PROSECUTING ATTORNEY FRANKLIN COUNTY, WASHINGTON

SHAWN P. SANT PROSECUTING ATTORNEY

DAVID W. CORKRUM CHIEF CRIMINAL DEPUTY

JENNIFER L. JOHNSON CHIEF CIVIL DEPUTY

KELLY J. SCHADLER OFFICE ADMINISTRATOR 1016 North 4th Avenue Pasco, WA 99301 Criminal Division (509) 545-3543 Fax (509) 545-2135 **DEPUTIES:**

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LAURA MAPES
DANIEL STOVERN
TAYLOR CLARK

June 20, 2023

Bob Ferguson Attorney General PO Box 40100 Olympia, Washington 98504-0100

Dear Mr. Ferguson,

I am requesting a formal opinion from your office on the issue of whether a Board of County Commissioners may receive midterm increases to taxable fringe benefits made in lieu of receiving an identical sum in the form of medical benefits. Additionally, we are requesting whether an incumbent county board of commissioners may enact a conversion of health benefits to taxable fringe benefits after winning the November election but before the new term of elected office begins.

Our concern is that such increases may constitute "compensation" within the meaning of Art. 11, Section 8 of the Washington State Constitution. Despite our diligent efforts, we are unable to conclude whether such benefits are a taxable fringe benefit that would otherwise fall outside the general constitutional prohibition on midterm increases to compensation. In reaching this impasse, my office has reviewed prior attorney general opinions, most notably AGO 1969 NO. 2; AGO 1974 NO. 9; AGO 1975 NO. 51; AGO. 1974 NO. 9; AGO 1988 No. 27; and AGO 1988 NO. 29. In addition, we have reviewed statutes and case law, notably, RCW 36.17.020, RCW 41.04.180; and .190; State ex rel. Funke v. Board of Commissioners, 48 Wash. 461, 465, 93 Pac. 920 (1908); and State ex rel. Jaspers v. West, 13 Wash. 2d 514, 518, 125 P.2d 694, 696 (1942).

Franklin County offers a health benefits plan that provides payment of a lump sum. The lump sum is generally used for health insurance premiums or contributions to a Health Reimbursement Arrangement and Voluntary Employees' Beneficiary Association (HRA and VEBA) account. Countywide increases are made to the lump sum amount based upon cost of living increases. Franklin County has been experiencing an increase in employees and collective bargaining units seeking cash payments in lieu of receiving health benefit payments when those employees have qualifying health insurance plans through other family members or qualifying sources.

This arrangement makes fiscal sense for unmarried employees or those with qualifying health insurance provided via military benefits or through a spouse's employer. The commissioners belong to an employee group that includes all county elected officials. This employee group must decide as a group how to receive any county insurance contributions not applied to county offered insurance plans. Employee groups may decide to receive these benefits either to their HRA VEBA account or as a taxable cash benefit. The commissioners belong to the same employee group as the other elected officials who have elected a similar option offered to other employees and bargaining units.

This opinion is requested on behalf of the Franklin County Board of County Commissioners, following a report produced by the Franklin County Auditor's Office (see attached). The auditor's report concludes that our current practices violate state law. The auditor's opinion is based upon a Municipal Research and Services Center (MRSC) article on the subject. That article discussed "stipends" in lieu of providing health insurance, an issue we do not believe is directly applicable here. The auditor's report contradicts its prior practice of not treating such benefits as salary, as those benefits were not calculated in the 1% filing fee for the elected office nor were those benefits used to calculate retirement contributions by the affected employees and the county.

My office's research has concluded that the drafters of article 11, Section 8 were primarily concerned with the practice of elected officials charging a fee per service model for payment and wanted to establish fixed salaries for elected officials based upon the amount of time worked. In other words, the term "compensation" was used in the context of article 11, Section 8 to broadly define payments in a way that included the offending fee per service model. This historical context, along with legislative approval of health benefit policies and plans, makes it unclear whether receiving a payment in lieu of receiving an identical amount of medical benefits would constitute compensation. We have concluded that receiving such benefits in the form of health insurance would not be considered compensation, and it seems arbitrary that opting for a taxable fringe benefit as a cash payment for that the same amount would render the payment unconstitutional.

The other concern is that requiring Commissioners to receive health insurance instead of opting for a cash payment will disproportionately affect members of the armed services. Those members already have insurance by virtue of serving our country and would not generally benefit from additional insurance. We want to make sure our approach to this issue does not implicate equal protection issues as this same benefit is offered to other employee insurance groups who elect this same option.

If these increases are determined to be "compensation" we are requesting an opinion as to whether midterm benefit increases which do not involve a cash option would be permissible. In other words, would it be permissible for the commissioners to raise their own health benefit plan contributions, on par with other employees, on a midterm basis. Is there a distinction between contributions going to an HRA VEBA plan or as taxable cash payments taxed as fringe benefits? Do other taxable fringe benefits

such as car allowances constitute compensation, as these taxable fringe benefits are not included in the elected officials' filing fee calculation nor retirement benefits?

I hope that this provides some context to our request. Please let us know if you require any additional information in order to process our request.

Sincerely,

Shawn Sant

Franklin County Prosecuting Attorney

/enclosure/









April 18, 2023

An audit of Franklin County payroll resolutions and practices dating back to 2016 confirmed unconstitutional salary increases for Franklin County Commissioners past and present that will need review and action by this Board.

Summary:

On 1/25/2023, MRSC Insight: <u>Elected Officials and Benefit Programs</u> published language describing a Franklin County practice that triggered an audit/review of Franklin County payroll resolutions and practices. Starting in 2016 Franklin County Commissioners passed a post-election resolution enabling the conversion of "excess healthcare benefit contributions..." to "cash" in "Elected Officials" salaries. The resolutions, upon suggestion by MRSC and further audit research, indicated the County Commissioners erred by including themselves in the original and subsequent resolutions that increased benefits/cash/salaries. The Washington State Constitution (see Article 11, Sec. 8) prohibits elected officials from directly voting themselves salary increases while in office.

