Bureau of Labor Statistics (BLS) National Compensation Survey reports the percentage of premiums paid by employers nationally for single coverage and family coverage separately. The ranges shown in Exhibit 68 represent the span of employer paid share of health care benefits for individual and family coverage.

Exhibit 68: Comparison of Employer Health Benefits

Employer	Percentage of Health Care Benefits Paid by Employer (2010)
Washington K-12 paid by state	64%
Total Washington K-12 (includes local funding)	84%
Private Industry (all employees)	67% to 77%
Private Industry (500 workers or more)	71% to 77%
Private Industry (Pacific Region)	66% to 79%
Private Industry (union employees)	82% to 88%
Private Industry (nonunion employees)	64% to 75%
Private Industry (full-time workers)	67% to 77%
Private Industry (part-time workers)	64% to 75%
Private Industry (Educational Services)	62% to 77%
State governments	75% to 87%
Local governments	72% to 89%
Source: U.S. Bureau of Labor Statistics National Compensation Survey, December 2010	

It is not possible to measure the quantity and quality of health care benefits and services purchased in the plans, so a direct comparison is not precise. In other words, the total dollar amount and benefits included in these plans is unknown. However, it appears that the total percentage of health care premiums paid by school districts and the state is on par with the national average of state and local government as well as other unionized workforces, while the

amount paid by the state alone is more comparable to the average paid by private companies. It must be noted that additional funding availability varies by school district; the state average of premiums paid by school districts is 20 percent but the variance between districts may be significant.

Retirement Benefits

Washington K-12 employees are currently eligible for a defined benefit retirement plan. This type of plan provides an annuity benefit, or a fixed lifetime amount paid on a regular basis and based on years of service and final salary. Newer employees may be in a defined benefit plan with a defined contribution element. Effective September 1, 2011, the state of Washington contributes 8.04 percent of pay to the Teachers Retirement System (TRS), 7.25 percent of pay to the Public Employees' Retirement System (PERS), and 7.59 percent to the School Employees' Retirement System (SERS)[48]. Employee contributions range from 3.16 percent to 6.0 percent, depending on the plan. On a national level, state and local governments contribute about 6.8 percent of pay to primary, secondary, and special education teacher retirement plans and 6.4 percent of wages to all defined benefit plans according to BLS (December 2010).

Exhibit 69: Comparison of Employer Retirement Benefits

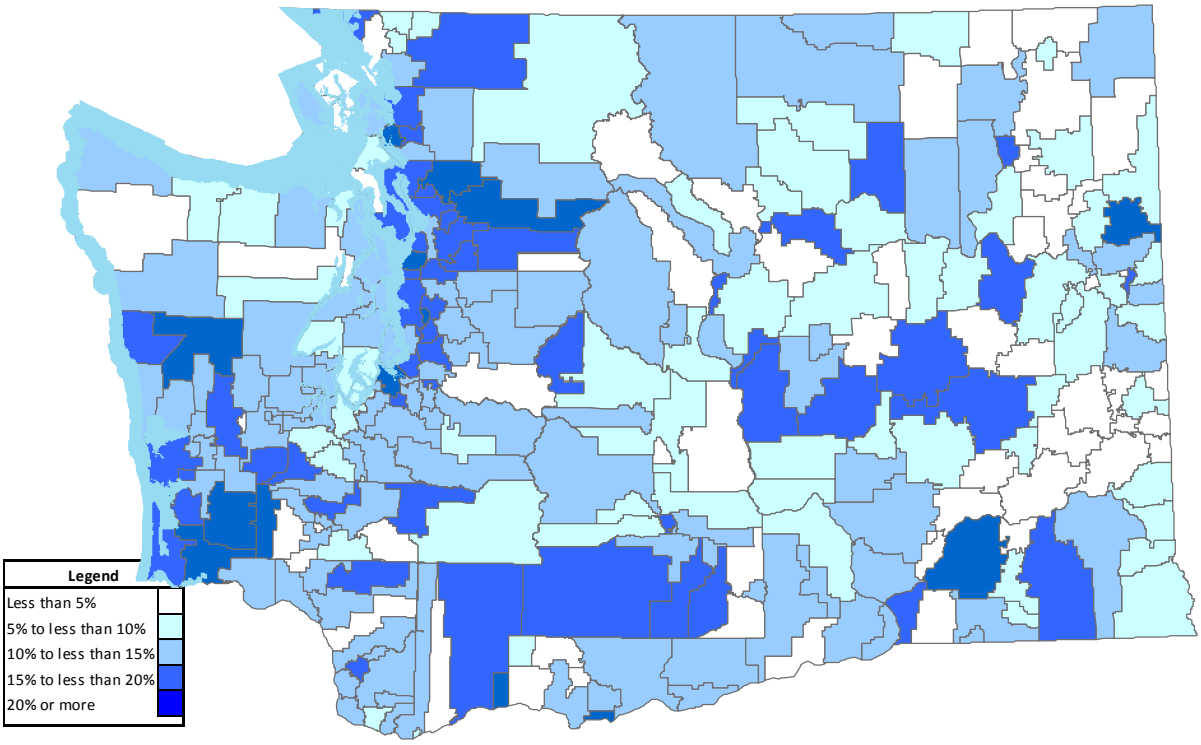
Employer	Employer Contribution – Defined Benefit Plan (2010 Annual)
State of Washington	
• Teachers Retirement System (TRS)	8.04%
• Public Employees' Retirement System (PERS)	7.25%
• School Employees' Retirement System (SERS)	7.59%
Private Industry (all employees)	4.6%
Private Industry (500 workers or more)	2.7%
Private Industry (Pacific Region)	6.4%
Private Industry (union employees)	5.2%
Private Industry (nonunion employees)	4.5%
Private Industry (full-time workers)	4.5%
Private Industry (part-time workers)	5.6%
State/local government – Elementary/secondary schools	6.6%
State governments	5.9%
Local governments	6.5%
Source: U.S. Bureau of Labor Statistics National Compensation Survey, December 2010	

BLS does not report employee contributions to retirement plans, so it is difficult to make a thorough analysis of the total amounts invested in the arrangements. In addition, BLS does not report the level of benefits and qualifications to receive benefits, such as retirement age and years of service. Plans also accept varying levels of risk and record divergent levels of return on employer and employee investments. It is also important to note that Second Engrossed Senate Bill 6378 (2ESB 6378) directs the select committee on pension policy, with the assistance of the office of the superintendent of public instruction, and shall also study existing early retirement

factors and job requirements that may limit the effectiveness of the older classroom employee. The effects of any changes are currently unknown. However, it appears that Washington State retirement contributions for K-12 employees are slightly higher than other state and local governments as well as the private industry in our region and more generous than those in private industry.

The state of Washington allocates $9,216 per FTE for health care benefits in the 2011-12 school year. Exhibit 70 illustrates the additional cost of benefits that is borne by school districts in excess of the state allocation to provide a competitive total compensation package to K-12 staff.

Exhibit 70: Additional Benefits per FTE Above State Allocation



Summary

While benefits appear to be adequate to attract and retain a high-quality workforce, it is difficult to make a direct assessment against comparable occupations due to the variances in plan offerings and limitations in the data. As Dr. Lori Taylor notes in the accompanying report, *"But Are They Competitive in Seattle,"* public sector employees are more likely to have health care and retirement benefits than private sector workers.[49] Washington K-12 employees receive benefits at approximately the same levels as other government workers. However, the Compensation TWG is unable to determine a dollar value that an individual may place on these benefits when making a career choice. In addition, as evidenced by Exhibit 70, school districts

are supplementing state payments for benefits using local funds in order to provide a competitive total pay package to employees. There is no solid research that predicates the role of health and retirement benefits in career decisions of educators.[50] While DeArmond and Goldhaber posit in a recent report on teacher pensions that "there is some evidence to suggest that prospective teachers consider fringe benefits a high priority when weighing the attractiveness of a career in teaching,"[51] they concede that this preference may vary by individual characteristics. Some researchers argue that lack of portability in certain state retirement plans may be a disincentive for particular groups of workers to enter education professions.[52] Employee mobility has increased in recent years and many young workers anticipate holding multiple jobs during their careers.[53] A recent study found that a retirement plan is more likely to affect retention than recruitment.[54] Almost 65 percent of respondents younger than 35 with a defined benefit plan stated that the retirement plan was of low or no importance in attracting them to the job, compared to about 50 percent of workers 45 or older.[55] A 2002 study found that 25 percent of respondents took or left a job because of benefits; 6 percent make the job choice due to the retirement plan offered and 5 percent made the choice because of a lack of retirement plan.[56] The 2010 State of Washington Total Compensation Survey indicates that 56 percent of responding organizations currently offer a defined benefit pension plans to newly hired staff.[57]

Benefits Recommendation

The Compensation TWG recognizes that benefits, including retirement and health benefits, are part of the total compensation package offered to K-12 employees. Total funding for retirement plans for K-12 staff appears to be at a higher rate than other employers while state allocations for health care plans for K-12 employees are lower than other employers. Because of the uncertainties in interpreting the role of benefits in recruitment and retention of the K-12 workforce and the evidence that overall benefits are competitive with similar employers, the Compensation TWG does not suggest any adjustments in comparable wage recommendations due to a difference in "other compensation" or benefits.

APPENDIX 5 – Salary Allocation Model Supplemental Information

Certification

In Washington State, the Professional Educator Standards Board (PESB) has defined two levels of certification for new teachers- residency and professional certification. The two tiered system was designed to follow a career progression from entry or novice levels of skills to career or advanced levels. The ProTeach Portfolio was developed to provide teachers holding a residency certificate with an evidence-based, uniform assessment through which to demonstrate the required knowledge and skills that demonstrate a positive impact on student learning in order to attain a professional certificate. The Washington Administrative Code (WAC) further clarifies that such a teacher is defined as a "teacher, through instruction and assessment, who has been able to document students' increased knowledge and/or demonstration of a skill or skills related to the state goals and/or essential academic learning requirements."[58]

The knowledge and skills that teachers are expected to know and demonstrate are part of the PESB's Program Approval Standards and are based on the national Interstate Teacher Assessment and Support Consortium (InTASC) standards.

Knowledge and skills-based pay is additional compensation for the attainment and continual development of specific skills, knowledge and competence in effective teaching practices that leads to increased student achievement. Many knowledge and skills-based pay structures are tied to well-established national standards for educator practice, like the Interstate New Teacher Assessment and Support Consortium (InTASC)[59] or National Board for Professional Teaching Standards (NBPTS)[60], while others have been directly linked to school or district defined needs for professional development.

Knowledge and skills-based pay in public education is based on the concept of competency pay from the private sector. Initially called "skills-based pay", it has been used "as a generic term to describe compensation for individuals for the skills they demonstrate, rather than for the particular job they occupy". [61] "Competency pay" is a more recent term used to describe pay for the development of "more abstract knowledge or for behaviors that are less easily observable than most skills in skill pay".[62] Competency pay in the school setting can support the development of "a culture of concern for personal growth and development of a highly talented work force,"[63] which is the basis for knowledge and skills-based pay structures. In public education settings, such a pay structure could be used "to provide incentives for teachers to develop their knowledge, skills and competencies in new and more effective forms of pedagogy, deeper and more conceptual subject matter knowledge needed to teach consistently with the ways children learn advanced cognitive expertise, and the leadership and

management skills needed to engage in effective school-site management and decision making."[64]

In a single salary schedule, a teacher receives additional pay increases related to the number of years of service and additional degrees or college credits acquired. In a knowledge and skills-based pay structure, teachers are provided additional pay increases through demonstration "that they have acquired and can apply classroom-relevant knowledge and skills that represent higher levels of expertise or higher levels of teaching practice."[65] The proposed salary allocation model by the Compensation Technical Working Group (TWG) provides pay increases through the levels of certification. The certification process involves multiple objective measures of the knowledge and skills of a teacher.

In most of the sample salary allocation models reviewed by the Compensation TWG, the models were aligned to the levels of certification for a teacher and modeled on the amount of years a teacher would spend in each level. Several models included a third level for a master teacher which led to discussion on how a master teacher would be defined and distributed. The Compensation TWG concurred with the master teacher recommendation by the Professional Educator Standards Board (PESB) that found a third level Washington certificate for master teacher would be duplicative of National Board for Professional Teaching Standards certification and would not be portable from state to state.[66]

Arguments For Including Certification Level in the SAM

- The authorizing statute for the Compensation TWG clearly states that the salary allocation model should be aligned to certification expectations.
- The certification process is designed to allow teachers to gain additional knowledge and skills and demonstrate them in an objective assessment.
- The continuum of teacher knowledge and development is recognized in the certification levels, with an entry level residency certificate, a middle level professional certificate and an optional advanced National Board for Professional Teaching Standards (NBPTS) certificate.
- Research indicates that the InTASC standards that the residency and professional certification are aligned to have a significant influence on teacher effectiveness.[67]
- Increases in pay should be tied to both the attainment of additional professional development, but also the demonstration of professional competencies through the certification assessments, ProTeach Portfolio and the NBPTS certification process.

Arguments Against Including Certification Level in the SAM

- Research has not been completed on the effect of the ProTeach Portfolio and professional certification attainment on student achievement and teacher effectiveness.
- Additional resources will be needed to track the status of teacher certification in order for certification steps on the salary allocation model to be paid.
- Additional guidance from PESB is needed to define how teachers with historical licenses or out of state licenses will be placed on the salary allocation model.

- Allowing a certificate to lapse or not be renewed would result in no movement on the salary allocation model.

Certification Recommendation

The Compensation Technical Working Group recommends that the salary allocation model be aligned to the residency and professional certification levels. Additionally, National Board for Professional Teaching Standards certification is embedded in the salary allocation model, rather than being paid as a separate bonus. The additional increases in compensation identified in the salary allocation model occur for the professional certificate level and a minimum of four years of experience and as a proxy for the first renewal of the professional certificate at nine years of experience.

Years of Experience

In the teaching profession, experience is highly valued with a majority of states paying for increased experience. Experience is a common factor in many human resource policies: "the idea is that experience, gained over time, enhances the knowledge, skills and productivity of workers."[68]

It is difficult to measure the effect of experience on teacher effectiveness; however some broad conclusions can be made about the relationship between educator experience and effectiveness. In general, it appears some experience does have an impact on student achievement, although less than other measurable teacher attributes.[69] The impact of experience on teacher effectiveness is the most pronounced in approximately the first six years of teaching, with the increased effectiveness leveling off over time.[70] Other research indicates that teachers with more than 20 years of experience are more effective than teachers with no experience, but are not much more effective than those with five years of experience.[71]
The Compensation Technical Working Group discussed the value of years of experience, including references to the Washington State Institute for Public Policy (WSIPP) meta-analysis (Exhibit 1-Estimates of the Effect of Years of Teaching Experience on Student Outcomes) that found the effect of teacher experience on student learning being the most pronounced in the first five years.[72] After this initial period of rapid growth and improvement, the gains in effectiveness become smaller.

Some members believed delaying an increase in compensation until after the fourth year of experience will incentivize the retention of certificated instructional staff. National research indicates a relationship between turnover and experience, "with the least and most experienced teachers most likely to depart their schools."[73] According to the Professional Educator Standards Board (PESB), in Washington this pattern holds true with, "most of the teachers who leave a district do so earlier in their careers. There is also a bump for those who leave at about 30 years of experience, presumably to retire."[74]

However, some members did not believe that the increase should be delayed until after the fourth year of experience. The Washington State Legislature and PESB designed a continuum of teacher development that encourages teachers to pursue professional certification post-induction with achievement of the certification by the end of their third year of teaching. The concern is that a delay in the percentage increase until the fifth year of teaching, after the individual has attained four years of experience, will cause educators to delay gaining the knowledge and skills competencies represented by the professional certificate one year. Thus the recommendation from some members was a smaller increase for teachers attaining the professional certificate at year four, after three years of experience, which would join with the 20 percent retention-related increase at year five, after four years of experience.

Arguments For Including Years of Experience in the SAM

- Some believe that providing increased pay after a certain number of years of experience will improve teacher retention.
- As teacher effectiveness increases the most dramatically in the first five years, additional compensation should be directed to that period.
- By virtue of remaining current on certification expectations and receiving successful evaluations, more experienced teachers are usually the more effective teachers.
- Additional increments for years of experience is a model teachers are familiar with nationwide.

Arguments Against Including Years of Experience in the SAM

- Experience serves as a proxy for effectiveness; it is not a direct measurement of teacher effectiveness.
- Default longevity compensation increases do not incentivize behavior and some ineffective teachers could continue to receive increased compensation.
- The rate of effectiveness declines with more years of experience, at some point teachers may not be as effective and should not receive additional compensation.

Experience Recommendation

The Compensation Technical Working Group (TWG) recommends that experience be tied with the progression from the residency certification to the professional certification or the NBPTS certification with bumps after four and nine years of experience. The first increase after four years of experience is contingent with attainment of the professional certificate. The proposed salary allocation model reduces the number of annual increments from the current model, allowing employees to maximize their compensation earlier in their career and increase the recruitment of additional employees into public education. The Compensation TWG recommends that an annual cost of living adjustment (COLA) be applied to all salary allocations. It is important to note that this COLA will be provided every year, regardless of the employees' placement on the salary allocation model.

National Board for Professional Teaching Practices (NBPTS)

The Compensation Technical Working Group (TWG) reviewed several methods of defining an accomplished teacher for the purpose of providing additional compensation for such teachers on the salary allocation model. Part of their analysis included the discussion of a "master teacher" definition in the report, "*Strengthening The Continuum of Teacher Development: Professional Educator Standard's Board Response to the Charges in ESHB 2261"*. In this report, the PESB concluded that a separate license for a "Master" teacher would be cost prohibitive and duplicative of National Board for Professional Teaching Standards certification, which has national prestige and reciprocity with many states. The Compensation TWG concluded that National Board for Professional Teaching Standards (NBPTS) certification would be the process through which to recognize accomplished teachers in the salary allocation model.

The Washington State Institute of Public Policy (WSIPP) (Exhibit 4-Estimates of the Effect of Having a NBPTS Certified Teacher on Student Outcomes) reviewed studies on the effect of NBPTS-certified teachers on student achievement outcomes, with the research question *"Are NBPTS-certified teachers more effective than non-NBPTS certified teachers?"* The WSIPP meta-analysis of previous research found that "a teacher with NBPTS-certification can boost student test scores from 0 to .06 standard deviation units per year; best estimate= .026 standard deviations."

