



Retaining Highly Effective Staff Through an Equitable and Competitive Educator Compensation Model *2023–25 Biennial Operating Budget Decision Package*

Recommendation Summary

To ensure Washington’s school districts receive sufficient state funding to recruit and retain diverse and highly effective educators to support our students, the Legislature requires a regular review and revision of school employee salary allocations to accurately reflect market-rate salaries and economic differences between districts. In the 2021–23 biennial budget, the Legislature required the Office of Superintendent of Public Instruction (OSPI) to convene a K–12 Basic Education Compensation Advisory Committee to develop recommendations to OSPI that support recruiting and retaining a multicultural and multilingual educator workforce. OSPI is responsible for reviewing the recommendations and submitting a statewide request to the Governor and the Legislature. For this proposal, OSPI is taking a targeted approach and offering solutions that focus on the core components required to increase student access to a diverse and highly skilled educator workforce. This proposal supports adjustments to the base salary allocations for all staff, a restructuring and re-basing of the regionalization factors, a restructuring of the experience mix factor, and an expansion of bonuses for qualifying staff. The overall cost of this request is \$3.15 billion for the 2023–25 biennium, and \$3.7 billion for the 2025–27 biennium.

Fiscal Details (Funding, FTEs, Revenue, Objects)

Operating Expenditures	FY 2024	FY 2025	FY 2026	FY 2027
General Fund State - 01	\$1,348,794,000	\$1,783,315,000	\$1,823,633,000	\$1,860,106,000
WA Opp Pathways – 17F	\$6,778,000	\$8,961,000	\$9,164,000	\$9,347,000
Total Expenditures	\$1,355,572,000	\$1,792,276,000	\$1,832,797,000	\$1,869,453,000
Biennial Totals	\$3,147,850,000		\$3,702,250,000	
Staffing	FY 2024	FY 2025	FY 2026	FY 2027
FTEs	0.0	0.0	0.0	0.0
Average Annual	0.0		0.0	
Revenue	FY 2024	FY 2025	FY 2026	FY 2027
General Fund State - 01	\$0	\$0	\$0	\$0
Total Revenue	\$0	\$0	\$0	\$0
Biennial Totals	\$0		\$0	
Object of Expenditure	FY 2024	FY 2025	FY 2026	FY 2027
Obj. C	\$48,000	\$0	\$0	\$0
Obj. N	\$1,355,524,000	\$1,792,276,000	\$1,832,979,000	\$1,869,453,000

Package Description

What is the problem, opportunity, or priority you are addressing with the request?

This proposal is in direct response to the legislative directive for OSPI to convene the K–12 Basic Education Compensation Advisory Committee to develop recommendations to the Governor and Legislature that support recruiting and retaining a multicultural and multilingual educator workforce.

Included in the workgroup's charge are the following tasks:

1. Updates to K–12 basic education salaries based on comparable wage analysis.
2. Updates to regionalization data, including consideration of a wage model that would be routinely updated based on changing conditions, and other improvements to better reflect regional differences, address differences in recruiting and retention, incorporate data from neighboring communities in other states where appropriate, and mitigate boundary effects of regionalization policies.
3. Adjustments to inflationary factors used in state budgeting.
4. Compensation adjustments to address perpetual inequities.
5. Additional compensation to recruit and retain a workforce that more closely reflects the diversity of the students and families they serve.

OSPI has received a complete summary of the workgroup's recommendations and is including a portion in this request to respond to the legislative tasks described above.

What is your proposed solution?

The solution OSPI is presenting in response to the legislative charge includes the following components:

- More specifically defining staff types in the salary allocation model to include certificated instructional staff (CIS), non-administrative classified staff (CLS), classified administrative staff (CLS – Admin), and certificated administrative staff (CAS).
- Increase base salary allocations by 6% for all three currently defined staff types (CIS, CAS, and CLS) starting in the 2023–24 school year.
- Establish a maximum regionalization factor of 12% by reducing all districts currently above 12% downward.
- After the cap of 12% is established, regionalization factors shall be assigned by county, and all districts within the county will be provided with the same factor as the single highest district within the county.
- Provide the experience mix factor to any district that has certificated staff with above-average experience or that exceeds the average of certificated staff with advanced degrees.
- Provide a bonus to all school-based CIS and CAS staff at eligible high poverty schools. After an initial four-year period, current school characteristics will determine continued eligibility for the bonus.
- Move from the current inflationary index of IPD (Implicit Price Deflator) to CPI (Consumer Price Index).

- Establish a hiring bonus for teachers within a district's special education program providing services to students with disabilities.
- Begin collecting data on paraeducator degrees, certification, and experience to determine how the state could provide a differential state salary allocation for districts that exceed the statewide average of paraeducator experience or exceed the statewide average of paraeducator education and certification or both.

What are you purchasing and how does it solve the problem?