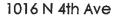
The Estimated Benefits to Cash Amounts in question total:

Commissioner Brad Peck: \$46,759.08
Former Commissioner Bob Koch: \$19,604.94
Former Commissioner Rick Miller: \$21,068.64

Former Commissioner Rick Miller: \$21,068.64

Commissioner Clint Didier: \$334.40

Commissioner Rocky Mullen: \$334.40





Pasco, WA 99301 509-545-3502

Further information:

The MRSC Insights and the Constitution support the County's ability to enact a broad range of policies concerning County Commissioner compensation changes. The County must prioritize the timing of the decisions and implementation to be compliant with the Washington State Constitution.

The 2016 Resolution occurred on 11/21/2016 after the 11/08/2016 Election.

"For example, if a board of county Commissioners concludes that the salary of its members should be increased, it will need to complete those actions on those salaries prior to this November's election"

See Attached MRSC Insight: Salaries for Elected Officials March 28, 2022

The Commissioner's decision to convert benefits to cash was a de facto salary increase and by the date of the vote unconstitutional if applied to themselves.

It should be noted all three resolutions included were written and submitted by the former HR Director and former County Administrator without a review by the Prosecuting Attorney's Civil Department.

The recommended course of action:

- 1. New Resolution empowering the payroll department to change the processing of "excess healthcare benefit contributions" for Commissioners that is compliant with the Washington State Constitution.
- 2. Procedures and practices be enacted for County Commissioner's salary changes so they are scheduled for a vote and implemented in compliance with the Washington State Constitution.
- 3. A legal review be completed and a plan made to recover the unconstitutional salary increases illegally paid to commissioners.
- 4. The Auditor's Office will report this loss to the Washington State Auditor's Office as required by law.

Matt Beaton, Franklin County Auditor

Pasco, WA 99301

509-545-3502

Table of Contents for Attachments:

Cover letter

- 1. MRSC Insight: Elected Officials and Benefits Programs January 25, 2023
- 2. Municipal Research and Services Center (MRSC) About MRSC
- 3. Internal Calculations of overpayments with comments
- 4. Resolution 2016-426 Dated: 11/21/2016 and ASR
- 5. Resolution 2021-297 Dated: 12/14/2021 and ASR
- 6. Resolution 2022-250 Dated:10-04-2022 and ASR
- 7. MRSC Insight: Salaries for Elected Officials March 28, 2022
- 8. Articles of the Washington State Constitution cited

A brief search of AGO opinions resulted in support to raise audit questions for further review

- 9. Midterm Increases in Compensation AGO 1988 No. 27, Nov. 9, 1988
- 10. School District-Offices and Officers- Compensation State Constitution AGO 1989 No.5, Feb 23, 1989



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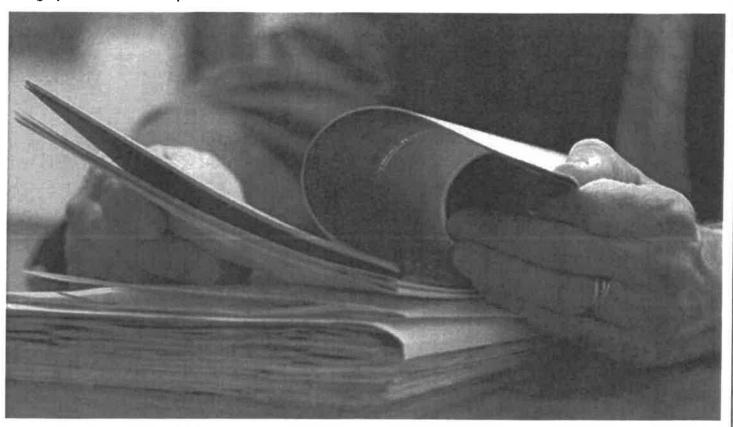
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2

Elected Officials and Benefits Programs

January 25, 2023 by MRSC Insight

Category: Governance, Compensation, Leave Policies



Are elected officials covered by various state-based employee benefits programs?



The answer depends on whether elected officials are considered employees for the purposes of the program. For some purposes, an elected official will be considered an employee, particularly if compensation is paid to the official. Additionally, a local government may provide health insurance for its elected officials and their dependents, but such coverage is not mandatory.

To determine whether elected officials are covered, this blog looks at a few benefits programs on a case-by-case basis and provides some background.

The Basics

RCW 41.04.180 provides that a municipality, "acting through its principal supervising official or governing body," may provide health insurance for its employees. RCW 41.04.190 provides that the cost of the health insurance "is not additional compensation to the employees or elected officials covered thereby," and so coverage can be added even after an elected official's term has begun.

Health benefits for elected officials may be adopted either informally by a motion or by a formal resolution of the governing body. Municipal policies may be amended to account for the change. Our Sample Document Library includes a 2019 resolution from Lynden authorizing health insurance coverage for the mayor and city councilmembers.

A stipend could also be given to an elected official instead of health insurance, but a stipend would be treated as extra compensation. Given the constitutional prohibition against additional compensation during a term of office (see Article 11, Sec. 8), the stipend could not be given or accepted until the officer starts or is re-elected into a new term. It should also be noted that the stipend would be taxable (WAC 415-108-455). Our Sample Document Library includes a 2018 health policy from Vancouver allowing city councilmembers to receive cash payments instead of city-provided health insurance.

Let's look at some benefits programs as provided under state law to see if these apply to elected officials.