While the WSIPP meta-analysis of the effect NBPTS-certified teachers have on student achievement found that students taught by a NBPTS-certified teacher outperform those taught by a non-certified teacher, it should be noted that no research focused on the effect of National Board certification on student learning within Washington state has been conducted to date.

Additional areas of research have been identified to further understand the NBPTS certification effect:

- The majority of research has found that the process of attaining a NBPTS certification leads to increased teacher knowledge and effectiveness as well as the fact that the NBPTS process is an effective means of recognizing teachers who are already highly effective.
- The use of NBPTS-certified teachers in additional roles and responsibilities within schools and school districts, such as instructional coaches, mentor teachers and teacher leaders has been studied. The majority of research has found that NBPTS-certified teachers are more involved in leadership opportunities following attainment of the certificate.
- Research has found that NBPTS-certified teachers have the same or lower rates of exiting the public education system compared to other teachers.

Arguments For Including NBPTS Certification in the SAM

- Effective, highly trained and certificated teachers should receive additional compensation based on their ability to greatly affect student achievement.
- NBPTS-certified teachers benefit other teachers within their school and school district, serving as a resource on best teaching practices.
- Teachers are motivated by the idea that there is a career continuum where additional knowledge and skills is recognized with additional compensation.
- By embedding compensation for NBPTS in the salary allocation model, the funding will be guaranteed and not subject to reductions by the Legislature. The existing bonuses are a part of an NBPTS certified teacher's planned annual income and therefore should be stabilized in our state funding system.

Arguments Against Including NBPTS Certification in the SAM

- Some teachers feel that providing additional compensation for "accomplished" teachers could negatively impact the collaborative relationship between teacher colleagues.
- The NBPTS certification process is costly, time consuming and largely dependent on an individual teacher's capacity to assume the cost and time obligations. There are conditional loans available from the state that depends on successful completion and awarding of the NBPTS certification.
- The proportion of NBPTS-certified teachers within a district is inequitable around the state and within school districts, leading to unequal access to accomplished teachers.
- Many schools and districts have not yet identified the leadership potential of NBPTS-certified teachers to assist with school improvement efforts and other education reforms.

NBPTS Certification Recommendation

The Compensation TWG recommends that an accomplished teacher distinction should be included in the salary allocation model; the group believes that NBPTS certification is an objective measure of accomplished teaching and should be embedded in the salary allocation model. As such, the group recommends that compensation for NBPTS certification be included in the definition of basic education.

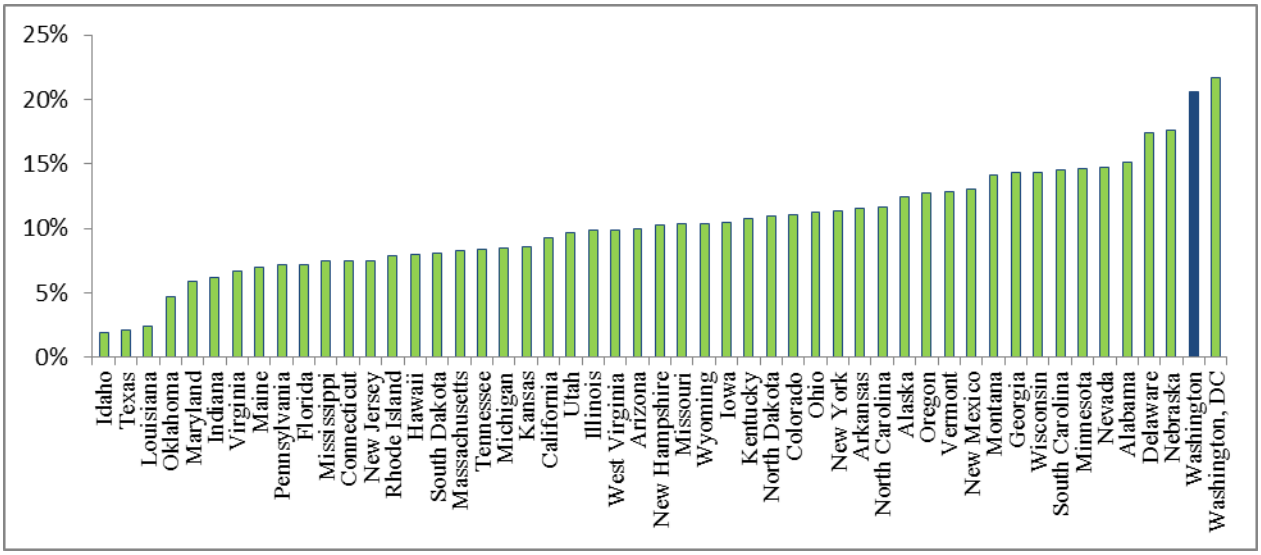
Levels of Education

Earning advanced levels of education beyond the entry degree (Bachelor's degree) required to join the teaching profession is currently part of the salary allocation model, with increased compensation for a Master's degree or Ph.D. and additional clock hours or credit hours. Nationally, half of all teachers hold Master's degrees and the number of teachers in the United States with Master's degrees has nearly doubled in the last 50 years.[75] States and school districts have viewed an advanced degree as a proxy for teacher quality and many financially

incentivize the movement from a Bachelor's to Master's degree through an increased compensation, often called the "master's bump." The research on graduate degrees and teacher effectiveness is limited to studies that measure the effect on student achievement in only a few subjects and grade levels. The studies have found mixed results. The Washington State Institute for Public Policy (WSIPP) (Exhibit 2- Estimates of the Effect of Teacher Graduate Degrees on Student Outcomes) conducted a meta-analysis on graduate degrees, in general, and found that the effect of general graduate degrees on student achievement gains is minimal. The WSIPP meta-analysis on in-subject Master's degrees (i.e. a Master's in Math for a teacher teaching math) shows some association with higher student scores on tests.

Educational levels, including Master's degrees in general and Master's degree in the subject a teacher is teaching were discussed by the Compensation Technical Working Group, with division on whether education levels should be included in the base allocation model. Requiring that the degree match the assignment of a teacher could have unintended consequences, with some teachers being asked to work out of subject area and no longer being eligible for the increased pay. Some members felt that degrees should only be recognized if they are part of an educator's professional growth plan. Other members felt it should not be included because the research indicated that it does not have an effect on student achievement, as measured by student test scores. Targeting continuing education for specific competencies or outcomes was preferred, not awarding just any type of credits or clock hours. The discussion also included how to incorporate a beginning teacher who enters the profession with a Master's degree.

Exhibit 71: The Base Salary Premium for a Master's Degree, by State, 2007-08



Source: U.S. Department of Education, National Center for Education Statistics, Schools and Staffing Survey (SASS), "Public School District Data File," 2007-08. The degree premium is the salary for a teacher with an MA and zero years of experience divided by the salary for a teacher with a BA and zero years of experience.

As displayed in Exhibit 71, the premium that states have invested in Master's Degrees or the "master's bump" varies greatly. Washington State currently pays the highest differential between a Master's degree with zero years of experience and a Bachelor's degree with zero years of experience at 21 percent.

Arguments For Including Levels of Education in the SAM

- Public education is dedicated to educational attainment; in line with that value, teachers should be compensated for additional graduate degrees and clock hours/credits obtained.
- Master's degrees, whether in subject area endorsements or in general elementary or secondary education, result in a more educated employee and such professional development should be compensated.

Arguments Against Including Levels of Education in the SAM

- Research seems to indicate that Master's degrees, in general, are not associated with increased student achievement.
- The current salary allocation model Master's degree bump is 21 percent, while the national average is 9 percent. Washington should not continue to financially reward a course of study that is not associated with increased effectiveness.

Levels of Education Recommendation

The Compensation Technical Working Group recommends that educational levels be included in the salary allocation model. The group believes that advanced degrees should be approved by the school district and related to current or future teaching assignments in order to receive additional compensation.

APPENDIX 6 – Additional Recommendations

Professional Development

The proposed salary allocation model (SAM) moves away from compensation based on credits and clock hours and towards a career ladder compensating teachers for career advancement by attaining higher certifications. The certifications embedded in the SAM measure a teacher's performance against national standards. However, this mechanism does not provide the means for teachers to develop specific knowledge or skills required at a federal, state or local level. The state certification and evaluation systems expect educators to grow professionally. However, the state only funds 180 days of instruction. The 180 school day calendar is focused on student's academic development and does not provide time for educator-focused development. School districts are providing professional development through locally funded days or requesting waivers to the 180 school day calendar in order to embed professional development into the 180 day calendar. In addition, some local school districts are scheduling half days of instruction in order to provide time for professional development during the second half of the day.

The U.S. Department of Education's Institute of Education Sciences reviewed nine rigorous studies of teacher professional development effects on student achievement. The review found that intensive professional development, an average of 49 hours, can increase student achievement scores by 21 percentile points.[76]

The Washington Institute for Public Policy (Exhibit 8-Estimates of the Effect of an Additional Day of General Professional Development on Student Outcomes) also conducted a meta-analysis and found that "focused PD can improve student learning."[77]

Past Policy Recommendations for Professional Development:

Quality Education Council (QEC) 2012 Report:

The Quality Education Council (QEC) recommended in their 2012 report that the Legislature should direct the Compensation Technical Working Group to "include the professional development needs of principals, teachers and classified staff in its work, including mentoring programs for all education employees."[78] The QEC recommendation was based on recommendations from the Educational Opportunity Gap Oversight and Accountability Committee, the Building Bridges Work Group and the various technical working group reports, with the QEC recognizing "the importance of supporting education professionals by providing high-quality training and mentoring."[79]

Additionally, the QEC recommended that the Legislature direct the Compensation Technical Working Group to "include the possible need for science, technology, engineering and math (STEM) related professional development in its examination of educator professional development needs, and examine strategies and incentives to recruit and retain STEM teachers." The QEC also recommended that "the Legislature should direct the Compensation Working Group to utilize educator professional development needs data, including cultural competency and competency in language acquisition for the following purposes:

i. to identify strategies and incentives to recruit and retain diverse teachers;
ii. to examine data from other states regarding certification options and requirements that support competency in language acquisition and cultural competency;
iii. to identify professional development requirements for continuing teachers regarding cultural competency and language acquisition; and
iv. to identify current policies that make it difficult to recruit and retain diverse teachers.[80]

Basic Education Finance Task Force (BEFTF):

The Basic Education Finance Task Force (BEFTF) recommended increasing the number of Learning Improvement Days (LID's) to ten as part of their proposed salary allocation model. Additional recommendations included providing a mentoring professional development program to new and early career teachers, with intense support during a teacher's first year and progressive decreases in intensity based on need.[81]

Washington Learns

The Washington Learns Committee recommended that the Office of Superintendent of Public Instruction design and pilot a professional development delivery system that focuses on teacher knowledge and skill areas identified by the state.[82]

Arguments For Funding Professional Development Time:

- Gaining additional expertise through professional development units geared to individual professional growth plans is supported by the teacher licensure requirements through the Professional Educator Standards Board.
- Evaluation systems will require more focus on professional development and improvement over time, necessitating more funded professional development.
- Local school districts could focus on locally determined needs to respond to the needs of students. The professional development time could be flexible to change over time to allow for responsive intervention and teacher development.

Arguments Against Funding Professional Development Time:

- Some professional development programs are not aligned to state expectations for teacher development and should not be included for the purposes of providing additional compensation.
- Additional resources would be necessary to manage a professional development structure to review and verify the training completed by teachers.

Professional Development Recommendation:

The Compensation TWG recommends that the state include ten professional development days for certificated instructional staff in the definition of basic education. School districts should have the flexibility to distribute the time in a manner that best fits their needs. The group discussed the possibilities of professional learning communities, individual professional growth planning, and focused seminars. The time should be directed to educator growth in the state expectations for teacher certification and development.

The Compensation TWG also recognizes that professional development for instructional aides is critical as they work in partnership with teachers to provide a comprehensive education for K-12 students. The Compensation TWG affirms the FTE recommendations for instructional aides found in the Classified Staffing Adequacy Report that includes time for professional development. [83] The Compensation TWG recognizes that additional classified positions may also require additional funding for targeted professional development, but further work is necessary before development of a recommendation for non-certificated instructional staff positions.

Instructional Coaches

Research supports the fact that teacher classroom practices have a significant impact on improving student learning, and the practice of instructional coaching is effective as a professional development strategy to improve instructional practices. Since instructional coaches deliver professional development and improvement strategies in the classroom, researchers find that coaching coupled with job-embedded professional development has an even larger impact on student achievement. The significant impact of instructional coaches in the broader professional development program has been noted by Joyce and Calhoun (1996)[84], and by Joyce and Showers (2002).[85] Some research also suggests that coaching may increase communication and collaboration between teachers, ultimately increasing teacher effectiveness and satisfaction. Additionally, the research finds that the effects of professional development are almost negligible without the classroom-based coaching.

An instructional coach is defined "as someone whose primary professional responsibility is to bring practices that have been studied using a variety of research methods into classrooms by working with adults rather than students."[86] The majority of the research on instructional coaches is focused on individual cases studies of programs and characteristics of successful instructional coaching programs. However, the research identifies "three broad categories of skills that an effective coach should possess: pedagogical knowledge, content expertise and interpersonal skills."[87] The instructional coaching model allows for "opportunities for professional development for teachers and principals modeled on the expectations of students in standards-based reform."[88] Coaches help other teachers expand their pedagogical content knowledge and their teaching skills, update and extend their teaching strategies, reflect on student thinking, design effective lessons for all the students in their classes and use a variety of feedback and assessment data to assess and revise continuously.[89]

Past Policy Recommendations for Instructional Coaches

Quality Education Council Report (2010)

The Quality Education Council provisionally recommended the following FTE for professional development coaches in each prototypical school:

- 0.6 FTE facilitators for a 400 student prototypical elementary school
- 0.7 FTE facilitators for a 432 student prototypical middle school
- 1.0 FTE facilitators for a 600 student prototypical high school

Basic Education Finance Task Force (BEFTF)

The BEFTF recommended the following FTE coach ratios based on each prototypical school model:

- 0.5 FTE facilitators for a 400 student prototypical elementary school
- 0.5 FTE facilitators for a 432 student prototypical middle school
- 0.75 FTE facilitators for a 600 student prototypical high school

Washington Learns

The Washington Learns report included a recommendation of an allocation of 2.5 FTE instructional coaches for a school of 500 students or 1 instructional coach for every 200 students. This translates into:

- 2.2 FTE facilitators for a 432 student prototypical elementary school
- 2.25 FTE facilitators for a 450 student prototypical middle school
- 3.0 FTE facilitators for a 600 student prototypical high school

Arguments For Funding Instructional Coaches

- Instructional coaches support school improvement efforts, are responsive to teacher professional development needs and provide opportunities for increased teacher effectiveness which can increase student achievement gains.
- The evaluation and certification systems require continued professional development and improvement activities and should be supported by a dedicated staff member.
- Due to the multiple state and national educational policy changes, it is necessary to have at least one person responsible to disseminate and educate staff members on the changes and best practices for implementation.

- Providing an allocation for instructional coaches provides career enlargement opportunities for successful teachers to serve in advanced leadership roles, which may help retain teachers.

Arguments Against Funding Instructional Coaches

- Effective teachers should remain in the classroom teaching students, not pulled out to provide professional development and coaching to colleagues.
- Instructional coaching models vary and there is a need for training and professional development for instructional coaches, in order to ensure an effective program.

Instructional Coaches Recommendation

The Compensation Technical Working Group recommends that instructional coaches are funded through the prototypical school funding model. As an allocation, the school districts can determine the appropriate use of the funding to best support the needs of their teachers and students. As an allocation, school districts could choose to spread the allocation to multiple teachers within a school or centralize instructional coaches at the district office.

Recommended allocation levels for instructional coaches are:

- 1.1 FTE for a 400 student prototypical elementary school
- 1.1 FTE facilitators for a 432 student prototypical middle school
- 1.1 FTE facilitators for a 600 student prototypical high school

The dollar allocation will be based on the average staff mix for each school district as determined by the salary allocation model for certificated instructional staff. Costs include salaries, health and other benefits, and substitute allocation.

Exhibit 72: Estimated Annual Cost of Instructional Coach Recommendation

Annual Cost of Instructional Coach Recommendation			
Prototypical School	**FTE**	**Estimated Annual Cost**	**Estimated Annual Cost Including Benefits and Substitute Allocation**
Elementary School	1,427	$98,610,000	$128,501,000
Middle School	391	$26,993,000	$35,175,000
High School	455	$31,426,000	$40,951,000
Total	**2,273**	**$157,029,000**	**$204,627,000**
Note: Estimated number of prototypical schools based on June 2012 OSPI apportionment. Each CIS FTE is allocated 4 substitute days. Additional FTE include health care and other benefits.			

Mentors

During the 2011-12 school year, $1,000,000 was appropriated for the Beginning Educator Support Team (BEST) program, which was only sufficient to minimally fund programs in 28 districts serving only 173 of the 1,973 first year teachers in the state. Between 1987 and 2008, the Legislature funded the Teacher Assistance Program (TAP) for mentoring beginning teachers and teachers who were having difficulties and the allocation was distributed to all school districts that applied. From 2004 through 2009, the average allocation per teacher was $832. This amount was not adequate to carry out the directives of the legislation, let alone offer a high-quality induction program to address the retention issue and increase student learning in novice teachers' classrooms. As a result, the 2009 Legislature re-purposed TAP resources into the BEST program, and limited the number of participating districts to permit the implementation of effective programs. The BEST program was designed to accelerate new teacher growth in instructional effectiveness and keep novice instructors invested in Washington's public schools. All other districts have used local resources when available to provide any mentoring or induction support to their novice teachers. Local funding resources are not regular and reliable as required for basic education funding.

After the first year of implementation, school districts that received funding for the BEST program were required to provide data on the effectiveness of the program. The Renton School District reported that teachers in years two and three of the mentor program out-performed the total population of Renton teachers through the measure of attributes of teaching that have been correlated to student achievement gains (from Classroom Observation Study by the BERC Group). Federal Way Public Schools reported that the average scores of novice teachers' students on the Gates-McGinite reading assessment administered in kindergarten through tenth grade was comparable to the district average of all students meeting standard in spring 2010; the beginning educators matched the success of experienced peers. BEST program grantee districts also reported that 84 percent of participating teachers remained at the same school and 90 percent remained in the same school district. Less than one percent of participating educators left the teaching profession. Grandview School District reported retention of 87.5 percent of all first and second year teachers after implementation of the BEST program, compared to a historical 70 percent retention standard. An ancillary benefit of the BEST program is the development of key attributes of effective instructional leadership in veteran teachers serving as mentors that leads to professional rejuvenation, new learning, and enhanced professional practices.