These funds will be allocated in the prototypical school model or provided with the specific intent of staff bonuses. Funds will be provided to support the program of basic education. By narrowing the range of regionalization factors and creating less boundaries between those factors, the state can provide districts with a more equitable opportunity to recruit and retain highly effective staff within a larger geographic region, without concern about the funding level for salaries in neighboring districts a few miles away. This proposal will also provide stability to staff at high poverty schools, which experience turnover at higher rates than lower poverty schools, by providing bonuses to those staff. Eligibility for ongoing bonuses will be based on current school community characteristics. Consistent teaching and leadership staff at schools has proven to be key to student success, particularly for students furthest from educational justice.

What alternatives did you explore and why was this option chosen?

The complete report from the K–12 Compensation Advisory Committee contains other options and recommendations responding to the legislative charge. The complete report will be made available to the Governor's office and the fiscal committees of the Legislature. OSPI chose select components from the final report to include in this proposal because they offer necessary adjustments to the compensation structure to address the concerns that districts have expressed since the 2019–20 school year. This set of recommendations will allow teachers and other staff to more freely choose where they work without concern of how much a neighboring district can pay for with their basic education allocation. Consistent teaching and leadership staff at schools is a proven strategy to enhance student belonging, achievement, and identity.

Performance Measures

Performance outcomes:

Providing market rate salaries for K–12 staff will help to retain those employees. This proposal will reduce the salary allocation discrepancy between school districts that creates incentives for staff to change districts. A diverse and retained workforce across K–12 will lead to better student outcomes.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This proposal does not represent an alteration of a current program or service.

Detailed assumptions and calculations:

These calculations were performed using the baseline of the budget model in current law at the district level across the entire state. As such, the 2023–24 school year baseline includes the staff allocation increases related to the physical, social, and emotional support staff that was passed during the 2022 Legislative Session.

The cost of the following components of this proposal were based solely on adjustments to the maintenance level budget model: increase base salary by 6%, cap regionalization at 12%, assign regionalization factors by county.

The cost of the new policy of the experience mix factor was based on a new determination of eligible districts based on preliminary S-275 personnel data reported by districts for the 2021–22 school year.

The cost of the school level CIS and CAS bonuses assumed that 45% of the total allocated staff units in the state would be eligible for the bonuses. The total count of eligible staff was taken from the 2021–22 school year S-275 data. OSPI assumed that the following staff would be eligible for the bonus: principal, vice principal, other school admin, teacher, library media specialist, counselor, occupational therapist, social worker, speech language pathologist, psychologist, nurse, physical therapist, behavior analyst, and substitute teacher. The annual bonus was adjusted by inflation and fringe benefits were included.

The cost of the special education hiring bonus was based on the number of special education program teachers in the 2021–22 school year S-275 data and an assumed turnover rate of 4.34%. The result was approximately 400 new hires per school year. This proposal provides for a \$10,000 hiring bonus plus fringe benefits for each eligible special education teacher to be adjusted by inflation annually.

Several of the changes in this request represent updates to data inputs in the apportionment system that are made on a regular annual basis. The total IT cost for the changes that would require IT intervention is \$48,600 for roughly 2.5 months of work (this assumes one individual). This cost is included in the totals for fiscal year 2024.

Workforce assumptions:

None.

How is your proposal impacting equity in the state?

This request is in direct response to the legislative directive to develop recommendations that support recruiting and retaining a multicultural and multilingual educator workforce. Recommendations were developed by a diverse set of stakeholders with a focus on improving equitable outcomes for students and educators.

OSPI's proposal implements an experience mix factor for more districts than the current law permits, providing districts additional opportunities to best serve students, and the unique

needs of their individual communities. The proposal also provides bonuses to school-based staff in high poverty schools as well as teachers serving students with disabilities. Both of these staff groups serve historically underserved students, and the ability for schools to retain these critical staff is limited. OSPI believes that this proposal provides our state with a more equitable compensation model that will benefit all students in the state.

Strategic and Performance Outcomes

Strategic framework:

This request is a direct charge of the 2021–23 biennial budget which required OSPI to put forth a salary proposal from the workgroup’s recommendations. This request aligns with OSPI’s Strategic Goal #3: A Diverse, Inclusive, and Highly Skilled Workforce.

Other Collateral Connections

Intergovernmental:

None.

Stakeholder response:

A draft of the full report of the K–12 Basic Education Compensation Advisory Committee was available for public comment for three weeks in August 2022. School districts were generally supportive of the complete recommendations; however, overall feedback was mixed.

Legal or administrative mandates:

This request is in direct response to a legislative task given to OSPI in the 2021–23 biennial Operating Budget ([Senate Bill 5092 Sec. 951](#)).

Changes from current law:

If recommendations in this request are adopted in full, several statutes (including RCW 28A.150.260) will need to be changed, along with budget language. In addition, OSPI will need to do rulemaking to specifically define teacher and staff bonus process and eligibility.

State workforce impacts:

None.

State facilities impacts:

None.

Puget Sound recovery:

None.

Other Documents

Reference documents:

None.