Long Term Care Trust Act

Adopted in 2019, the Long-Term Care Trust Act (or WA Cares) creates a new, employee-financed program to provide payment or partial payment for long-term healthcare services to qualified individuals who have paid into the program and need assistance. WA Cares applies to all wages earned, including compensation for elected officials. As noted in the WA Cares FAQ:

Definitions for who contributes to the WA Cares Fund (Long-Term Services and Supports or LTSS) in RCW 50B.04.010 refer back to the Paid Family and Medical Leave Program (PFML) definitions in RCW 50A.05.010. This includes the definition of "Employment" in (8). If premiums are not assessed for the PFML program, they will not be assessed for WA Cares Fund.

Since elected officials are assessed premiums for the PFML program, they are also assessed premiums for the WA Cares Fund. The only category of employees who are not covered by WA Cares are federal emp = Rack to the CCW 50B.04.010(7) and RCW 50A.05.010(5)(b).

Last year the legislature paused WA Cares, pushing back the start date for employers to begin collecting WA Cares premiums to July 1, 2023; So, even though employees and elected officials alike are to be assessed premiums under this program, local governments will not need to start until July.

Washington State Paid Family and Medical Leave

The Paid Family and Medical Leave (PFML), chapter 50A RCW, allows a qualified employee to take up to 12 weeks paid time off if a serious health condition prevents them from working or if they need time to care for a family member, bond with a new child, mourn the death of a child, or spend time with a family member preparing for military service overseas.

Cities, counties, and special purpose districts deduct amounts from employees' paychecks for premiums to pay for PFML benefits. Are elected officials covered under the PFML, and thus, are they required to pay premiums?

RCW 50A.10.030 requires employees to pay for a portion of the cost of benefits available under PFML and, according to RCW 50A.05.010(4)(a), an employee is an individual "who is in the employment of an employer." Further, in February 2021, the Washington State Attorney General's Office issued AGO 021 No. 1, advising that local government elected officials are "employees" for purposes of the PFML program and are subject to the withholding of premiums as described by RCW 50A.10.030.

Local governments should deduct PFML premiums from paychecks for all employees including from any paychecks for elected officials. Employers may also elect to pay their employees' share of these premiums.

Workers' Compensation

Elected officials may be relieved to know that they are covered under workers' compensation, since RCW 51.32.010 requires that any "worker" who is injured while on the job be entitled to compensation.

Under workers' compensation, the term "worker" has the same definition as does an "employee." However, the term also covers "all officers of the state, state agencies, counties, municipal corporations, or other public corporations, or political subdivisions." See RCW 51.12.020. Additionally, under WAC 296-17A-5305, there is a workers' compensation classification for "clerical office, administrative employees, and elected officials of cities and towns."

Retirement Benefits

If a jurisdiction provides retirement benefits under one of the state's Department of Retirement Systems plans (e.g., Public Employees Retirement System Plan 1 or Plan 2), all qualifying employees must be covered under the plan (see RCW 41.40.023). Note that elected officials are not automatically covered but, under RCW 41.40.023(3)(a), they can apply for membership to the plan and get covered in this manner.

Unemployment Compensation

Elected officials are not considered employees of a local government for the purpose of eligibility for unemployment compensation. See, generally, RCW 50.04.140.

Paid Sick Leave

Paid sick leave (RCW 49.46.200) provides paid leave from work so employees can care for themselves or family members who are ill, injured, and/or in other situations requiring time off work. This leave does not apply to elected or appointed officials because the term "employee" specifically excludes "any individual who holds a public elective or appointive office." See RCW 49.46.010(3)(I).

Conclusion

Although it can be confusing to understand which benefits programs apply to elected officials, one main consideration is whether those officials are considered employees under the program. MRSC offers the following webpages for further reading on paid and unpaid leave and benefits programs for employees:

- Health Insurance Benefits
- Overtime and Comp Time
- Leave Laws and Policies
- Family and Medical Leave

MRSC is a private nonprofit organization serving local governments in Washington State. Eligible government agencies in Washington State may use our free, one-on-one Ask MRSC service to get answers to legal, policy, or financial questions.



About MRSC Insight

MRSC Insight reflects the best writing of MRSC staff on timeless topics that impact staff and elected officials in Washington cities, counties, and special purpose districts.

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About MRSC

The Municipal Research and Services Center (MRSC) is a nonprofit organization that helps local governments across Washington State better serve their communities by providing legal and policy guidance on any topic. At MRSC, we believe the most effective local government is a well-informed one, and as cities, counties, and special purpose districts face rapid changes and significant challenges, we are here to help.

For more than 80 years, local governments have turned to MRSC for independent and reliable guidance on every topic imaginable. Our trusted staff attorneys and policy consultants provide personalized assistance by phone and email, at conferences and training sessions, and through our extensive online articles and resources. Every year we answer thousands of questions as we help staff and elected officials research policies, comply with state and federal laws, and improve day-to-day operations.

MRSC is also at the forefront of emerging issues that affect local government operations. We are the go-to source of information for major legislation and court decisions, as well for innovative examples that demonstrate effective solutions to common problems. When the legal landscape changes or new challenges arise, we are here to clarify the issues and help local government leaders access the information they need to better serve their communities.

MRSC provides services to all 281 cities and towns in Washington, all 39 counties, and hundreds of special purpose districts, state agencies, and other government partners. Originally established in 1934 as the University of Washington Bureau of Governmental Research, MRSC has operated as a private nonprofit since 1969.

MRSC Services

Staff Director:
Back to top



Please pay attention to the color of cells on this spreadsheet. Colors that are the same go together. For example, the yellow 2022 Veba to Cash Amount Paid by Year amounts go with the yellow to the right under questioned payments and then to the yellow text below the table.

Commissioner Peck was elected on 11/8/2016 for the period of 2017 - 2020 and then on 11/3/2020 for the period of 2021-2024.