Past Policy Recommendations for Mentors

Quality Education Council (QEC) 2010 Report: The QEC recommended that the Legislature should phase-in funding beginning in school year 2011-12 to cover support for all first year teachers. The recommendation was to extend access to the BEST program, or an improved program design, to beginning educators across the state. Funding in subsequent years should be sufficient to support new teachers in their second and third years of teaching.

Basic Education Finance Taskforce (BEFTF): In 2008, the BEFTF recommended that Washington State should have a mentoring-based professional development program for new and early career teachers. The aim of these early mentoring efforts would be for expert teachers to provide intensive support to new teachers during their first year in the classroom, with additional support thereafter dependent on need. The Task Force recommended that mentoring be provided for up to five years at reduced levels each subsequent year.

Washington Learns: In 2006, Picus and Odden, in a report prepared for the K-12 Advisory Committee of Washington Learns,[90] recommended that an elementary school of 432 students be allocated 2.2 FTE instructional facilitators/coaches/mentors; a middle school of 450 be allocated 2.25 FTE facilitators, and a high school of 600 be allocated 3 FTE facilitators.

Research data from Washington State sheds some light on the mobility patterns of new teachers in the state. A study from the University of Washington College of Education showed that one quarter of teachers in Washington exit teaching (and are not employed by any Washington public school) five years after entering the profession.[91] In addition to documenting the number of novice teachers leaving the profession, policy makers in Washington State have raised concerns over whether a disproportionate number of beginning teachers leave high poverty schools. An analysis of teacher retention indicated that beginning teachers did not disproportionately leave high poverty schools. Roughly the same percentage of beginning teachers exited from low, medium and high poverty schools relative to the overall proportion of teachers employed at those schools.[92] This suggests that retaining novice teachers is an issue for all Washington schools regardless of their poverty demographics.

The Washington State Institute for Public Policy (WSIPP) conducted a meta-analysis of 15 high-quality studies and found that teacher effectiveness, as measured by gains in student test scores, increases rapidly in the first five years of an educator's career. Research suggests that high-quality induction programs can greatly enhance teaching practice during the most formative years of a teacher's career. New teachers develop effective teaching strategies and knowledge more quickly by learning from the experience of other teachers.[93] Teachers who receive induction are more likely to stay, and in addition are also able to move more quickly beyond issues of classroom management to focus on instruction.[94] WSIPP also conducted a meta-analysis of four empirically sound studies that compare high-quality mentoring programs to induction as usual. Although not statistically significant, they found that the average effect of high-quality induction on student test scores was 0.07 standard deviation units, which is twice as large as the average gain in the first five years of a teacher's career (0.03).

27 states currently require some form of teacher induction, although only 11 states require mentoring for two or more years. 22 of these states require participation or completion of a mentoring or induction program to advance to a professional teaching license. In 2010-2011, 17 states provided dedicated funding for these programs.[95]

The financial benefits of induction programs are estimated in a cost-benefit analysis prepared by Villar and Strong, which calculates that school districts receive an approximate return of $1.66 for every $1.00 spent on mentoring and induction.[96] While it is difficult to measure the

exact cost of turnover, studies estimate that the cost to replace a teacher who leaves the profession may range from one third[97] to nearly 2.5 times the initial salary in recruitment, personnel costs, and lost productivity.[98] In 2007, The Center for Strengthening the Teaching Profession (CSTP) estimated the cost to replace a Washington teacher was at least $45,000.[99] The National Commission on Teaching and America's Future reports that hiring well-prepared teachers, which includes those exposed to induction programs, reduced attrition in the first year of teaching by 50 percent.[100] These statistics appear to indicate that implementation of a high-quality induction program will save money for the state and school districts while advancing the legislature's goal of providing all students with access to world-class educators and retaining these educators in Washington's K-12 public schools.

A preponderance of research indicates that the single most important factor in student learning is the quality of classroom educators. In fact, Armour-Thomas, Clay, et al found that differences in teacher capability can account for up to 90 percent of the variation in student learning in schools with similar student characteristics.[101] In order for the state to provide a basic education to public school students, every student must be provided an effective teacher. Mentor support provides assistance to novice teachers to positively affect student learning. Induction assists with the state's goal of retaining high-quality educators and providing a world-class education system to all students. Per Liam Goldrick et al, "Research evidence suggests that comprehensive, multi-year induction programs accelerate the professional growth of new teachers, reduce the rate of new teacher attrition, provide a positive return on investment, and improve student learning."[102] The state must invest early and often in beginning educators in order to allow students to receive dividends from this investment over the course of an educator's career.

Arguments For Funding Mentors

- Mentoring is proven to increase effectiveness and accelerate the professional growth of new teachers.
- Mentoring support will decrease turnover of new teachers.
- Mentoring will provide a positive return on investment when comparing the financial benefits of decreased turnover and increased effectiveness to the cost of the mentor programs.
- Mentoring by an experienced teacher leads to professional rejuvenation, new learning, and enhanced professional practices for the mentor.

Arguments Against Funding Mentors

- Effective teachers should remain in the classroom teaching students and not be pulled out to mentor new teachers.
- There are various mentor teacher models and there is a need for training and professional development for mentors in order to offer effective programs.

Mentor/Mentee Allocation Recommendation

In addition to funding instructional coaches in every prototypical school, the Compensation TWG recommends providing a separate mentor categorical allocation for school districts based on the number of first, second, and third year teachers as reported in the S275. An additional allocation should be provided for probationary teachers in accordance with ESSB 5895, Section 1 (4b), which states, "the evaluator may authorize one additional certificated employee to evaluate the probationer and to aid the employee in improving his or her areas of deficiency." This recommendation will ensure that every Washington school district will have sufficient resources through reliable and regular state funds to support the need to mentor novice teachers. As a categorical allocation, the funding provided must be used for the mentor program; however, school districts can determine the appropriate use of the funding to best support the needs of their teachers and students. The Compensation TWG recommends the estimated annual levels of funding shown in Exhibit 73 for a robust mentor program.

Exhibit 73: Estimated Annual Cost of Mentor Recommendation

Annual Cost of Mentor Recommendation				
	Mentor FTE Required	**Average Number of Teachers 2007-2012**	**Estimated Annual Cost**	**Estimated Annual Cost Including Benefits**
First year teacher	.088	2,333	$14,107,000	$18,397,000
Second year teacher	.061	2,208	$9,180,000	$11,972,000
Third year teacher	.042	2,359	$6,785,000	$8,847,000
Probationary teacher	.088	459	$2,794,000	$3,641,000
Total		**7,359**	**$32,866,000**	**$42,857,000**
Note: Average number of new teachers based on 2007-2012 average of 1st, 2nd, and 3rd year teachers as reported in OSPI S275 Personnel Reports plus average number of probationary teachers. Each CIS FTE is allocated 4 substitute days. Additional FTE include health care and other benefits.				

Allocation of dollar amounts will be contingent on the number of personnel reported in these categories to OSPI on the S275 Personnel Reports October 1 snapshots and the number of teachers placed on probationary status after completion of the evaluation process. Apportionment should be provided to school districts although smaller districts may have the opportunity to leverage capacity and infrastructure through partnerships with educational service districts. Implementation of this recommendation will assist the state in its paramount duty to provide a basic education to public school students through a stable funding source. While many school districts deliver beneficial mentor support to novice teachers through the use of local funds, the Compensation TWG believes that it is vital for the state to categorically fund these programs in order to provide regular and reliable funding to ensure the long-term viability of induction programs.

The allocation amounts in Exhibit 73 provide funding for an average of two hours of mentor support per week[103] for first year and probationary teachers and an average caseload of not greater than 15 novice teachers for a full-time mentor.[104] Mentor support is decreased to an average of 1.5 hours per week for 2nd year teachers and an average of one hour per week for

3rd year teachers, with the mentor caseload adjusted accordingly. This caseload is not cumulative. The allocation includes three additional professional development days for mentees in the first year and one professional development day in subsequent years, while probationary teachers also receive three additional professional development days. The FTE allocation also includes eight percent of the salary costs to cover district administrative costs. The total salary cost is calculated using each districts average salary allocation for certificated instructional staff based on the salary allocation model recommended in this report, as the Compensation TWG recommends that a mentor must be on a teaching contract. Additionally, supplementary certificated instructional staff hired generate costs for health and mandatory benefits, as well as an OSPI allocation of four substitute days per 1.0 FTE.

APPENDIX 7 – Roles and Types Bonuses

Under the authorizing statute, the Compensation Technical Working Group is required to determine "the role of and types of bonuses available."[105] The Compensation TWG recognizes that many bonuses have been offered in other states and school districts use bonuses to address local needs. The list of bonuses considered is provided in Exhibit 74. The variety of local needs that could be served by bonuses was discussed, with the conclusion reached that it would be difficult at the state level to account for the unique needs of all 295 school districts within the state. In addition, the group discussed the difficulty of defining and measuring retention and recruitment issues related to compensation levels versus those that are a result of hiring practices or workload conditions. As indicated by the Professional Educator Standards Board, many school districts experience "typical hiring practices and barriers to early recruitment and hiring. It was apparent that most districts still conduct late hiring, lack reliable projections of their need, have uncertainty about the potential pool and/or sources of their future employees, and have minimal focus on workforce development."[106]

As part of the recommendation regarding a salary limit on the use of additional school district funding on salaries of basic education staff, the Compensation TWG believes that some of the potential bonuses considered could be locally funded. However, locally funded salary enhancements should not be more than 10 percent above the state allocation. The Compensation TWG believes that this will create a salary structure more responsive to the non-basic education needs of employees, students, families and community members within a school district. Moreover, the salary structure encourages innovation and collaborative decision making at the local level. When reviewing the role of potential bonuses, the Compensation TWG discussed the variety of different school districts within Washington and agreed that given the diversity of school district needs, the salary structure would have to be flexible enough to accommodate these needs.

The Compensation Technical Working Group originally considered providing bonuses for mentors, mentees, instructional coaches and professional development (in gray in Exhibit 74). The Compensation TWG concluded that those roles and time requirements were part of the program of basic education and recommended that they were funded through the basic education funding formula instead of through an additional state bonus. Further discussion is included in Appendix 6 – Additional Recommendations. Other potential bonuses considered by the Compensation Technical Working Group included:

Exhibit 74: Potential Bonuses

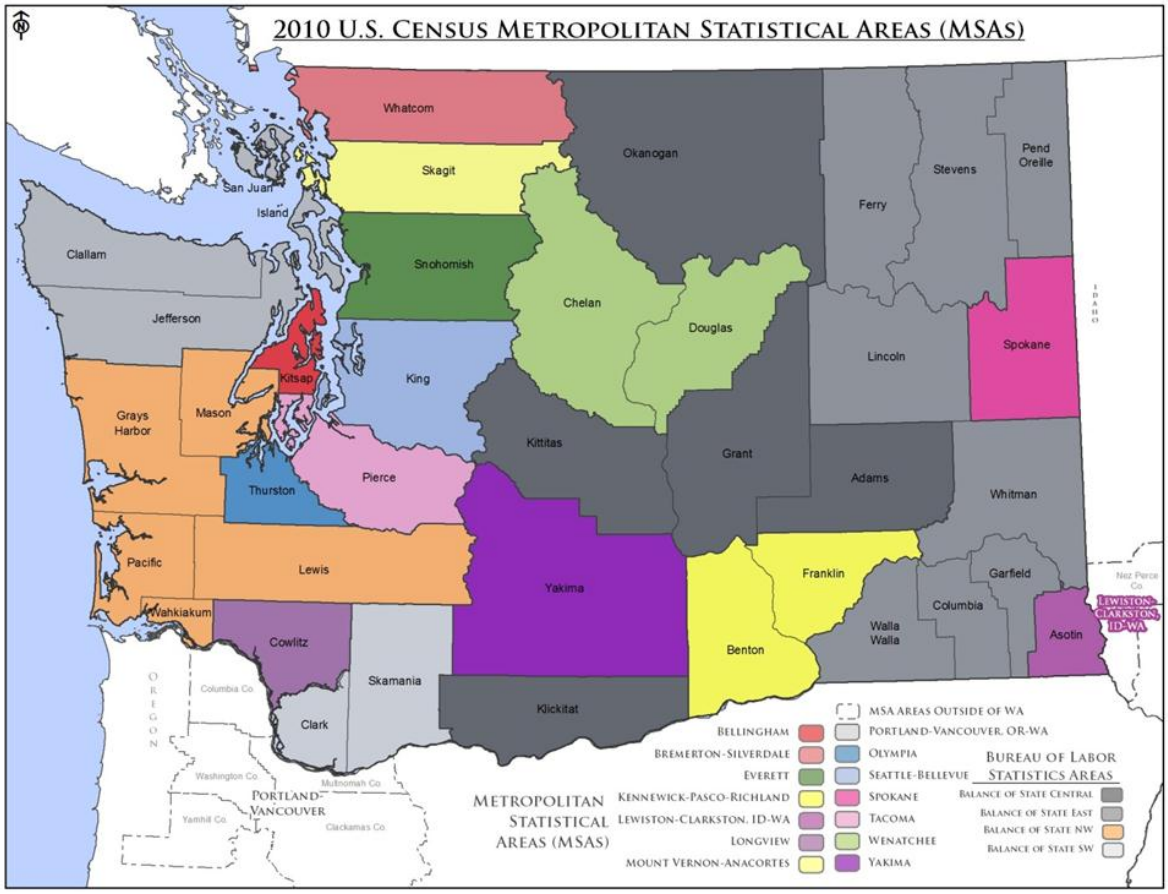
ROLES AND RESPONSIBILITIES	DEFINITION
Mentor	Provides leadership and guidance to staff new to teaching.
Mentee	New teacher (less than a defined number of years in teaching profession) working with a mentor to receive guidance and leadership.
Instructional Coach	Teacher leader who provides job embedded professional development on instruction to other teachers.
Additional Days/Professional Development Units	Learning Improvement Days or other days in contract as defined by state.
HARD TO FILL	**DEFINITION**
Hard to Fill Subjects	Provided for subject areas in competitive labor markets. Per the HR Panel, these areas include math, science, ELL, career/technical, and special education in Washington. Individuals with these specific attributes may face different financial opportunity costs to enter the teacher labor market. Additional pay is intended to increase the incentive for individuals with high-demand skills to enter and remain in the teacher labor force.
Hard to Fill Positions	Per HR Panel, Certificated positions include Special Education Teachers, Psychologists, Occupational Therapists, Physical Therapists, Nurses, Speech Language Pathologists/Audiologists, and Administrators in Washington. Classified positions that are hard to fill include HVAC Technicians, HR Administrators, and Instructional Technology Supervisors.
Hard to Fill Schools	Provided to teachers in schools with defined minimum concentrations of low-income or low-performing students.
PERFORMANCE	**DEFINITION**
School-wide Student Achievement	All employees in a school achieving stated goals, typically a measure of student test scores.
Classroom Student Achievement	Individual teacher achieving stated goals, typically as a measure of student test scores.
Evaluation by Principal	Individual teacher receiving stated level of evaluation by principal only.
Evaluation by Principal and Peer Reviewers	Individual teacher receiving stated level of joint evaluation by principal and peer reviewers.
OTHER	**DEFINITION**
Regional Labor Market Adjustment	Regional index or schedule based on cost-of-hiring factors determined by group.

ROLES AND RESPONSIBILITIES	DEFINITION
Student Loan Forgiveness	Repayment of college student loans up to designated amount based on predetermined criteria, such as minimum time commitment to teach at schools in state or district.

Regional Labor Market Adjustment

The State of Washington encompasses 17 metropolitan and nonmetropolitan areas as defined by the U.S. Bureau of Labor Statistics (BLS) and the 2010 U.S. Census.