Commissioner Koch was elected on 11/8/2016 for the period of 2017 - 2020.

Commissioner Miller was elected on 11/4/2014 for the period of 2015 - 2018.

Commissioner Didier was elected on 11/6/2018 for the period of 2019 - 2022 and then on 11/8/2022 for the period of 2023 - 2026. Commissioner Mullen was elected on 11/3/2020 for the period of 2021 - 2024.

	Total Questioned Payments	46.759.08	1	21 068 64	334.40	334.40
	হ	1.433.80				
	Questioned Payments	3,344,96 1,433,80			334.40	334.40
	Questio	41,980.32	19,604.94	21,068.64		
	2023 (Through 3/2/2023)	3,612.10			964.70	
	2022	13,800.80			334.40	334.40
d by Year	2021	10,455.84 13,800.80				
eba to Cash Amount Paid by Year	2020	10,455.84	4,780.62			
Veba to Cash	2019	10,455.84	5,096.88		308.00	
	2018	10,534.32	4,696.32	10,534.32		
	2017	10,534.32	5,031.12			
	Commissioner	Brad Peck 10,534,32	Bob Koch	Rick Miller 10,534.32	Clint Didier	Rocky Mullen

On October 4, 2022, Resolution 2022-250 was approved. Commissioners Peck and Mullen were in office when this was approved (e.g., they increased their pay), but October 4th was before Clint was elected on November 8th and so his increase was okay. The questioned payment amount for 2023 is the 2023 total (\$3,612.10) -On December 14, 2021, Resolution 2021-297 was approved. All of the Commissioners were in office when this was approved (e.g., they increased their pay). The Brad Peck and Rocky Mullen were both elected in 2020 for the term of 2021-2024. Their pay, including Veba to cash, were already in place when elected. questioned payment amount for 2022 is the 2022 total (\$13,800.80) - 2021 (\$10,455.84) = \$3,344.96 as the increase happened while in office. Clint Didler was elected in 2018 for the term of 2019-2022. His pay, including Veba to cash, was already in place when he was elected. /eba eliminated via Resolution 2016-426 on 11/21/2016 for elected officials after the election that was held that year on 11/8/2016. 2020 up to the same point in the year (\$2,178.30) = \$1,433.80 as the increase happened while in office.

Commissioner 2017 2018 2019 2020 2021 2022 3/2/2023 Brad Peck 11,340.00 11,340.00 11,340.00 11,340.00 11,340.00 14,970.00 3,920.60 Bob Koch 5,415.96 5,055.48 5,527.92 5,107.20 3,920.60 Rick Miller 11,340.00 11,340.00 334.18 - 362.78 1,047.10 Rocky Mullen Rocky Mullen 362.78 1,047.10			F	ull Medical An	nount Prior t	Full Medical Amount Prior to Tax by Year		De Carlo
11,340.00 11,340.00 11,340.00 11,340.00 14,340.00 14,340.00 11,340.00 11,340.00 334.18 - 334.18	Commissioner	2017	2018	2019	2020	2021	2022	2023 (Through 3/2/2023)
5,415.96 5,055.48 5,527.92 5,107.20 11,340.00 11,340.00 334.18 -	Brad Peck	11,340.00	11,340.00	11,340.00	11,340.00	11,340.00	14,970.00	3.920.60
11,340.00 11,340.00 334.18	Bob Koch	5,415.96	5,055.48	5,527.92	5,107.20			
334,18	Rick Miller	11,340.00	11,340.00					
•	Clint Didier			334.18			362.78	1,047.10
	Rocky Mullen						362.78	



FRANKLIN COUNTY RESOLUTION

BEFORE THE BOARD OF COUNTY COMMISSIONERS FRANKLIN COUNTY, WASHINGTON

AMENDING RESOLUTION 2013-431 ELIMINATING HRA VEBA CONTRIBUTIONS FOR ELECTED OFFICIALS

WHEREAS, Resolution 2013-432 established a Franklin County Health Reimbursement Agency Voluntary Employees' Beneficiary Association (HRA VEBA) Policy for Non-Bargaining employees and Elected Officials; and

WHEREAS, Elected Officials are a separate HRA VEBA group as defined in Resolution 2013-431; and

WHEREAS, changes to the HRA VEBA Policy for a group of employees can be made without imposing changes on another group; and

WHEREAS, Elected Officials desire to discontinue contributions to the HRA VEBA plan effective January 1, 2017.

NOW, THEREFORE IT IS HEREBY RESOLVED effective January 1, 2017, Resolution 2013-431 is amended to remove Elected Officials as a participating group.

AND, BE IT FURTHER RESOLVED effective January 1, 2017 excess benefits contributions, not applied for payment of premiums, and sick leave cash outs for Elected Officials shall be taken as cash in lieu of insurance, grossed down for employer payroll taxes or, if selected by the Elected Official, deposited to the Elected Official's deferred compensation account.

AND, BE IT FURTHER RESOLVED the Board of Franklin County Commissioners authorizes the Chair of the Board to sign the HRA VEBA Plan Design Change form on behalf of Employer.

DATED this 21 day of NOVEMBER 2016.

BOARD OF COUNTY COMMISSIONERS FRANKLIN COUNTY, WASHINGTON

Chair

Chair Pro Tem

ATTEST:

Member

Original: Commissioners' Office

Milhen

Electronic Copies: Human Resources
Auditor

Franklin County

Board of Commissioners Agenda Summary Report

	11/7/2016	PRESENTED BY: Carlee Nave, HR Director
ITEM: (Select One)	x Cons To Be Time :	sent Agenda Brought Before the Board. Suggested Date:11/21/2016 needed: minutes
SUBJECT / ISSUE: E	limination o	of VEBA contributions for Elected Officials
FISCAL IMPACT: \$0		
ACTION(S) REQUEST Approve resolution elimin Plan Design Change form	nating VEBA c	contributions for Elected Officials and authorize the Chair to sign the HRA VEBA the Employer.
CONTRIBUTE LACEING LIKY AE	:DA Qedosiis 2	cials met regarding HRA VEBA contributions for their group. Elected Officials as the result of excess benefits contributions based on individual plan choices, Judge). The meeting resulted in consensus to eliminate HRA VEBA
contributions beginning w benefits contributions in the to a deferred compensation This change affects only the	nth the 2017 b he form of cas on account.	enefits plan year, allowing Elected Officials the opportunity to take the excess in in lieu of benefits (grossed down for employer payroll taxes) or deposit them
contributions beginning w benefits contributions in the to a deferred compensation. This change affects only the County.	on the 2017 because the form of case on account.	enefits plan year, allowing Elected Officials the opportunity to take the excess in in lieu of benefits (grossed down for employer payroll taxes) or deposit them
contributions beginning we benefits contributions in the total deferred compensation. This change affects only to County. COORDINATION: Elected Officials, Gallagher RECOMMENDATION:	the form of cas on account. the Elected Of	enefits plan year, allowing Elected Officials the opportunity to take the excess in in lieu of benefits (grossed down for employer payroll taxes) or deposit them ficials, and does not change VEBA contributions for any other group in Franklin
contributions beginning when benefits contributions in the total deferred compensation. This change affects only the County. COORDINATION: Elected Officials, Gallagher Becommends the Boar	the tine 2017 be form of case on account. the Elected Offer VEBA, Humand approve the confice office	penefits plan year, allowing Elected Officials the opportunity to take the excess the in lieu of benefits (grossed down for employer payroll taxes) or deposit them ficials, and does not change VEBA contributions for any other group in Franklin man Resources, County Administration, Conover Insurance

Carle nan

Form revised 12/21/09

FRANKLIN COUNTY RESOLUTION 2021 - 297

BEFORE THE BOARD OF COUNTY COMMISSIONERS FRANKLIN COUNTY, WASHINGTON

APPROVAL OF COUNTY BENEFITS CONTRIBUTION RATES FOR NON-BARGAINING EMPLOYEES and ELECTED OFFICIALS

WHEREAS, the Board of Franklin County Commissioners acknowledges the importance of County employees in delivering services to the Citizens of Franklin County; and

WHEREAS, the Board of Franklin County Commissioners endeavors to balance meeting the County's financial obligations and the desire to provide adequate total compensation to our valued employees; and

WHEREAS, the Board of Franklin County Commissioners desires to implement an increase in the County contribution to benefits for non-bargaining employees and elected officials; and

WHEREAS, the Board of Franklin County Commissioners constitutes the legislative authority of Franklin County and deems this to be in the best interest of Franklin County.

NOW, THEREFORE IT IS HEREBY RESOLVED the Franklin County Board of Commissioners hereby approved the following contributions toward benefits premiums for benefits-eligible non-bargaining employees and elected officials, effective February 1, 2022:

Medical Insurance	\$ 1,275.00 monthly
Dental Insurance	75.00 monthly
Vision Insurance	20.00 monthly
Life Insurance	4.56 monthly
Long Term Disability/EAP	
TOTAL	

DATED this 14 day of December, 2021.

BOARD OF COUNTY COMMISSIONERS FRANKLIN COUNTY, WASHINGTON

Shair

hair Pro Tem

ATTEST:

The state of

Member

Agenda Summary Report (ASR) 2021-297

Franklin County Board of Commissioners

DATE SUBMITTED: 12/3/2021	PREPARED BY: Carlee Nave
Meeting Date Requested: 12/14/2021	PRESENTED BY: Carlee Nave
ITEM: (Select One) Consent Agenda	X Brought Before the Board Time needed: 5 minutes
SUBJECT: Benefits Contribution for Non-Bargain	ing Employees and Elected Officials
FISCAL IMPACT: \$349.56/month per employee be Approximately \$370,000 total impact for 2022 for	eginning for February 2022 benefits premiums. 85 non-bargaining employees and 11 elected officials.
continue to rise, we are proposing that the Co- approximately \$350/month in order to be compara municipalities/counties in our local labor market for Due to the administrative complexity of processing	oution to employee benefits since 2015. As insurance costs bunty increase its contribution to employee benefits by able with employee out of pocket insurance costs for other those employees covering dependents. In a retroactive changes to benefits contributions, the new for February benefits plan premiums, which are processed
RECOMMENDATION: County administration and HR recommend ap	proval of the resolution as presented.
COORDINATION: HR worked with the County A recommendation. The resolution has been reviewed	Administrator through the budget process to prepare the ed by T Anderson, Accounting Supervisor.
ATTACHMENTS: (Documents you are submitting to the Boar 1. Resolution	nd)
HANDLING / ROUTING: (Once document is fully executed in the twill need a pdf) Thomas Westerman	it will be imported into Document Manager. Please list <u>name(s)</u> of parties

I certify the above information is accurate and complete.

Carlee Nave, HR Director

FRANKLIN COUNTY RESOLUTION .

BEFORE THE BOARD OF COUNTY COMMISSIONERS FRANKLIN COUNTY, WASHINGTON

APPROVAL OF COUNTY BENEFITS CONTRIBUTION RATES FOR NON-BARGAINING EMPLOYEES and ELECTED OFFICIALS

WHEREAS, the Board of Franklin County Commissioners acknowledges the importance of County employees in delivering services to the Citizens of Franklin County; and

WHEREAS, the Board of Franklin County Commissioners endeavors to balance meeting the County's financial obligations and the desire to provide adequate total compensation to our valued employees; and

WHEREAS, the Board of Franklin County Commissioners desires to implement an increase in the County contribution to benefits for non-bargaining employees and elected officials; and

WHEREAS, the Board of Franklin County Commissioners constitutes the legislative authority of Franklin County and deems this to be in the best interest of Franklin County.