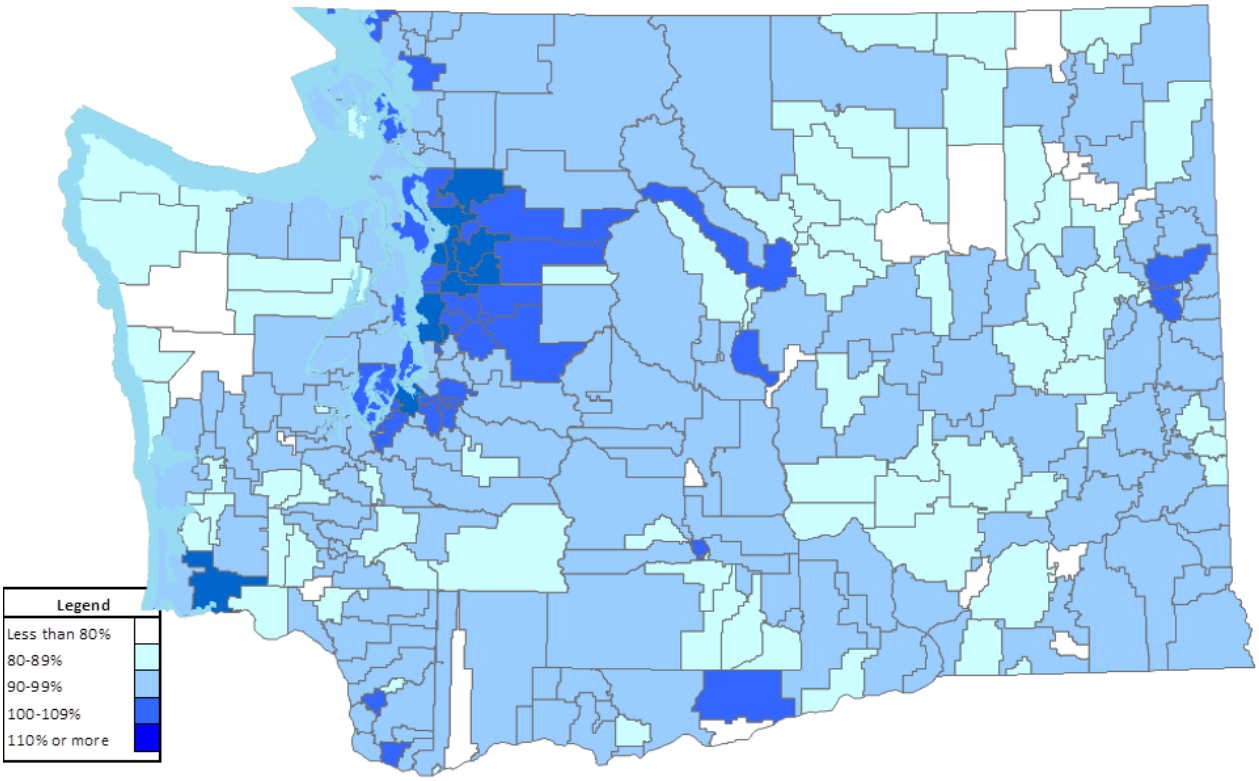
Exhibit 75: Map of U.S. Census Metropolitan Statistical Areas



While the cost of living and average salaries in all sectors of the economy vary significantly between these regions, state salary allocations for K-12 employees are relatively similar between school districts and geographic regions. As reflected in Exhibit 76, K-12 average total salaries for both certificated and classified staff vary across the state due to the addition of local funds. However, within each labor market region, school districts have a varied ability to pay market salaries and neighboring school districts may have significantly different salaries for

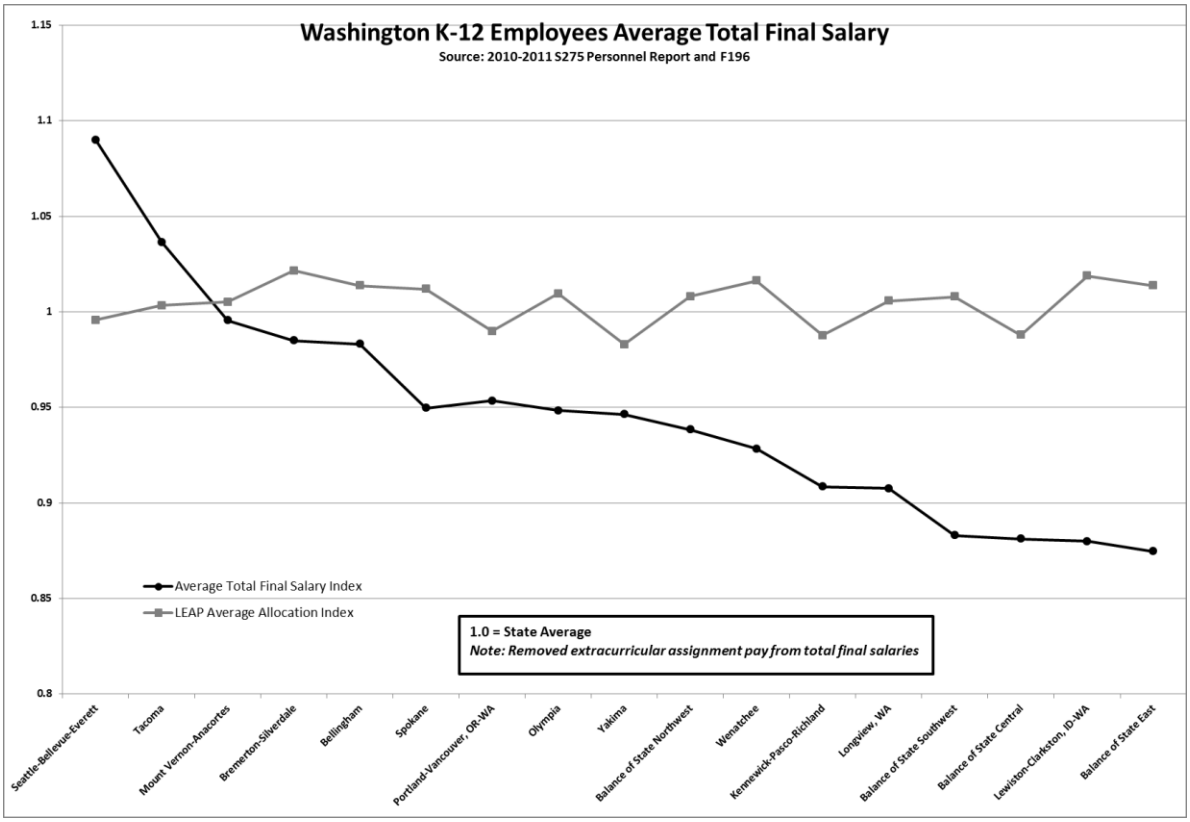
similar jobs. While state salary compliance ensures a minimum salary for certificated instructional staff, school districts have more flexibility setting salaries for classified and administrative positions, leading to a wider disparity of pay between neighboring districts. An index of 2011-12 total final salaries as reported in the OSPI S275 Personnel Reports for certificated staff in Washington school districts indicates that the highest district average is 193 percent of the lowest district average, while the highest district average pay for classified staff is 210 percent of the lowest district average.

Exhibit 76: Average Total Salary by School District Compared to State Average (All Washington K-12 Staff, No Extracurricular Salaries Included)



The next chart, Exhibit 77, illustrates the differences in total average salaries by labor market region due to the addition of local funds to compensate employees, contrasted with the state allocated salaries that are fairly equivalent across the state. State salary allocations differ only slightly, primarily due to differences in the individual characteristics of certificated instructional staff and grandfathered salary allocations. Exhibit 77 compares the average total salary in each region with the average total salary in the state, and the average allocated salary in each region with the average allocated salary in the state.

Exhibit 77: Average Salary Index Compared to Average State Allocation Index



Past Policy Recommendations for Regional Labor Market Adjustment

Basic Education Finance Task Force (BEFTF)

The Joint Task Force on Basic Education Finance recommended that a new salary allocation model for educators provide a comparable salary that recognizes regional variations in labor markets. This group's final report, released in January 2009, recommended that a regional wage adjustment schedule be applied to the salary allocation model for certificated instructional staff as well as to administrator and classified salary allocations.[107]

Washington Learns

In May 2006, Picus and Associates presented a report for the K-12 Advisory Committee of Washington Learns that proposed use of a comparable wage index to adjust state allocated salaries for teachers and other K-12 employees.[108]

Regional Labor Market Adjustment Options

The Compensation Technical Working Group considered multiple options for measuring a regional adjustment factor, including the Comparable Wage Index (CWI) developed by Dr. Lori Taylor, a regional adjustment based on the American Community Survey (ACS), a housing index, a market basket cost-of-living index, and the actual variance in total salaries per the OSPI S275

Personnel Summary Reports. The following exhibits are indexed to the Washington State average.

Exhibit 78: Regional Cost of Living and Cost of Hiring Indices for Washington

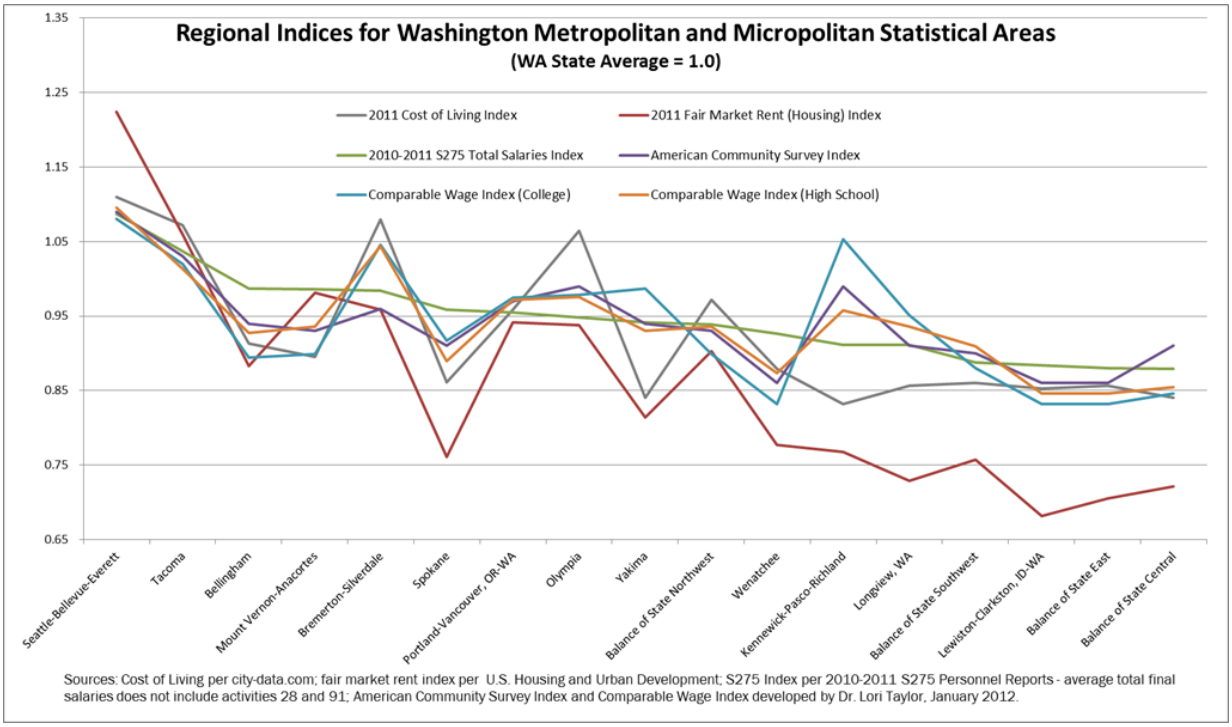


Exhibit 79: Methodology for Cost of Hiring and Cost of Living Indices

Index	Methodology
Dr. Lori Taylor Comparable Wage Index (CWI)	Hedonic wage index considers differences in salary across regions while holding all other factors constant; separate indices for certificated and classified staff.
American Community Survey Index	Single hedonic wage index considers differences in salary across regions while holding all other factors constant.
Housing Index	Differences in the variance in fair market rent for similar residences across regions.
Cost of Living Index	Differences in the cost of a market basket of goods and services measured across regions.
K-12 Salaries Index	Actual salaries paid to K-12 staff as reported in the OSPI S275 Personnel Reports.

The CWI and ACS indices developed by Dr. Lori Taylor are hedonic wage indices that signal market-driven demand for higher wages in certain geographic areas. Use of hedonics employs statistical techniques to measure salary variations due to location rather than demographic characteristics of employees, or the varying cost of hiring in different locales. A regression

analysis describes how salary may be explained in part by an individual's personal attributes. For this analysis, Dr. Taylor estimated annual wage and salary earnings in each labor market based on age, gender, race, and education, amount of time worked, occupation, and industry of each individual in the sample. In addition, for educators, Dr. Taylor predicted the average full-time equivalent salary of individuals as a function of personal characteristics, job assignments, the school, school district, and labor market. Each index reflects average compensation paid for specific characteristics of the occupations countered by the effects of the appeal of working in a geographic location. A hedonic index assumes that school districts are competing for qualified workers in all labor markets. It measures the purchasing power of the school districts rather than the purchasing power of consumers, or the cost of hiring rather than the cost of living. These methodologies presume that workers are mobile. They also presume that the behavior of K-12 staff mirrors the behavior of employees outside of public education. Data is more reliable for larger metropolitan areas due to the larger number of responses.

Comparable Wage Index

The CWI was initially developed by Dr. Lori Taylor in 2005 for the National Center for Education Statistics. The original CWI compared the variations in the salaries of college graduates who are not educators across all school districts, labor markets, and states in the United States. Dr. Taylor prepared a Washington-specific CWI in November 2008 for the Joint Task Force on Basic Education Finance, leading to that group's recommendation that a regional wage adjustment schedule be applied to the salary allocation model for certificated instructional staff as well as to administrator and classified salary allocations. At the request of the Compensation TWG, Dr. Taylor produced an updated 2010 CWI for Washington for all K-12 staff. The CWI reflects systematic, regional variations in the salaries of workers who are not educators and is used to measure uncontrollable variations in the wages paid to educators by observing methodical variations in the earnings of comparable non-educators. This hedonic index compares salaries of those in Washington K-12 public education using data from the OSPI S275 Personnel Summary Reports to those outside education with similar demographics and comparable occupations. Dr. Taylor developed an index for certificated staff that matches workers with at least a Bachelor's Degree and an index for classified staff that includes workers with at least a High School Diploma but less education than a Bachelor's Degree. While similar in rural areas, there are notable differences between the two indices, particularly in the Kennewick-Pasco-Richland metropolitan statistical area. The baseline for the index is the 2000 Census; salaries are aged based on BLS Occupational Employment Statistics wage growth estimates. This index reflects the market-driven demand for wage variances based on geographic area, holding all other factors constant. However, because the U.S. Census collected data differently in 2010, the CWI cannot be replicated using current demographics of non-K-12 workers and eventually may become outdated due to changes in state and national demographics. Currently, the salaries used in the index can be updated annually with wage data from BLS and the most current OSPI Personnel Reports, although the update presumes that the demographics of non-K-12 workers remain constant.

Exhibit 80: Comparable Wage Index by School District Compared to State Average (Certificated Staff)

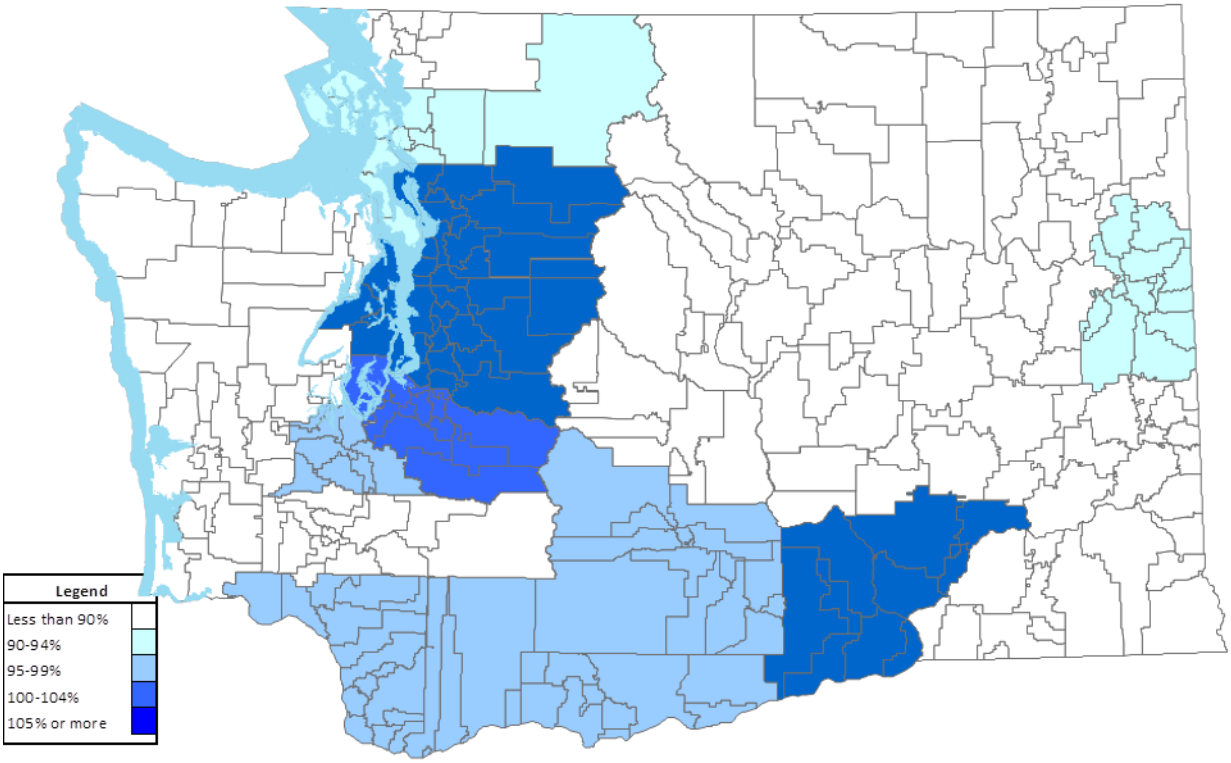
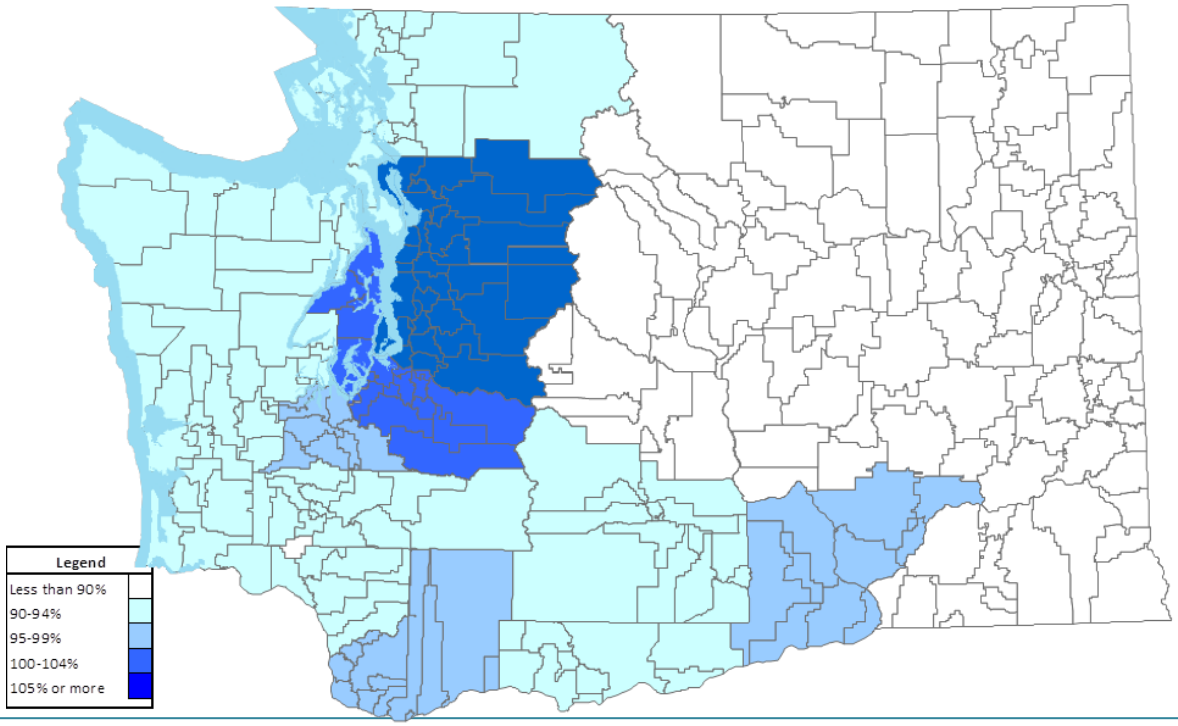


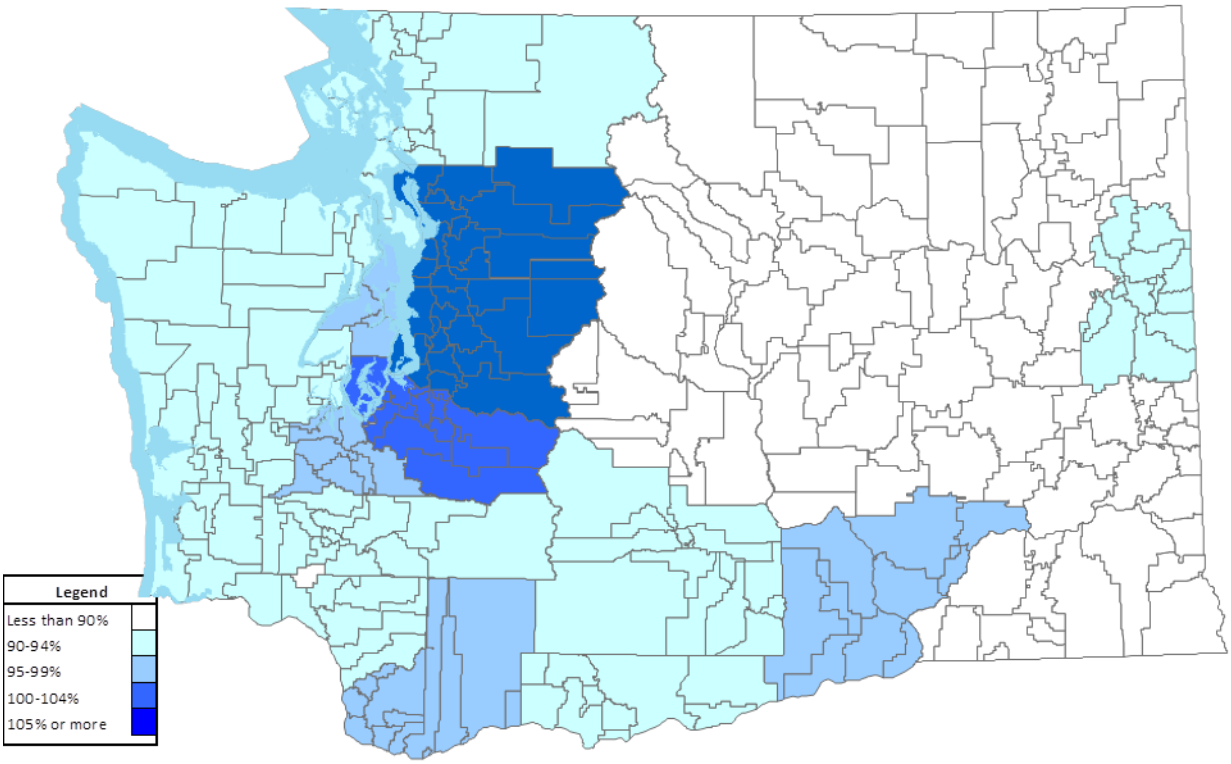
Exhibit 81: Comparable Wage Index by School District Compared to State Average (Classified Staff)



American Community Survey Hedonic Index

At the request of the Compensation TWG, Dr. Taylor developed an alternate regional adjustment based on the American Community Survey and 2010 U.S. Census. This index is similar to the CWI and reflects regional variations in the salaries of workers using a hedonic model. However, the index uses data collected in the 2010 American Community Survey and current wage data from BLS. While the index holds hedonic factors constant and removes K-12 personnel from consideration, it combines all workers with at least a High School Diploma into one index. This index also combines all rural labor markets into a single area. These alterations from the CWI result in one less volatile index that can be used for both certificated and classified staff. The hedonic models can capture all of the factors that may affect salary variances across geographic areas, including cost of living, labor market factors, and area amenities. However, it is important that the labor market is competitive in order to reflect accurate salary differences. This index can be updated as often as annually if required, using the most recent OSPI S275 Personnel Data, ACS data, and BLS wages.

Exhibit 82: American Community Survey Hedonic Index by School District Compared to State Average

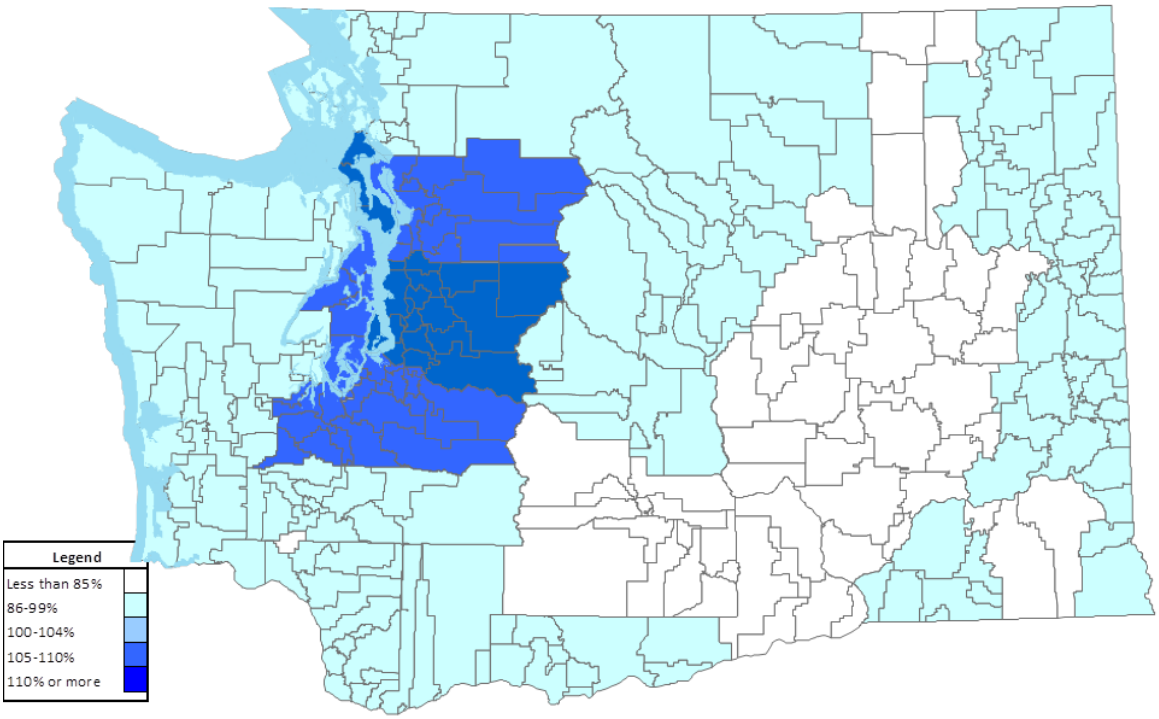


Market Basket Cost-of-Living Index

A market basket or cost-of-living index consists of price measurement of a fixed basket of goods. Data is collected on prices across geographic areas and the final price index represents a weighted average of the individual price indices. This index will capture the relative level of

expenses incurred by employees in different regional areas, thus measuring the purchasing power of consumers based on their place of work, rather than school districts, or the cost of living instead of the cost of hiring. A market basket may overestimate costs in areas with a high cost of goods and services as well as multiple amenities that make it a desirable place to work. The range is much more volatile than the actual difference in labor costs between regions. In addition, a single market basket of goods may not represent the same lifestyle in both rural and urban areas and it fails to address the difference between the cost of living and the cost of educating students. However, a cost-of-living index is unbiased by the competitiveness of the teacher labor market. It also provides a measure of inflation over time. A consumer price index (CPI) is typically produced on a regular basis for major metropolitan areas only and does not currently exist in a reliable form for most areas of the state. Complexity and cost of preparation of a CPI is increased with a larger number of smaller geographic regions and the state would have to pay to develop an index for each region on a regular basis.

Exhibit 83: Market Basket Cost of Living Index by School District Compared to State Average

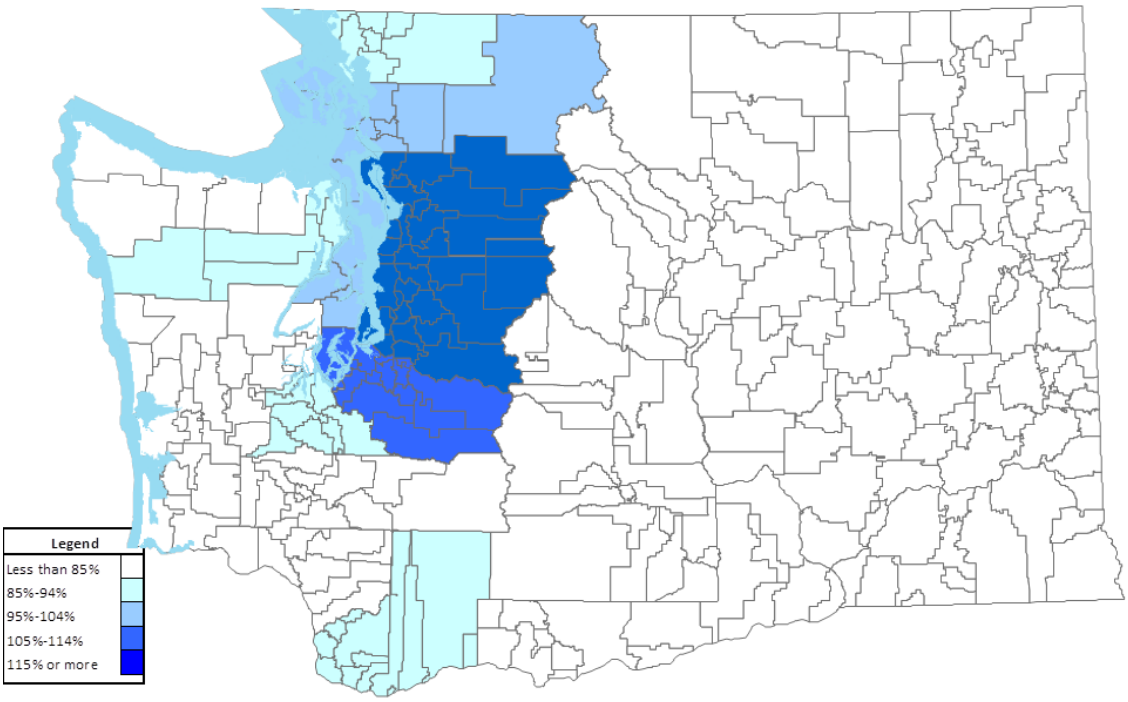


Housing Index

To develop a regional Housing Index, the Compensation TWG considered the variance in fair market rent as provided by the U.S. Department of Housing and Urban Development. Housing costs are typically the largest expense of workers – 35 percent of average household expenditures per the 2010 BLS Consumer Expenditures Interview Survey – and can represent the largest source of variation in the cost of living. Housing data is collected on a regular and timely basis and may be more readily available than a market basket. The salary levels in the education industry will not have a large influence on housing costs. However, this index is much

more volatile and varied than the other indices, although the volatility can be minimized through use of a multi-year rolling average. Use of this index to adjust salary allocations ignores the benefits of higher housing costs, such as a greater potential profit and equity upon the sale of a house. It does not consider commuting patterns and assumes that employees working in a geographic area live in the same area. In addition, housing costs overstate the cost of hiring because much of the variation in these costs is attributed to the effects of community characteristics such as access to cultural and natural amenities, crime rates, climate, and other factors that influence workers to pay a higher relative amount for housing compared to salaries. The price of housing is determined by the quality, size, and other individual features along with the geographic region. Finally, the perceived quality of local education is often a factor in housing prices, presenting a conflict with the use of housing prices as a direct measure of salary variances in the education industry.

Exhibit 84: Housing Index by School District Compared to State Average



Actual Total Salaries Index

Use of the S275 Personnel Summary Reports provided the Compensation TWG the opportunity to consider the average of actual K-12 salaries across school districts and different geographic regions of the state. This data is timely and reflects the tangible costs incurred by school districts. While these costs follow a similar pattern to other cost of living indices, they also reflect additional factors manifested in regional salary variations such as the availability and amount of supplementary funding sources and the relative strength of local bargaining units. Variances between school districts may also indicate the relative ability of a school or district to attract staff based on the challenge of the assignment and the working conditions, including building amenities and administration. In addition, the state salary allocation schedule drives

salaries for certificated instructional staff. Finally, additional salary costs are under the control of the school districts and may be criticized as subject to manipulation.[109]

Exhibit 85: Total Salaries Index by School District Compared to State Average (All Washington K-12 Staff, No Extracurricular Salaries Included)

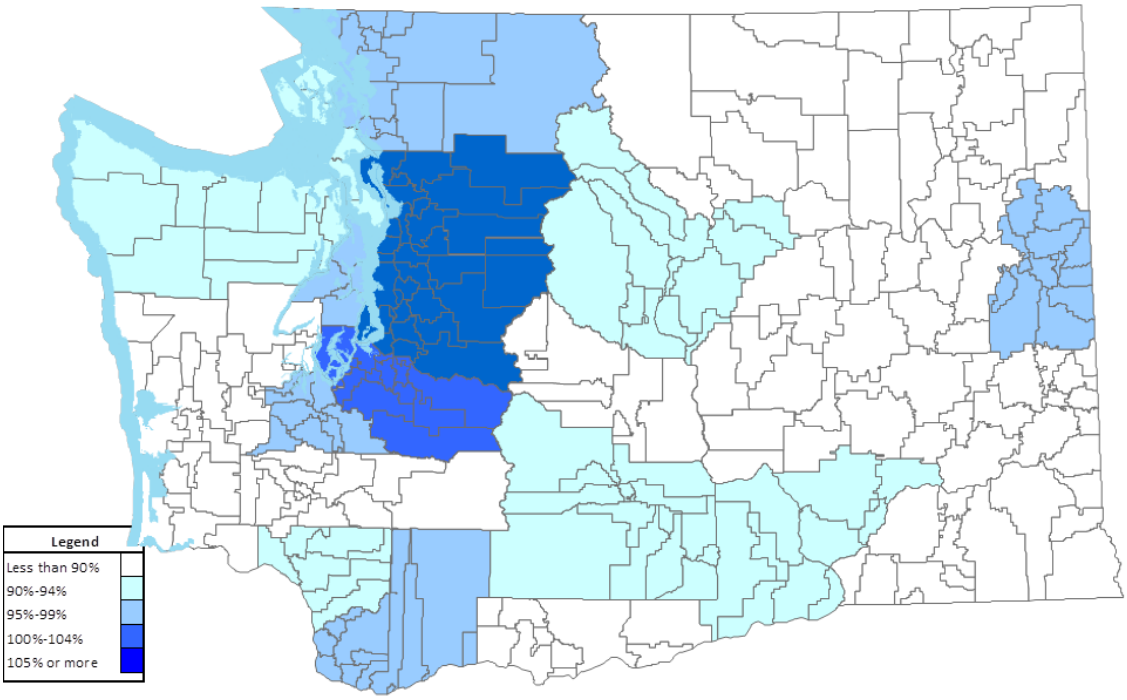


Exhibit 86: Summary Table, Cost of Hiring and Cost of Living Indices (Indexed to the average value for Washington)

Place of Work (2010 Census)	CWI (2010 College)	CWI (2010 High School)	ACS 2010 Index	Cost of Living Index (2011)	Housing Index (2011)	S275 Index (2010-2011)
Balance of State Central	0.85	0.87	0.86	0.84	0.72	0.88
Balance of State East	0.84	0.85	0.86	0.86	0.71	0.88
Balance of State Northwest	0.87	0.92	0.93	0.97	0.90	0.94
Balance of State Southwest	0.88	0.91	0.89	0.86	0.76	0.89
Bellingham	0.89	0.93	0.94	0.91	0.88	0.99
Bremerton-Silverdale	1.05	1.04	0.95	1.08	0.96	0.98
Kennewick-Pasco-Richland	1.05	0.96	0.99	0.83	0.77	0.91
Lewiston-Clarkston, ID-WA	0.83	0.85	0.86	0.85	0.68	0.88
Longview, WA	0.95	0.94	0.90	0.86	0.73	0.91
Mount Vernon-Anacortes	0.90	0.94	0.93	0.90	0.98	0.99
Olympia	0.98	0.98	0.99	1.06	0.94	0.95

Place of Work (2010 Census)	CWI (2010 College)	CWI (2010 High School)	ACS 2010 Index	Cost of Living Index (2011)	Housing Index (2011)	S275 Index (2010-2011)
Portland-Vancouver, OR-WA	0.97	0.97	0.96	0.96	0.94	0.95
Seattle-Bellevue-Everett	1.08	1.10	1.09	1.11	1.22	0.96
Spokane	0.92	0.89	0.90	0.86	0.76	1.04
Tacoma	1.02	1.01	1.04	1.07	1.06	0.93
Wenatchee	0.83	0.87	0.86	0.88	0.78	0.94
Yakima	0.99	0.93	0.94	0.84	0.81	1.09
Note: State Average = 1.0						

Arguments For a Regional Adjustment

- Even after controlling for differences in the types of jobs and individual employee characteristics across regions, there is still a differential in the cost of hiring across the state.
- Due to the high cost of hiring in certain regions, school districts have different purchasing power.
- The state should recognize the fact that districts are currently funding higher salaries in high cost areas using local dollars.

Arguments Against a Regional Adjustment

- The retention data by regional labor market does not show a consistent pattern (Appendix 8).
- School districts on the border of regional labor markets may have the same hiring issues, but one district would receive an adjustment and another would not.
- School districts in low cost areas have other difficulties in recruiting and retaining staff that a regional labor market adjustment based on monetary factors does not account for.
- High cost neighborhoods have the property wealth capacity to raise local revenue to fund the increased cost of hiring.

Regional Adjustment Recommendation

The Compensation TWG recommends continued implementation of a single statewide salary allocation schedule for all staffing categories with no regional adjustments. The Compensation TWG concluded that the cost of hiring variances experienced by school districts are not a state responsibility for basic education; rather, these differences are a responsibility of districts to fund through local revenue sources. The Compensation TWG presumes that implementation of comparable average salary allocations in all regions of the state for all job categories will address much of the recruitment and retention issues. In addition, full funding of salaries will

free up local revenue to pay for salaries and programs as desired by local communities. The salaries may be adjusted for individuals at a local level as bargained by staff in these school districts and as needed by school administrators to address local non-basic education needs. In addition, as noted in Recommendation #7, the Compensation TWG agrees that local funds can be used up to 10 percent above the total salary allocations to make any necessary regional adjustments at the local level. The Compensation TWG believes that this recommendation allows the state to fully fund basic education salaries in an equitable manner while providing local school districts the flexibility to address any variations in the cost of hiring through discretionary local funding sources.