NOW, THEREFORE IT IS HEREBY RESOLVED the Franklin County Board of Commissioners hereby approves the following contributions toward benefits premiums for benefits-eligible non-bargaining employees and elected officials, effective January 1, 2023:

Medical Insurance\$	1,568.25 monthly
Dental Insurance\$	
Vision Insurance\$	20.00 monthly
Life Insurance\$	4.56 monthly
Long Term Disability/EAP\$	5.00 monthly
TOTAL	\$1,690,06 monthly

DATED this 4th day of October, 2022.

BOARD OF COUNTY COMMISSIONERS

CANKLIN COUNTY, WASHINGTON

Chair Pro Tem

Approved Telephonically

ATTEST: Member

Millian

Clerk of the Board

Agenda Summary Report (ASR)

Franklin County Board of Commissioners

DATE SUBMITTED: 9/21/2022	PREPARED BY: Shirley Jones
Meeting Date Requested: 10/04/2022	PRESENTED BY: Keith Johnson
ITEM: (Select One) Grant Agenda	X Brought Before the Board Time needed: 10 minutes
SUBJECT: Benefits Contribution for Non-Bargain	ning Employees and Elected Officials
FISCAL IMPACT: \$310.50/month per employee be Approximately \$358,000 total impact for 2023 for	eginning for January 2023 benefits premiums. 85 non-bargaining employees and 11 elected officials.
BACKGROUND: As insurance costs continue to rise, we are propobenefits by approximately \$311/month in order to insurance costs.	sing that the County increase its contribution to employee assist with the increase in the employee out of pocket
RECOMMENDATION: County administration and HR recommend ap	proval of the resolution as presented.
COORDINATION:	
Margot Wilder and Shirley Jones, Co-Chairs for the	Benefits Committee
Keith Johnson, County Administrator	
ATTACHMENTS: (Documents you are submitting to the Boa	rd)
Resolution	
HANDLING / ROUTING: (Once document is fully executed in that will need a pdf) Human Resources Administration Auditing	it will be imported into Document Manager. Please list <u>name(s)</u> of parties

I certify the above information is accurate and complete.

Keith Johnson, County Administrator





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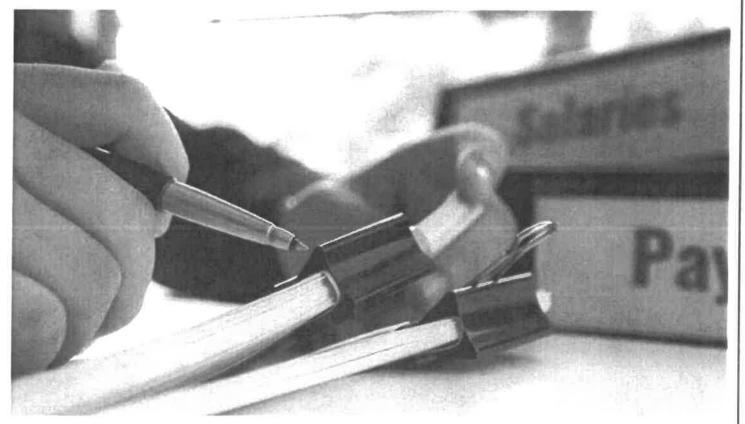
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Salaries for Elected Officials

March 28, 2022 by MRSC Insight

Category: Administrative and Elected Officials, Administrative and Elected Officials-County



Many elected officials serving with Washington local governments are paid, although some are not. This blog discusses how salaries are set for elected officials, how salaries can be changed, and whether an offic Back to top it not to be paid.

Setting Salaries

For most elected officials, salaries are set via ordinance by their legislative bodies. A city council determines the salary for its members and the mayor (see RCW 35.27.130 for towns, RCW 35A.12.070 and RCW 35A.13.040 for code cities, and RCW 35.23.091 for second-class cities).

County officials' salaries are set by the county legislative body. However, unlike for cities and towns, a county legislative body is more limited in its discretion to set salaries since RCW 36.17.020 requires some salaries be set at a specific amount (and no less).

For most special purpose districts, the compensation paid commissioners and/or board members is set by the district and limited in RCW 85.38.075 to stated daily and yearly maximums. Although the statute dates back to 2007, it allows different per diem maximums to be set every five years by the state's Office of Financial Management (OFM), which last made such an adjustment in 2018 when it filed WSR 18-11-088. Until the next adjustment is announced, the per diem rate may not exceed \$128/day, with a yearly maximum of \$12,288.

Changes to Salaries

Periodically, a legislative body may conclude that the salaries paid to its elected officials should be changed. Article 11, Sec. 8 of the Washington State Constitution prohibits any salary increase or decrease after an election and during the term of office, but Article 30, Sec. 1 restricts this to those officials who set their own salaries (i.e., city and county councilmembers, county commissioners, and special district commissioners).

The salary of other elected officials — those who do not set their own salary — such as a city or town mayor or a county assessor or auditor, may be increased at any time, and the new salary can go into effect immediately. However, a salary decrease can *only* go into effect once a term ends.

For those officials who set their own salary (e.g., city and county councilmembers, county commissioners, and special district commissioners), any increase or decrease in salaries may not take effect until their next term of office. For example, if a board of county commissioners concludes that the salary of its members should be increased, it will need to complete action on raising those salaries prior to this Novembers election. The commissioners elected in November would receive the higher salary beginning in January 2023, but any existing commissioner would receive the same (lower) salary in effect at the start of their current term.

Using commissions or ordinances to enact a salary increase

While salaries are typically set by the legislative body, state law allows for the creation of a salary commission to set salaries (see RCW 35.21.015 and RCW 36.17.024), thus distancing elected officials from the process. Once a salary commission establishes salaries levels (or changes the levels) for elected officials, these are still subject to referendum if the jurisdiction has adopted the powers of referendum. If no referendum is filed within 30 days, the new salaries can be effective immediately.

If the salary commission determines a salary should be decreased, this decrease can only go into effect after an elected official's term ends (see Article 11, Sec. 8 of the state constitution). Many jurisdictions have elected to use salary commissions, and below are just a few sample code provisions related to establishing a commission:

- Pierce County Municipal Code Ch. 2.100
- Sequim Municipal Code Sec. 2.48.010
- Spokane Valley Municipal Code Sec. 2.10.020
- Sultan Municipal Code Ch. 2.07
- Whatcom County Municipal Code Ch. 2.22

Another way local governments can get around the prohibition on increasing salaries is to create code provisions to apply automatic annual salary increases for elected officials, such as Bellingham Municipal Code Sec 3.12.010 and Richland Municipal Code Sec. 2.32.040.

What happens to salaries when a vacancy is filled?

Since a salary increase will generally only be effective for an official who is newly elected or reelected, what happens if someone fills a vacant position by appointment during the current term or by election for the remainder of a term? Does the new official take the "old" salary or are they eligible for the new and pending salary? In this case, the appointed person receives the same salary as the person who previously held the position during the current term. The constitutional prohibition against increases in the salary of an elected official applies to the term of office rather than to the individual who is holding the office (see AGO 1999 No. 1).

May an Elected Official Refuse a Salary?

Sometimes elected officials will state a willingness to refuse all or part of their salary. While this likely can be done, there are some legal issues that must be considered. As indicated above, the constitution prohibits decreases in salary after an official's election and during the term of office. It would be illegal to reduce the salaries established for elected positions unless the effective date of the decrease is delayed until the beginning of the next term of office. Withholding all or part of a salary of a current officeholder could be considered an illegal salary decrease.

However, there are two possible methods by which elected officials can individually reduce the amount of compensation they receive, despite the constitutional restriction. The simplest way to accomplish this is for the elected official to donate all or a part of their salary back to the local government. The donation would be tax deductible, but income received must still be reported by the elected official for income tax purposes and all relevant deductions taken out.

A second option might be for the official to formally waive all or part of their salary. Since the official would not I

Back to top would not be any taxable income flowing from the refused salary. Code provisions can

support this approach. For example, Chelan County Municipal Code Sec 1.264.030 allows an elected official to voluntarily receive a salary less than that established for their position.

Salary waivers should be agreed to voluntarily, captured in writing, and done in accordance with any existing policies. Any elected official interested in waiving all or part of their salary should consult with their local government's legal counsel. Even with all this, it is not certain that a salary waiver is enforceable.

MRSC is aware of one instance when an elected official voluntarily waived a portion of salary, and after leaving office, asked to be paid the portion that was waived.

RCW 52.14.010 and RCW 53.12.265 give some special district officials, such as fire and port district commissioners, the express statutory authority to waive all or part of their salaries.

Conclusion

Setting and/or changing salaries for an elected official is dependent on the elected official's position, the type of local government they serve, and whether it does/does not employ an independent salary commission. While decreases in salaries are prohibited after the election of an official or during their term of office, local governments do have some flexibility in increasing salaries during terms.

Cities, towns, and counties may find AWC's annual Salary and Benefit Survey a helpful tool when determining salary levels. It is a comprehensive review of salaries and benefits provided to Washington staff and elected officials, providing comparable data across Washington cities and counties of all sizes.

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Article XI, Section 8 of the Washington State Constitution

Text of Section 8:

Salaries and Limitations Affecting.

The salary of any county, city, town, or municipal officers shall not be increased except as provided in section 1 of Article XXX or diminished after his election, or during his term of office; nor shall the term of any such officer be extended beyond the period for which he is elected or appointed.^[1]

Article XXX, Section 1 of the Washington State Constitution

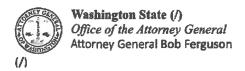
Text of Section 1:

Authorizing Compensation Increase During Term.

The compensation of all elective and appointive state, county, and municipal officers who do not fix their own compensation, including judges of courts of record and the justice courts may be increased during their terms of office to the end that such officers and judges shall each severally receive compensation for their services in accordance with the law in effect at the time the services are being rendered.

The provisions of section 25 of Article II (Amendment 35), section 25 of Article III (Amendment 31), section 13 of Article IV, section 8 of Article XI, and section 1 of Article XXVIII (Amendment 20) insofar as they are inconsistent herewith are hereby repealed.^[1]





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MIDTERM INCREASES IN COMPENSATION

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(https://www.atg.wa.gov

AGO 1988 No. 27 - Nov 9 1988

Attorney General Ken Eikenberry

COUNTIES -- COUNTY COMMISSIONERS -- PUBLIC OFFICER COMPENSATION -- MIDTERM INCREASES IN COMPENSATION

The Legislature clearly intended, by amending RCW 41.04.190 in 1983, to authorize county commissioners to accept increases in health benefits on a midterm basis; the Attorney General will not comment on the constitutionality of the 1983 amendments.

November 9, 1988

Honorable David F. Thiele Island County Prosecuting Attorney Island County Courthouse P. O. Box 430 Coupeville, WA 98239

Cite as: AGO 1988 No. 27

Dear Mr. Thiele:

By letter, previously acknowledged, you have asked the opinion of this office on the following question:

May members of a board of county commissioners receive midterm increases in health care benefits which they have provided for themselves and other county officers and employees?

We answer your question in the manner set forth in our analysis.