Hard to Fill Subjects, Positions and Schools

Hard to Fill Subjects and Positions

The Washington Professional Educator Standards Board (PESB) designates hard to fill teacher shortage areas based on the supply and demand of teachers qualified to teach those subjects or positions, maintaining a list that includes[110]:

Exhibit 87: Hard To Fill Subjects and Positions

Hard to Fill Subjects	Hard to Fill Positions
Biology	Occupational Therapist
Chemistry	Physical Therapist
Early Childhood Special Education	School Nurse
Earth Science	School Psychologist
Mathematics	Speech Language Pathologist
Middle Level Math	
Middle Level Science	
Physics	
Science	
Special Education	

Hard to fill positions defined by each state are used for state level alternative routes to certification programs to align alternative certification programs to teacher shortage areas. In addition, each state submits their list to the U.S. Department of Education for student loan forgiveness for Perkins and Stafford federal loans.

The Professional Educator Standards Board was authorized in the 2007 Legislative session to provide funding under the Educator Retooling Program to support Washington State certified teachers to add the following shortage area endorsements: Bilingual Education, English Language Learner, Mathematics, Middle Level Math/Science, Secondary Science and Special Education. The Educator Retooling Program provides $3,000 per year for teachers to add

shortage area endorsements, with the requirement that upon attainment of the endorsement, the teacher will be required to serve for two years in Washington public schools.

Research on hard to fill positions in public education has focused on science, technology, engineering and math (STEM), special education and bilingual/ELL subject areas. Some research has found that math and science teachers have greater rates of attrition than teachers in other fields.[111] Additionally, Milanowski found that low pay was frequently cited as a reason to not pursue a teaching career by undergraduate STEM majors.[112]

Hard to Fill Schools

There is a large body of evidence from research that the schools with higher percentages of students in poverty (as defined by participation in the Free and Reduced Lunch Program and Title I funding) and higher percentages of students of color, with low levels of student achievement experience the most difficulty attracting and retaining experienced, qualified teachers. Most often, these "hard to fill" schools are disproportionately staffed by teachers who are inexperienced and uncertified and teaching in positions for which they have had minimal formal preparation.[113] Hard to fill schools have higher than average rates of teacher turnover.[114] Some researchers have found that when teachers leave hard to fill schools it is most often to go to schools with higher levels of student achievement and fewer low-income, students of color.[115] Other aspects of a job placement are important to teachers. Some research has found that effective school leadership affects teacher decisions about working in a school, particularly a hard to fill school.[116]

Financial Incentives

Teacher turnover is affected both by the pay and the working conditions in a school, with the characteristics of the student population potentially serving as a proxy for both.[117] It isn't clear whether higher pay or better working conditions would be a cost effective way to improve teacher recruitment and retention. When teachers do consider working in hard to fill schools, research has found that they look for effective leadership and administration, favorable working conditions, adequate resources and like-minded, collaborative colleagues.[118]

Research to determine how large a financial incentive would need to be to attract and retain teachers in hard to fill schools and positions is limited. One study of a specific incentive program in North Carolina with a $1,800 annual bonus to certified math, science and special education teachers in high-poverty, low-performing schools found that the effect of the relatively modest bonus was able to reduce teacher turnover by 12 percent.[119] In a survey of undergraduate majors in science, math and technology to determine the salary levels and other working conditions necessary to teach, Milanowski found that an increase in entry-level salaries of about 25 percent would be needed to motivate about 20 percent of the respondents to consider becoming a teacher.[120] In other research, Goldhaber suggested that the incentives of several thousand dollars that have been traditionally offered for hard to fill positions and schools are not big enough to be effective, with a difference of about $11,000 a year between the earnings of math and science teachers and those with technological degrees working

outside of the teacher labor market.[121] In research on transfer and exit patterns in Wisconsin, Imazeki found that teacher pay would have to increase by more than 15 to 20 percent to reduce teacher attrition rates in Milwaukee to levels similar to an average district in Wisconsin.[122] Additionally, Hanushek et al. concluded that an incentive of 20-50 percent would be needed for teachers to teach in a school with large percentages of low-income students of color compared to a school that is predominantly White and Asian, with academically proficient students.[123]

Hard to Fill-Past Policy Recommendations:

Basic Education Finance Taskforce (BEFTF):

The Basic Education Finance Taskforce (BEFTF) proposed in their recommended salary allocation model to provide master teachers teaching in high-poverty schools a $5,000 bonus. Additionally, the BEFTF recommended a regional labor market adjustment based on different job descriptions and duties (math, science, special education and English language learner teaching assignments).[124]

Washington Learns

The Washington Learns Committee recommended to the Higher Education Coordinating Board (HECB) to expand the Future Teachers Conditional Scholarship and Loan Repayment Program to teachers who commit to a period teaching math or science in Washington.[125]

Arguments For Hard to Fill Bonuses:

- Bonuses for hard to fill subjects, schools and positions would give highly qualified teachers and educational staff associates incentives to serve in the hard to fill areas defined by the PESB.
- Recruitment and retention of highly qualified teachers and educational staff associates would benefit from the bonuses, with less human resource personnel time being devoted to finding employee candidates and dealing with attrition when it occurs.
- Hard to fill bonuses will benefit schools with higher percentages of students in poverty and higher percentages of students of color, with low levels of student achievement, as research has indicated that these schools have the most difficulty attracting and retaining experienced, qualified teachers.

Arguments Against Hard to Fill Bonuses:

- Hard to fill subjects, positions and schools may shift over time and the bonus would need to be calibrated to account for changes in supply and demand of teachers and educational staff associates (ESAs).
- A methodology for defining hard to fill subjects, schools and positions would need to be outlined in detail to account for local hiring decisions and human resources practices, in order to assure that the hard to fill subjects, schools and positions are due to staff shortages, not poor recruitment and placement practices.

- Due to the nature of the school year calendar, many staffing decisions are not made until the end of the spring quarter, during the summer proceeding the school year or the fall of the next academic year. The hard to fill bonus would have to be given after a year of service, which may fail to provide a timely incentive to those who would serve in those positions.

Hard to Fill Bonus Recommendation:

The Compensation Technical Working Group does not recommend including hard to fill bonuses as part of the definition of basic education The Compensation TWG believes that the additional levels of compensation based on comparable wages, along with recognizing Educational Staff Associates past work experience will address the hard to fill subject areas. Additionally, the Compensation TWG strongly believes that when the prototypical schools funding model is fully funded by the Legislature, the increased staffing levels and program funding will improve the working conditions and retention of educators in hard to fill schools. However, the group does acknowledge that local communities may have a need to fund hard to fill bonuses for basic education staff, which would fall under the recommended 10 percent cap.

Evaluation

Since 1969, Washington law has required certificated employees to receive an annual evaluation; those employees judged unsatisfactory must be notified in writing of areas of improvement.[126] As of the 2009-10 school year, 209 of the 295 school districts in Washington State had a binary evaluation system for certificated employees and less than one percent of teachers received an unsatisfactory rating.[127]

During the 2010 legislative session, Engrossed Second Substitute Senate Bill (E2SSB 6696) directed the phase-in of a four-level rating system for evaluation of certificated classroom teachers and principals and revised the eight evaluation criteria.[128] During the 2011-12 school year, 16 school districts piloted a new evaluation system.

During the 2012 legislative session, Engrossed Substitute Senate Bill 5895 (ESSB 5895) clarified that each school district shall transition classroom teachers and principals to the new evaluation system beginning in the 2013-14 school year until all classroom teachers and principals are evaluated on the new evaluation system by the 2015-16 school year. ESSB 5895 requires that student growth data be a substantial factor in evaluating three of the eight evaluation criteria. Student growth data is defined as the change in student achievement between two points in time and must be based on multiple measures.

Research conducted on Danielson's Framework for Teaching, one of three instructional frameworks that will support the evaluation systems in Washington, has found a positive correlation between teacher evaluation scores and student achievement in other states.[129] However, the evaluation results vary across evaluators, strengthening the importance for evaluator training and monitoring of evaluators.[130]

Evaluation-Past Policy Recommendations:

Quality Education Council (QEC) 2012 Report:

The Quality Education Council (QEC) recommended that the Legislature should, "maintain support for implementation of revised teacher and principal evaluation systems."[131]

Basic Education Finance Taskforce (BEFTF):

The Basic Education Finance Taskforce (BEFTF) proposed the creation of a peer review system with the Professional Educator Standards Board (PESB). Peer reviewers were defined as master teachers who use multiple measures to observe and analyze teacher practices. The proposed salary allocation model included increased compensation for peer reviewers.[132]

Washington Learns:

No recommendations regarding evaluation were proposed by the Washington Learns Committee.

Arguments For Evaluation Bonuses

- If those being evaluated believe that the system is unbiased, tying compensation to the results of the evaluation could result in increased performance.
- If the evaluation system is reliable and valid, tying compensation to the results of the evaluation could result in increased performance.
- It could serve as a tool to attract individuals that value pay for performance into the teaching profession.

Arguments Against Evaluation Bonuses

- If the system is believed to be biased and unfair, tying compensation to that system could lead to increased conflict and litigation.
- Until the system is fully implemented, it is unknown how many individuals would be eligible for the increased compensation and there is a risk to the state in increased cost.

Evaluation Recommendation

Due to the potential litigation and unknown costs, the Compensation TWG does not recommend including evaluation results in the compensation structure.

Student Performance

The Compensation Technical Working Group reviewed research on performance pay or additional compensation for increases in student achievement, as measured by test scores. The use of performance pay has evolved as student achievement measures have improved, including new research on statistical models of value added student gains that could be used to

estimate teacher effectiveness.[133] The amount of performance pay compensation structures has been limited to a few school districts and states, with limited research on the effects of the incentive on student achievement. Teacher performance pay programs tend to face opposition and few have continued beyond a pilot phase in part due to the complexity of implementation.[134] The research on the relatively few cases of pay for student performance or evaluation in the nation was reviewed in a meta-analysis by the Washington State Institute for Public Policy (Exhibit 6-Estimates of the Effect of Teacher Pay for Performance Programs on Student Outcomes); WSIPP found that performance pay programs do not consistently influence student test scores, "a few studies of teacher performance pay found positive effects while a few found negative effects."[135]

Student performance results are available for limited grades and subjects. The two tests administered in Washington in order to meet the requirements of the Federal Elementary and Secondary Education Act are the Measures of Student Progress (MSP) and the High School Proficiency Exam (HSPE). The tests are only provided in the following subjects and grade levels:

- Reading: Grades 3, 4, 5, 6, 7, 8 and 10
- Writing: Grades 4, 7 and 10
- Math: Grades 3, 4, 5, 6, 7, 8 and 10
- Science: Grades 5, 8 and 10

Performance-Past Policy Recommendations:

Basic Education Finance Taskforce (BEFTF):

The Basic Education Finance Taskforce (BEFTF) recommended an incentive program be developed to provide bonuses to all school staff for significant improvements in student academic achievement. These bonus awards would be determined on multiple measures of student performance, including at a minimum: narrowing the achievement gap, raising standardized test scores and increasing student retention and graduation in secondary schools.[136]

Washington Learns

The Washington Learns Committee included a recommendation that the salary allocation model would include pay for performance, knowledge and skills.[137]

Arguments for Performance Bonuses

- Student achievement gains should be the primary motivation for all increases in compensation.
- Some believe evidence of student learning is the most valid measure of the effectiveness of a teacher and effective teachers should be given more compensation.

Arguments Against Performance Bonuses

- Others believe evidence of student achievement through summative assessments do not accurately reflect student learning, but only provide a snapshot of achievement.
- There may be a disincentive to teach students who are not academically proficient or at risk, in order to have a better chance of increasing student achievement and receiving additional compensation.
- There are many exogenous factors that affect student achievement that are outside of the control of the school or the teacher(s) of a student.
- Only certain grade levels and subjects are tested with the MSP/HSPE, which would result in many teachers not having test results data to be considered for the increased compensation.

Performance Recommendation

The Compensation Technical Working Group (TWG) does not recommend basing compensation on student test scores due to the inability to have consistent measures of student gains and the lack of research showing that a performance bonus has an effect on student achievement gains. The Compensation TWG believes that compensation based on student achievement would be inequitable because not all teachers would be eligible to receive the compensation due to the fact that state assessments are not available in every grade or subject.

Student Loan Forgiveness and Tuition Reimbursement

Student loan forgiveness programs have been created to help recruit and retain employees by providing compensation for those with student debt. Under certain conditions, the federal government will cancel all or part of a federal educational loan. The use of loan forgiveness is almost exclusively reserved for individuals serving the public in some manner, either through volunteering, serving in the military, teaching or practicing medicine in certain types of communities and teaching in low-income schools or teacher shortage areas.

Federal Stafford loan forgiveness is provided for teachers serving in a subject matter shortage or in a low-income school. Federal subject matter shortages areas include math, science and special education. Low income schools are defined as those that qualify for funds under Title I of the Elementary and Secondary Education Act of 1965, as amended; been selected by the U.S. Department of Education based on determination that more than 30 percent of the school's total enrollment is made up of children who qualify for services under Title I; be operated by the Bureau of Indian Education (BIE) or operated on Indian reservations by Indian tribal groups under contract with the BIE; or are listed in the Annual Directory of Designated Low-Income Schools for Teacher Cancellation Benefits.[138]

Federal Perkins loan forgiveness is provided for teachers serving in a low-income school, special education teachers, including teachers of infants, toddlers, children or youth with disabilities or teachers in the fields of mathematics, science, foreign languages, or bilingual education or in a

other field of expertise determined by a state education agency to have shortage of qualified teachers in that state.[139]

Another way of providing a bonus for educational advancement is to adopt a tuition reimbursement policy for approved higher education programs successfully completed by employees and aligned to their current work responsibilities. The Washington Office of the State Human Resources Director (formerly Washington's Department of Personnel) recognizes tuition reimbursement for state employees, creating a tuition reimbursement form that state agencies can use to develop their own tuition reimbursement policies. Authorized under RCW 41.06.133 and WAC 357-34-030, tuition reimbursement only applies to qualified state employees. Additionally, RCW 28B.15.558-Waiver of tuition and fees for state employees and educational employees provides tuition waivers on a "space available basis" at all state universities and community colleges for "teachers and other certificated staff employed at public common and vocational schools, holding or seeking a valid endorsement and assignment in a state-identified shortage area."[140]

Student Loan Forgiveness and Tuition Reimbursement-Past Policy Recommendations:

Basic Education Finance Taskforce (BEFTF):

No recommendations regarding student loan forgiveness or educational reimbursement were proposed by the Basic Education Finance Taskforce (BEFTF).

Washington Learns

The Washington Learns Committee recommended that the Higher Education Coordinating Board (HECB) expand the Future Teachers Conditional Scholarship and Loan Repayment Program for teachers who commit to a period teaching math and science in Washington.[141]

Arguments For Student Loan Forgiveness and Tuition Reimbursement:

- Continuing professional development and educational attainment benefits employees and providing loan forgiveness and educational tuition reimbursement will increase the capacity of employees.
- Recruitment and retention of employees could be improved by providing additional compensation through loan forgiveness and tuition reimbursement.
- Tuition reimbursement and student loan forgiveness are less costly because they are one-time payments rather than ongoing salary enhancements.

Arguments Against Student Loan Forgiveness and Tuition Reimbursement:

- Investments in loan forgiveness and tuition reimbursement should only be made for courses of study that lead to greater teacher effectiveness or are directly related to job associated responsibilities.
- Loan Forgiveness is already provided through the federal government for Stafford and Perkins Loans and the Public Service Forgiveness Program. A state loan forgiveness program would be repetitive.

Student Loan Forgiveness and Tuition Reimbursement Recommendation

The Compensation Technical Working Group does not recommends that tuition reimbursement and student loan forgiveness programs be funded, but instead recommends that advanced degrees be included in the salary allocation model. However, tuition reimbursement and student loan forgiveness policies could be created at the district level to allow employees to apply for reimbursement for qualified educational programs.

APPENDIX 8 – Recruitment and Retention Data

Exhibit 88: 5-year Retention of Washington Teachers from 2006-07 to 2011-12

MSA	School District	Number of Teachers (2006)	All Teachers		55 years old or younger (2006)		Less than 5 years experience (2006)	
			District	MSA	District	MSA	District	MSA
Balance of State Northwest		1,368	64.4%	65.0%	73.2%	73.9%	59.7%	60.1%
Longview, WA		958	67.5%	68.9%	77.3%	79.3%	72.0%	75.4%
Balance of State Central		2,152	66.5%	69.1%	75.6%	79.0%	61.1%	67.0%
Balance of State Southwest		2,131	67.3%	70.3%	75.0%	78.7%	60.7%	66.4%
Olympia		2,209	68.4%	70.7%	77.8%	81.2%	69.3%	74.4%
Mount Vernon-Anacortes		1,064	69.8%	71.1%	77.9%	79.2%	65.5%	68.4%
Seattle-Bellevue-Everett		20,342	68.7%	71.7%	74.0%	77.8%	64.5%	69.1%
Tacoma		7,079	69.6%	72.3%	76.2%	79.7%	64.2%	68.7%
Balance of State East		1,652	71.3%	73.0%	80.8%	83.3%	65.3%	68.0%
Yakima		2,715	69.0%	73.2%	76.6%	82.0%	68.3%	75.6%
Bremerton-Silverdale		2,218	72.1%	73.4%	80.1%	81.7%	67.0%	68.5%
Portland-Vancouver, OR-WA		4,098	71.4%	73.4%	78.0%	80.5%	69.7%	72.6%
Bellingham		1,561	73.0%	74.6%	78.8%	81.1%	65.0%	68.2%
Wenatchee		1,128	73.3%	75.1%	81.7%	84.2%	74.0%	78.4%
Kennewick-Pasco-Richland		2,414	74.4%	76.3%	80.7%	83.1%	69.7%	73.5%
Spokane		4,302	74.9%	76.3%	83.1%	85.0%	74.5%	78.2%
Lewiston-Clarkston, ID-WA		182	79.1%	79.7%	91.7%	92.5%	91.3%	91.3%
State Average		**57,573**	**69.9%**	**72.4%**	**76.8%**	**79.9%**	**66.2%**	**70.4%**
Balance of State Central	Omak	99	46.5%	48.5%	57.4%	61.7%	35.3%	47.1%
	Glenwood	10	50.0%	60.0%	42.9%	57.1%	25.0%	50.0%
	Wahluke	110	51.8%	56.4%	54.9%	60.4%	51.0%	52.9%
	Othello	187	52.4%	57.2%	58.5%	64.8%	46.5%	56.3%
	Warden	59	54.2%	61.0%	64.7%	76.5%	56.3%	68.8%
	Thorp	22	54.5%	54.5%	64.3%	64.3%	50.0%	50.0%
	Methow Valley	36	55.6%	55.6%	55.6%	55.6%	100.0%	100.0%
	Trout Lake	15	60.0%	60.0%	77.8%	77.8%	0.0%	0.0%
	Centerville	5	60.0%	60.0%	75.0%	75.0%	N/A	N/A
	Oroville	41	63.4%	68.3%	72.7%	81.8%	57.1%	57.1%
	Nespelem	11	63.6%	72.7%	80.0%	100.0%	0.0%	100.0%
	Lyle	22	63.6%	63.6%	66.7%	66.7%	40.0%	40.0%
	Washtucna	14	64.3%	64.3%	75.0%	75.0%	100.0%	100.0%
	Quincy	148	66.2%	69.6%	68.2%	72.9%	58.5%	65.9%
	Coulee-Hartline	15	66.7%	66.7%	88.9%	88.9%	100.0%	100.0%
	Grand Coulee Dam	45	66.7%	66.7%	72.4%	72.4%	60.0%	60.0%
	Cle Elum-Roslyn	57	66.7%	70.2%	78.6%	83.3%	66.7%	66.7%
	Pateros	22	68.2%	77.3%	66.7%	75.0%	0.0%	33.3%
	Goldendale	64	68.8%	68.8%	97.2%	97.2%	100.0%	100.0%
	Tonasket	61	68.9%	68.9%	94.1%	94.1%	62.5%	62.5%

MSA	School District	Number of Teachers (2006)	All Teachers		55 years old or younger (2006)		Less than 5 years experience (2006)	
			District	MSA	District	MSA	District	MSA
Balance of State Central	White Salmon	68	69.1%	70.6%	84.9%	84.9%	77.8%	77.8%
	Klickitat	13	69.2%	84.6%	85.7%	100.0%	66.7%	100.0%
	Wilson Creek	13	69.2%	69.2%	87.5%	87.5%	100.0%	100.0%
	Bickleton	13	69.2%	84.6%	88.9%	88.9%	100.0%	100.0%
	Wishram	10	70.0%	70.0%	100.0%	100.0%	100.0%	100.0%
	Ephrata	121	70.2%	71.9%	75.3%	77.4%	64.3%	67.9%
	Soap Lake	34	70.6%	79.4%	73.1%	84.6%	58.3%	75.0%
	Brewster	55	72.7%	78.2%	73.0%	81.1%	63.6%	72.7%
	Ritzville	26	73.1%	73.1%	84.2%	84.2%	62.5%	62.5%
	Moses Lake	380	73.4%	74.2%	83.9%	84.6%	70.9%	74.5%
	Lind	19	73.7%	78.9%	81.8%	90.9%	100.0%	100.0%
	Royal	82	74.4%	78.0%	77.8%	83.3%	66.7%	74.1%
	Ellensburg	165	74.5%	75.2%	85.5%	86.3%	75.0%	75.0%
	Okanogan	59	81.4%	83.1%	87.8%	90.2%	83.3%	91.7%
	Easton	11	81.8%	81.8%	100.0%	100.0%	100.0%	100.0%
	Kittitas	34	82.4%	82.4%	100.0%	100.0%	100.0%	100.0%
	Damman	2	100.0%	100.0%	100.0%	100.0%	N/A	N/A
	Benge	2	100.0%	100.0%	N/A	N/A	N/A	N/A
	Roosevelt	2	100.0%	100.0%	100.0%	100.0%	N/A	N/A
Balance of State Central Average		**2,152**	**66.5%**	**69.1%**	**75.6%**	**79.0%**	**61.1%**	**67.0%**
Balance of State East	Dixie	2	0.0%	0.0%	0.0%	0.0%	N/A	N/A
	Lamont	5	20.0%	60.0%	33.3%	100.0%	0.0%	100.0%
	Prescott	23	34.8%	47.8%	43.8%	62.5%	14.3%	42.9%
	Curlew	20	50.0%	55.0%	66.7%	75.0%	57.1%	57.1%
	Summit Valley	8	50.0%	50.0%	100.0%	100.0%	66.7%	66.7%
	Evergreen (Stevens)	2	50.0%	50.0%	N/A	N/A	N/A	N/A
	Selkirk	31	51.6%	51.6%	56.3%	56.3%	20.0%	20.0%
	Garfield	13	53.8%	61.5%	66.7%	77.8%	100.0%	100.0%
	Harrington	13	53.8%	53.8%	85.7%	85.7%	N/A	N/A
	Colton	16	56.3%	56.3%	66.7%	66.7%	66.7%	66.7%
	Rosalia	21	57.1%	61.9%	62.5%	68.8%	50.0%	50.0%
	Lacrosse	17	58.8%	76.5%	72.7%	100.0%	50.0%	100.0%
	Republic	27	59.3%	63.0%	83.3%	88.9%	66.7%	66.7%
	Onion Creek	5	60.0%	60.0%	100.0%	100.0%	N/A	N/A
	St. John	19	63.2%	73.7%	61.5%	76.9%	33.3%	50.0%
	Chewelah	63	63.5%	66.7%	73.8%	76.2%	16.7%	16.7%
	Loon Lake	11	63.6%	72.7%	80.0%	100.0%	100.0%	100.0%
	Columbia (Walla Walla)	58	63.8%	63.8%	72.2%	72.2%	64.3%	64.3%
	Wellpinit	44	65.9%	68.2%	79.3%	82.8%	87.5%	87.5%
	Sprague	12	66.7%	66.7%	80.0%	80.0%	50.0%	50.0%
	Davenport	35	68.6%	68.6%	83.3%	83.3%	71.4%	71.4%
	Touchet	23	69.6%	69.6%	92.3%	92.3%	50.0%	50.0%
	College Place	50	70.0%	74.0%	76.9%	82.1%	66.7%	66.7%
	Tekoa	20	70.0%	70.0%	84.6%	84.6%	0.0%	0.0%
	Colfax	41	70.7%	75.6%	70.4%	77.8%	55.6%	55.6%
	Creston	14	71.4%	71.4%	80.0%	80.0%	33.3%	33.3%
	Pullman	120	71.7%	71.7%	79.1%	79.1%	62.9%	62.9%

MSA	School District	Number of Teachers (2006)	All Teachers		55 years old or younger (2006)		Less than 5 years experience (2006)	
			District	MSA	District	MSA	District	MSA
Balance of State East	Dayton	37	73.0%	75.7%	84.6%	88.5%	0.0%	0.0%
	Northport	15	73.3%	80.0%	81.8%	90.9%	100.0%	100.0%
	Walla Walla	358	74.6%	74.6%	82.9%	82.9%	71.9%	71.9%
	Keller	4	75.0%	75.0%	N/A	N/A	100.0%	100.0%
	Almira	12	75.0%	75.0%	85.7%	85.7%	66.7%	66.7%
	Steptoe	4	75.0%	75.0%	100.0%	100.0%	N/A	N/A
	Cusick	25	76.0%	76.0%	93.3%	93.3%	83.3%	83.3%
	Newport	67	76.1%	76.1%	91.7%	91.7%	50.0%	50.0%
	Wilbur	21	76.2%	76.2%	85.7%	85.7%	75.0%	75.0%
	Endicott	13	76.9%	76.9%	77.8%	77.8%	50.0%	50.0%
	Kettle Falls	49	77.6%	77.6%	88.9%	88.9%	90.9%	90.9%
	Waitsburg	27	77.8%	77.8%	78.6%	78.6%	60.0%	60.0%
	Oakesdale	14	78.6%	78.6%	80.0%	80.0%	0.0%	0.0%
	Mary Walker	33	78.8%	78.8%	80.8%	80.8%	80.0%	80.0%
	Inchelium	19	78.9%	78.9%	88.9%	88.9%	100.0%	100.0%
	Pomeroy	24	79.2%	79.2%	88.9%	88.9%	66.7%	66.7%
	Orient	5	80.0%	100.0%	75.0%	100.0%	0.0%	100.0%
	Reardan-Edwall	35	80.0%	85.7%	88.0%	96.0%	66.7%	100.0%
	Valley	15	80.0%	80.0%	88.9%	88.9%	100.0%	100.0%
	Colville	106	83.0%	83.0%	92.8%	92.8%	100.0%	100.0%
	Odessa	20	85.0%	90.0%	84.6%	92.3%	50.0%	100.0%
	Columbia (Stevens)	20	85.0%	85.0%	100.0%	100.0%	100.0%	100.0%
	Palouse	14	92.9%	92.9%	100.0%	100.0%	100.0%	100.0%
	Starbuck	2	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Balance of State East Average		**1,652**	**71.3%**	**73.0%**	**80.8%**	**83.3%**	**65.3%**	**68.0%**
Balance of State Northwest	Queets-Clearwater	4	25.0%	25.0%	33.3%	33.3%	0.0%	0.0%
	Lopez Island	24	45.8%	45.8%	50.0%	50.0%	33.3%	33.3%
	Shaw Island	2	50.0%	50.0%	N/A	N/A	N/A	N/A
	Cape Flattery	48	56.3%	56.3%	76.7%	76.7%	68.4%	68.4%
	San Juan Island	55	56.4%	56.4%	65.5%	65.5%	54.5%	54.5%
	Quillayute Valley	69	58.0%	58.0%	66.7%	66.7%	60.0%	60.0%
	Crescent	22	59.1%	59.1%	66.7%	66.7%	60.0%	60.0%
	Brinnon	5	60.0%	60.0%	100.0%	100.0%	100.0%	100.0%
	Quilcene	20	60.0%	65.0%	80.0%	80.0%	33.3%	33.3%
	Coupeville	66	60.6%	60.6%	72.2%	72.2%	45.5%	45.5%
	Oak Harbor	331	61.3%	61.6%	70.0%	70.5%	57.4%	57.4%
	Sequim	160	62.5%	63.1%	75.3%	76.4%	62.9%	62.9%
	Port Townsend	87	63.2%	64.4%	63.3%	63.3%	56.3%	56.3%
	South Whidbey	109	68.8%	70.6%	79.3%	82.8%	40.0%	50.0%
	Chimacum	66	69.7%	69.7%	75.0%	75.0%	50.0%	50.0%
	Port Angeles	252	73.4%	74.2%	78.0%	78.6%	63.6%	63.6%
	Orcas Island	48	79.2%	79.2%	92.3%	92.3%	91.7%	91.7%
Balance of State NW Average		**1,368**	**64.4%**	**65.0%**	**73.2%**	**73.9%**	**59.7%**	**60.1%**

MSA	School District	Number of Teachers (2006)	All Teachers		55 years old or younger (2006)		Less than 5 years experience (2006)	
			District	MSA	District	MSA	District	MSA
Balance of State Southwest	Evaline	4	0.0%	50.0%	0.0%	100.0%	N/A	N/A
	Oakville	23	30.4%	39.1%	36.4%	45.5%	33.3%	33.3%
	Wishkah Valley	14	42.9%	71.4%	40.0%	80.0%	33.3%	66.7%
	Mary M. Knight	16	43.8%	50.0%	42.9%	57.1%	66.7%	66.7%
	North River	11	54.5%	54.5%	80.0%	80.0%	100.0%	100.0%
	Ocean Beach	62	54.8%	54.8%	60.0%	60.0%	44.4%	44.4%
	Morton	26	57.7%	69.2%	58.8%	76.5%	14.3%	57.1%
	Lake Quinault	22	59.1%	59.1%	71.4%	71.4%	55.6%	55.6%
	Cosmopolis	10	60.0%	70.0%	75.0%	100.0%	100.0%	100.0%
	Willapa Valley	28	60.7%	60.7%	80.0%	80.0%	N/A	N/A
	Taholah	21	61.9%	61.9%	71.4%	71.4%	83.3%	83.3%
	Boistfort	8	62.5%	100.0%	25.0%	100.0%	0.0%	100.0%
	White Pass	35	62.9%	65.7%	77.3%	81.8%	57.1%	57.1%
	South Bend	38	63.2%	71.1%	81.8%	86.4%	50.0%	75.0%
	Toledo	53	64.2%	69.8%	73.0%	78.4%	50.0%	62.5%
	Southside	14	64.3%	64.3%	71.4%	71.4%	100.0%	100.0%
	Hoquiam	112	64.3%	69.6%	71.6%	78.4%	65.0%	75.0%
	McCleary	17	64.7%	64.7%	90.0%	90.0%	100.0%	100.0%
	Elma	105	64.8%	69.5%	75.8%	81.8%	57.1%	78.6%
	Satsop	6	66.7%	66.7%	100.0%	100.0%	100.0%	100.0%
	Naselle-Grays River Valley	30	66.7%	66.7%	78.9%	78.9%	60.0%	60.0%
	Grapeview	12	66.7%	66.7%	50.0%	50.0%	50.0%	50.0%
	Mossyrock	39	66.7%	76.9%	73.9%	87.0%	55.6%	77.8%
	Adna	34	67.6%	67.6%	89.5%	89.5%	80.0%	80.0%
	Ocosta	45	68.9%	71.1%	80.0%	83.3%	72.7%	81.8%
	North Beach	45	68.9%	73.3%	67.9%	75.0%	55.6%	66.7%
	Centralia	191	69.1%	69.6%	78.4%	78.4%	65.9%	65.9%
	Raymond	39	69.2%	69.2%	81.0%	81.0%	62.5%	62.5%
	Shelton	246	69.5%	70.3%	71.5%	72.2%	51.1%	51.1%
	Pe Ell	23	69.6%	69.6%	78.9%	78.9%	83.3%	83.3%
	Montesano	67	70.1%	71.6%	77.6%	79.6%	33.3%	33.3%
	Aberdeen	220	70.9%	74.1%	80.0%	82.7%	62.9%	68.6%
	Pioneer	46	71.7%	71.7%	77.8%	77.8%	75.0%	75.0%
	North Mason	124	71.8%	71.8%	73.0%	73.0%	60.0%	60.0%
	Winlock	44	72.7%	81.8%	75.0%	89.3%	100.0%	100.0%
	Onalaska	48	72.9%	75.0%	90.0%	90.0%	90.9%	90.9%
	Chehalis	156	73.1%	73.7%	77.2%	78.2%	50.0%	55.0%
	Hood Canal	19	73.7%	73.7%	100.0%	100.0%	N/A	N/A
	Napavine	45	75.6%	84.4%	76.9%	92.3%	66.7%	66.7%
	Wahkiakum	28	82.1%	82.1%	91.3%	91.3%	85.7%	85.7%
Balance of State SW Average		**2,131**	**67.3%**	**70.3%**	**75.0%**	**78.7%**	**60.7%**	**66.4%**
Bellingham	Nooksack Valley	107	65.4%	68.2%	67.9%	71.8%	50.0%	55.0%
	Meridian	90	67.8%	70.0%	78.2%	81.8%	64.7%	70.6%
	Bellingham	619	71.2%	71.9%	78.1%	79.0%	64.7%	66.0%
	Mount Baker	147	71.4%	75.5%	76.8%	82.8%	62.1%	75.9%
	Blaine	119	73.9%	76.5%	77.3%	80.4%	64.3%	64.3%
	Ferndale	322	76.4%	78.0%	82.3%	84.5%	64.8%	69.0%

MSA	School District	Number of Teachers (2006)	All Teachers		55 years old or younger (2006)		Less than 5 years experience (2006)	
			District	MSA	District	MSA	District	MSA
	Lynden	157	81.5%	83.4%	85.6%	88.3%	80.6%	80.6%
Bellingham Average		**1,561**	**73.0%**	**74.6%**	**78.8%**	**81.1%**	**65.0%**	**68.2%**
Brfemerton-Silverdale	Bremerton	324	60.8%	62.7%	70.7%	73.8%	56.8%	56.8%
	North Kitsap	374	71.7%	73.5%	79.6%	81.9%	68.0%	70.0%
	Bainbridge Island	235	71.9%	73.6%	76.8%	78.9%	60.5%	60.5%
	South Kitsap	593	73.4%	74.2%	82.6%	83.4%	68.2%	69.7%
	Central Kitsap	692	76.6%	77.5%	82.9%	84.2%	72.7%	75.0%
Bremerton-Silverdale Average		**2,218**	**72.1%**	**73.4%**	**80.1%**	**81.7%**	**67.0%**	**68.5%**
Kennewick-Pasco-Richland	Star	2	50.0%	50.0%	0.0%	0.0%	0.0%	0.0%
	Kahlotus	13	53.8%	53.8%	40.0%	40.0%	0.0%	0.0%
	Kiona-Benton City	83	66.3%	68.7%	80.4%	83.9%	62.5%	68.8%
	North Franklin	110	69.1%	70.9%	71.4%	74.0%	59.5%	64.9%
	Finley	54	74.1%	77.8%	83.8%	89.2%	75.0%	75.0%
	Pasco	675	74.4%	76.1%	77.7%	80.1%	70.7%	73.7%
	Kennewick	790	75.3%	76.7%	83.9%	85.4%	67.2%	70.3%
	Richland	523	75.5%	76.7%	82.9%	84.5%	76.5%	79.6%
	Prosser	156	76.3%	82.1%	79.5%	86.6%	68.8%	81.3%
	Paterson	8	87.5%	87.5%	100.0%	100.0%	100.0%	100.0%
Kennewick-Pasco-Richland Average		**2,414**	**74.4%**	**76.3%**	**80.7%**	**83.1%**	**69.7%**	**73.5%**
Lew-Cl, ID -WA	Asotin-Anatone	39	76.9%	76.9%	95.5%	95.5%	100.0%	100.0%
	Clarkston	143	79.7%	80.4%	90.8%	91.8%	90.0%	90.0%
Lewiston-Clarkston, ID-WA Average		**182**	**79.1%**	**79.7%**	**91.7%**	**92.5%**	**91.3%**	**91.3%**
Longview, WA	Castle Rock	75	64.0%	66.7%	76.0%	80.0%	78.9%	84.2%
	Kalama	50	64.0%	64.0%	70.3%	70.3%	61.5%	61.5%
	Kelso	292	65.4%	66.8%	79.1%	81.1%	77.6%	80.6%
	Longview	390	68.2%	69.7%	78.0%	80.2%	70.3%	75.7%
	Woodland	116	70.7%	71.6%	73.1%	74.4%	67.7%	67.7%
	Toutle Lake	35	80.0%	80.0%	85.0%	85.0%	33.3%	33.3%
Longview, WA Average		**958**	**67.5%**	**68.9%**	**77.3%**	**79.3%**	**72.0%**	**75.4%**
Mount Vernon-Anacortes	Anacortes	159	66.0%	68.6%	78.4%	81.4%	55.6%	66.7%
	La Conner	48	66.7%	66.7%	74.2%	74.2%	71.4%	71.4%
	Burlington-Edison	216	67.1%	67.6%	75.8%	76.4%	63.3%	63.3%
	Mount Vernon	319	68.3%	69.0%	76.4%	77.4%	61.5%	64.6%
	Sedro-Woolley	254	74.4%	76.4%	79.1%	80.8%	74.0%	76.0%
	Concrete	43	76.7%	79.1%	85.7%	85.7%	0.0%	0.0%
	Conway	25	84.0%	84.0%	100.0%	100.0%	100.0%	100.0%
Mount Vernon-Anacortes Average		**1,064**	**69.8%**	**71.1%**	**77.9%**	**79.2%**	**65.5%**	**68.4%**
Olympia	Tenino	77	53.2%	57.1%	62.5%	70.0%	45.5%	63.6%
	Rochester	130	56.2%	59.2%	63.9%	68.7%	57.7%	65.4%
	Olympia	501	66.9%	68.7%	81.2%	84.2%	72.7%	77.3%
	Yelm	291	67.4%	70.1%	74.4%	78.3%	65.9%	73.2%
	North Thurston	758	70.8%	72.8%	78.8%	81.5%	71.2%	74.7%
	Rainier	54	72.2%	72.2%	82.9%	82.9%	76.9%	76.9%
	Tumwater	361	72.9%	75.6%	80.5%	84.6%	74.1%	77.6%
	Griffin	37	73.0%	75.7%	84.6%	88.5%	60.0%	80.0%
Olympia Average		**2,209**	**68.4%**	**70.7%**	**77.8%**	**81.2%**	**69.3%**	**74.4%**

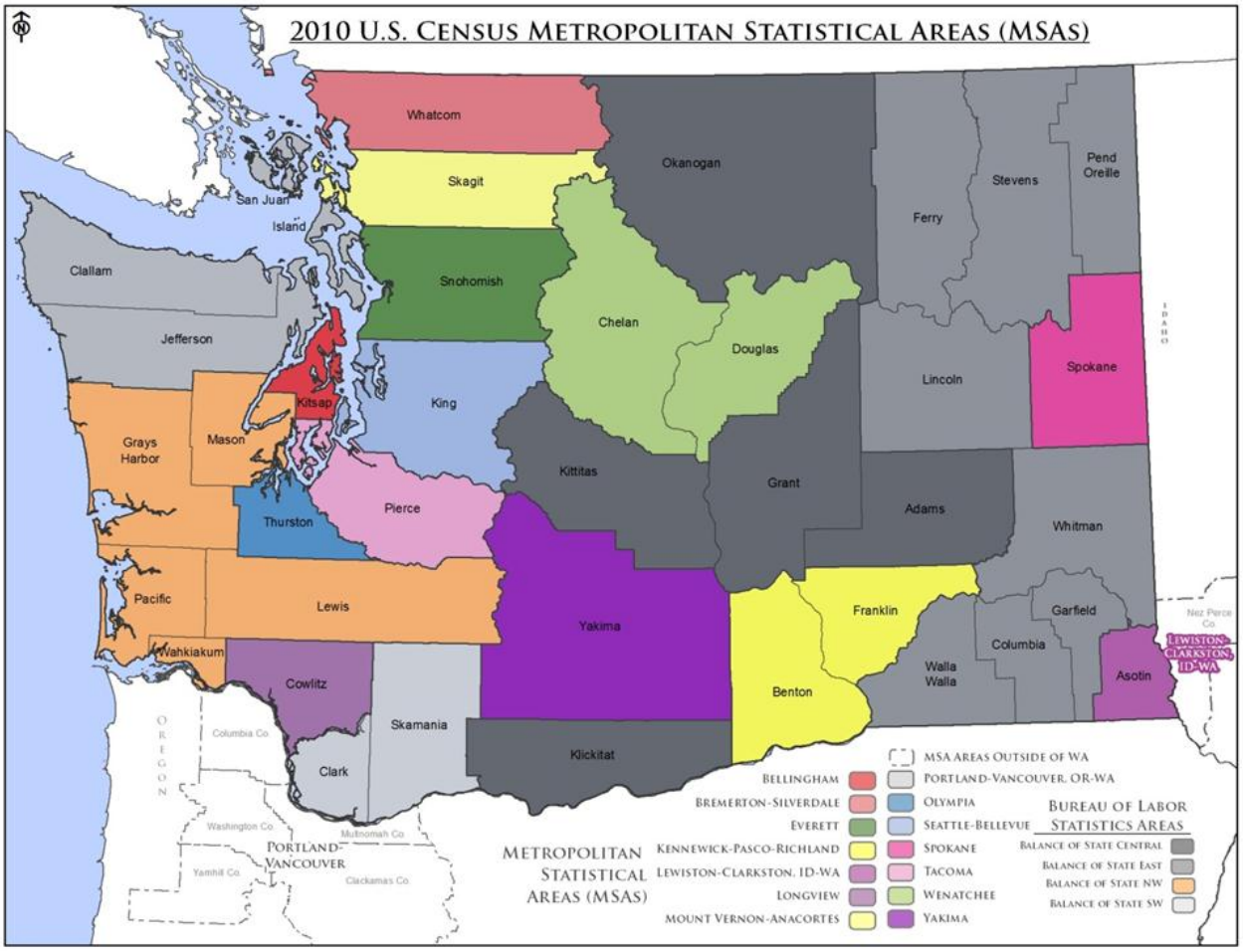
MSA	School District	Number of Teachers (2006)	All Teachers		55 years old or younger (2006)		Less than 5 years experience (2006)	
			District	MSA	District	MSA	District	MSA
Portland-Vancouver, OR-WA	Mount Pleasant	0.0%	50.0%	0.0%	50.0%	0.0%	0.0%	0.0%
	Mill A	50.0%	66.7%	60.0%	80.0%	N/A	N/A	50.0%
	Green Mountain	57.1%	57.1%	80.0%	80.0%	50.0%	50.0%	57.1%
	Hockinson	58.8%	61.8%	64.9%	68.9%	55.9%	58.8%	58.8%
	Ridgefield	61.9%	63.9%	69.9%	72.6%	35.3%	35.3%	61.9%
	Skamania	66.7%	66.7%	100.0%	100.0%	N/A	N/A	66.7%
	Stevenson-Carson	69.4%	75.8%	68.9%	77.8%	40.0%	40.0%	69.4%
	Vancouver	69.7%	71.1%	77.8%	79.7%	71.1%	73.1%	69.7%
	Washougal	70.1%	73.1%	74.8%	77.5%	57.4%	63.8%	70.1%
	Evergreen (Clark)	72.5%	74.4%	78.4%	80.9%	73.0%	76.2%	72.5%
	Battle Ground	73.8%	76.1%	81.7%	84.0%	75.0%	79.4%	73.8%
	Camas	75.4%	77.5%	79.0%	81.7%	63.3%	65.8%	75.4%
	La Center	81.1%	83.8%	87.0%	90.7%	85.7%	85.7%	81.1%
Portland-Vancouver Average		**4,098**	**71.4%**	**73.4%**	**78.0%**	**80.5%**	**69.7%**	**72.6%**
Seattle-Bellevue-Everett	Skykomish	13	30.8%	30.8%	20.0%	20.0%	33.3%	33.3%
	Darrington	37	59.5%	62.2%	68.0%	72.0%	66.7%	66.7%
	Index	5	60.0%	80.0%	66.7%	66.7%	50.0%	100.0%
	Mercer Island	238	61.3%	67.2%	66.0%	74.2%	51.7%	63.3%
	Tukwila	153	62.1%	71.2%	63.3%	74.2%	61.7%	70.0%
	Renton	769	63.1%	67.9%	66.7%	72.4%	59.5%	66.7%
	Highline	982	63.3%	68.7%	66.9%	74.1%	57.6%	64.5%
	Bellevue	1,073	63.8%	67.1%	66.9%	70.5%	60.4%	65.5%
	Federal Way	1,263	64.8%	67.1%	70.3%	73.5%	64.7%	66.8%
	Seattle	2,773	64.8%	66.6%	72.3%	74.8%	63.7%	66.5%
	Enumclaw	255	65.9%	69.0%	79.1%	82.5%	55.8%	67.3%
	Riverview	157	66.2%	68.8%	70.2%	74.0%	61.4%	68.2%
	Issaquah	871	66.4%	69.8%	69.0%	73.5%	62.1%	67.0%
	Lake Washington	1,371	66.8%	69.3%	71.8%	75.0%	64.0%	67.6%
	Edmonds	1,216	68.3%	71.4%	73.3%	77.6%	59.7%	66.0%
	Vashon Island	98	68.4%	70.4%	75.5%	79.2%	60.0%	64.0%
	Shoreline	539	68.6%	74.8%	72.6%	80.5%	65.7%	72.3%
	Kent	1,468	68.7%	72.3%	72.3%	76.5%	59.1%	64.8%
	Granite Falls	126	69.0%	76.2%	75.0%	83.0%	74.2%	87.1%
	Lakewood	132	69.7%	72.0%	75.6%	77.9%	64.3%	71.4%
	Sultan	113	70.8%	75.2%	78.9%	84.2%	72.2%	77.8%
	Lake Stevens	396	71.0%	75.0%	74.6%	79.7%	65.3%	72.6%
	Monroe	312	71.5%	74.0%	79.3%	82.9%	73.2%	78.9%
	Stanwood	301	71.8%	73.1%	75.9%	77.6%	71.0%	72.6%
	Marysville	620	72.7%	74.8%	79.7%	81.9%	73.8%	75.9%
	Tahoma	373	72.9%	76.4%	80.8%	84.4%	70.7%	74.7%
	Arlington	287	73.5%	77.0%	84.1%	88.9%	78.3%	81.2%
	Northshore	1,107	73.7%	75.6%	81.5%	84.0%	69.9%	73.5%
	Snohomish	492	74.6%	75.0%	81.0%	81.3%	74.8%	74.8%
	Snoqualmie Valley	283	76.0%	78.4%	80.0%	83.4%	70.7%	73.9%
	Mukilteo	804	76.2%	78.9%	80.5%	83.5%	73.9%	77.7%
	Auburn	754	76.3%	78.8%	80.5%	83.3%	74.7%	76.4%
	Everett	961	78.9%	80.2%	84.5%	86.0%	70.5%	73.3%

MSA	School District	Number of Teachers (2006)	All Teachers		55 years old or younger (2006)		Less than 5 years experience (2006)	
			District	MSA	District	MSA	District	MSA
Seattle-Bellevue-Everett Average		**20,342**	**68.7%**	**71.7%**	**74.0%**	**77.8%**	**64.5%**	**69.1%**
Spokane	Great Northern	3	66.7%	66.7%	50.0%	50.0%	N/A	N/A
	Riverside	100	69.0%	74.0%	75.4%	82.6%	62.5%	75.0%
	Liberty	33	69.7%	72.7%	78.3%	82.6%	25.0%	50.0%
	Freeman	54	70.4%	74.1%	79.1%	83.7%	63.6%	72.7%
	Central Valley	703	74.1%	75.7%	84.6%	86.7%	80.3%	83.0%
	Spokane	1,906	74.1%	75.2%	82.2%	83.6%	73.8%	76.4%
	Deer Park	121	75.2%	76.0%	84.9%	86.0%	85.7%	90.5%
	Cheney	215	75.8%	76.3%	83.9%	84.6%	70.6%	73.5%
	Medical Lake	121	76.0%	77.7%	83.7%	85.9%	73.3%	80.0%
	West Valley (Spokane)	203	76.4%	77.8%	82.9%	84.9%	75.0%	75.0%
	Mead	499	77.4%	79.0%	84.9%	86.9%	75.5%	79.4%
	Nine Mile Falls	97	78.4%	80.4%	85.7%	88.9%	55.6%	66.7%
	East Valley (Spokane)	241	78.8%	80.5%	84.5%	87.0%	78.9%	84.2%
	Orchard Prairie	6	83.3%	83.3%	100.0%	100.0%	100.0%	100.0%
Spokane Average		**4,302**	**74.9%**	**76.3%**	**83.1%**	**85.0%**	**74.5%**	**78.2%**
Tacoma	Franklin Pierce	423	58.9%	65.2%	65.0%	72.9%	60.2%	65.9%
	Orting	118	61.9%	66.9%	75.0%	81.3%	76.9%	80.8%
	White River	237	62.9%	65.8%	73.3%	77.0%	58.5%	63.4%
	Steilacoom Historical	139	65.5%	67.6%	67.9%	69.8%	51.5%	54.5%
	Peninsula	530	66.6%	67.7%	80.8%	82.1%	71.3%	72.3%
	Clover Park	691	66.9%	69.3%	71.0%	74.4%	58.3%	63.2%
	University Place	315	68.9%	70.2%	76.4%	78.2%	58.5%	60.0%
	Sumner	444	69.4%	74.1%	71.3%	77.2%	54.4%	63.2%
	Bethel	941	71.3%	73.4%	77.7%	80.5%	66.7%	70.3%
	Puyallup	1,118	71.6%	75.1%	76.5%	80.4%	63.8%	69.0%
	Eatonville	115	72.2%	78.3%	77.6%	85.5%	64.7%	70.6%
	Tacoma	1,760	72.6%	74.4%	80.8%	83.4%	70.8%	74.6%
	Fife	170	72.9%	75.3%	78.3%	81.7%	64.9%	70.3%
	Carbonado	12	75.0%	75.0%	87.5%	87.5%	100.0%	100.0%
	Dieringer	66	89.4%	90.9%	90.7%	93.0%	87.5%	87.5%
Tacoma Average		**7,079**	**69.6%**	**72.3%**	**76.2%**	**79.7%**	**64.2%**	**68.7%**
Wenatchee	Palisades	4	25.0%	50.0%	33.3%	66.7%	0.0%	100.0%
	Mansfield	13	53.8%	53.8%	57.1%	57.1%	66.7%	66.7%
	Bridgeport	45	57.8%	57.8%	60.0%	60.0%	70.0%	70.0%
	Orondo	15	60.0%	66.7%	75.0%	75.0%	66.7%	66.7%
	Entiat	25	60.0%	68.0%	68.4%	78.9%	42.9%	57.1%
	Cascade	78	60.3%	62.8%	69.1%	72.7%	53.8%	53.8%
	Manson	37	64.9%	70.3%	76.0%	84.0%	83.3%	83.3%
	Waterville	21	71.4%	76.2%	68.8%	75.0%	60.0%	80.0%
	Lake Chelan	76	75.0%	78.9%	82.0%	88.0%	61.5%	76.9%
	Wenatchee	436	75.7%	76.4%	83.2%	84.2%	77.2%	79.3%
	Cashmere	87	75.9%	75.9%	84.3%	84.3%	68.8%	68.8%
	Eastmont	290	79.0%	80.7%	90.1%	92.6%	89.7%	94.9%
	Stehekin	1	100.0%	100.0%	N/A	N/A	N/A	N/A
Wenatchee Average		**1,128**	**73.3%**	**75.1%**	**81.7%**	**84.2%**	**74.0%**	**78.4%**

MSA	School District	Number of Teachers (2006)	All Teachers		55 years old or younger (2006)		Less than 5 years experience (2006)	
			District	MSA	District	MSA	District	MSA
Yakima	Granger	78	59.0%	70.5%	66.1%	80.4%	37.5%	62.5%
	Mount Adams	60	60.0%	66.7%	64.7%	70.6%	52.9%	58.8%
	Wapato	186	60.2%	69.9%	70.8%	85.0%	57.9%	77.2%
	Grandview	173	61.8%	65.3%	67.7%	71.8%	66.0%	68.0%
	Union Gap	34	64.7%	76.5%	69.6%	87.0%	66.7%	88.9%
	Sunnyside	332	65.1%	70.8%	69.9%	77.6%	64.3%	75.0%
	Selah	190	66.3%	71.1%	77.2%	82.7%	72.0%	80.0%
	Toppenish	192	66.7%	73.4%	69.2%	77.4%	67.7%	76.9%
	Highland	66	66.7%	71.2%	73.1%	78.8%	60.0%	66.7%
	West Valley (Yakima)	232	68.5%	71.6%	78.9%	82.0%	67.6%	67.6%
	Mabton	56	73.2%	78.6%	77.1%	82.9%	71.4%	78.6%
	Naches Valley	83	73.5%	74.7%	87.3%	88.9%	82.4%	82.4%
	Yakima	807	74.3%	76.0%	84.4%	86.7%	77.6%	80.3%
	Zillah	70	77.1%	80.0%	80.4%	83.9%	75.0%	83.3%
	East Valley (Yakima)	156	77.6%	79.5%	79.2%	81.6%	66.7%	69.7%
Yakima Average		**2,715**	**69.0%**	**73.2%**	**76.6%**	**82.0%**	**68.3%**	**75.6%**
State Average		**57,573**	**69.9%**	**72.4%**	**76.8%**	**79.9%**	**66.2%**	**70.4%**

Note: Analysis compares personnel ID and school district recorded in the 2006-07 OSPI S275 Personnel Report to personnel ID and school district recorded in the 2011-12 OSPI S275 Personnel Report. Percentages shown represent a teacher recorded at the same district or MSA in both years as a teacher and considered retained. The number of teachers in the base year is provided to offer context to percentages shown. The column labeled "district" reports the percentage of personnel who remained in the same district, while the column labeled "MSA" reports the percentage of personnel who remained in the same MSA but may have moved to a different district within the MSA. "All teachers" measures all staff reported as a teacher in the OSPI S275 Personnel Report. "55 years old or younger" removes those teachers above 55 years old in the base year to minimize the effect of retirement on retention. "Less than 5 years' experience" only considers teachers with less than 5 years of experience in the base year as reported in the OSPI S275 Personnel Reports to examine retention of new teachers. The reasons for teachers ending employment with a district are unknown. A map of the Washington MSA regions is provided below.

Exhibit 89: Map of Washington Metropolitan Statistical Areas



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