<u>ANALYSIS</u>

As you point out in your request to us, we previously addressed this issue in AGO 1974 No. 9. At that time we concluded that the members of a board of county commissioners may not constitutionally receive midterm increases in health care benefits as they have provided from themselves. Our conclusion at that time was based upon the provisions of article 30, section 1 of the state constitution (Amendment 54) and upon RCW 41.04.180 and .190 [41.04.190]. Your inquiry to us at this time is based upon a 1983 legislative change to RCW 41.04.190.

[[Orig. Op. Page 2]]

Article 30, section 1 of the state constitution provides as follows:

The compensation of all elective and appointive state, county, and municipal officers who do not fix their own compensation, including judges of courts of record and the justice courts may be increased during their terms of office to the end that such officers and judges shall each severally receive compensation for their services in accordance with the law in effect at the time the services are rendered.

This provision in turn interacts with article 11, section 8, which provides as follows:

The salary of any county, city, town, or municipal officers shall not be increased except as provided in section 1 of Article XXX or diminished after his election, or during his term of office; nor shall the term of any such officer be extended beyond the period for which he is elected or appointed.

Taken together, these two constitutional provisions permit midterm increases in compensation for officers who do <u>not</u> fix their own compensation, but prohibit midterm increases for those who do.

As we stated in AGO 1974 No. 9, in 1972 the voters approved Amendment 57 to the state constitution (amending article 11, sections 5 and 8) which allowed the Legislature to delegate to the legislative authorities of the counties the right to prescribe the salaries of its own members and the salaries of other county officials. Following the approval of this amendment by the voters, the Legislature granted to the legislative authorities of all counties the power to increase the salary levels fixed by the Legislature. Laws of 1973, 1st Ex. Sess., ch. 88, § 2, p. 683 (amending RCW 36.17.020). Accordingly, county legislative authorities then became officials who fix their own compensation.

As we have seen, article 30, section 1 (Amendment 54) provides for increases in compensation only for officials who do not fix their own compensation. When AGO 1974 No. 9 was issued, RCW 41.04.180 authorized the purchase of hospitalization and medical aid for county employees and their dependents. At that time, RCW 41.04.190 read as follows:

The cost of any such group policy or plan to any such public agency or body shall be deemed additional compensation to the employees or elected county officials covered thereby for services rendered. . . .

[[Orig. Op. Page 3]]

In 1983, RCW 41.04.190 was amended as follows:

The cost of any such group policy or plan to any such public agency or body shall<u>not</u> be deemed additional compensation to the employees or elected county officials covered thereby

Laws of 1983, 1st Ex. Sess., ch. 37, § 1, p. 1667.

The foregoing statutory change purports to alter the nature of health care benefits so as to permit mid-term increases providing for group insurance coverage. In looking at the legislative history of SSB 3079 (Laws of 1983, 1st Ex. Sess., ch. 37, sec. 1, p. 1667) we find that the Legislature was concerned that the existing statutes varied regarding the availability of group insurance benefits for officials of various local governments. In arguing for passage of the amendment, proponents stated:

This is currently being done in most other areas. Other major special purpose districts (school districts, PUD's) can provide such benefits to their officials. Counties and cities can provide such benefits to their officials. Since such benefits for county officials are deemed to be compensation, the rates paid to the county commissioners cannot be increased during the current term of office of the county commissioner. This would remove the necessity for the county commissioner to pay out of his or her pocket for increased rates.

House Committee on Local Government, House Bill Report on Engrossed Substitute Bill 3079 (April 28, 1983). No one argued or testified against passage of this bill.

By way of background, the Legislature noted:

It is not clear whether insurance benefits for county elected officials and employees may be considered compensation. The Legislature has not studied the whole issue of compensation and benefits of special district officials in recent years. The compensation and benefit provisions are not uniform or comparable between the many special purpose districts.

Final Legislative Report Forty-Eighth Legislature 1983(at p. 200).

There remains a question whether the Legislature exceeded its constitutional power in defining the cost of group insurance policies or plans not to be compensation. In keeping with our [[Orig. Op. Page 4]] long-standing policy, we will not directly address the constitutionality of the current version of RCW 41.04.190.

We will note, however, that we addressed the constitutionality of compensation for elective officials in AGO 53-55 No. 355 and have attached a copy of that opinion for your review. In that opinion, we concluded:



The term "compensation" as used in Article XI, sec. 8 of the Washington Constitution, forbidding an increase in compensation to elected municipal officials during their term of office, is "broad enough to include any kind of remuneration from the public treasury for a public officer, whether by way of what is called salary or otherwise." State ex. rel. Funke v. Board of Commissioners, 48 Wash. 461, 465, 93 Pac. 920 (1908). Therefore, if elective officials were to receive its benefits during the current term, the health and welfare plan would constitute additional compensation in violation of Article XI, sec. 8 of the Washington Constitution.

AGO 53-55 No. 355.

We trust the foregoing will be of assistance to you.

Very truly yours, KENNETH O. EIKENBERRY Attorney General

MEREDITH WRIGHT MORTON

Assistant Attorney General

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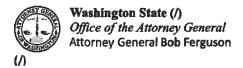
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SCHOOL DISTRICTS -- OFFICES AND OFFICERS -- COMPENSATION -- STATE CONSTITUTION

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AGO 1989 No. 5 - Feb 23 1989

Attorney General Ken Eikenberry

SCHOOL DISTRICTS -- OFFICES AND OFFICERS -- COMPENSATION -- STATE CONSTITUTION

- 1. Currently serving school directors may lawfully adopt a resolution to receive compensation of fifty dollars or less per day as authorized by RCW 28A.57.327, but they may not constitutionally receive the compensation authorized until the beginning of their next respective terms of office.
- 2. If RCW 28A.57.327 were amended to make school director compensation automatic, with no discretionary act of the local board of directors involved, there would be no constitutional bar to the receipt of such compensation on a midterm basis.

February 23, 1989

Honorable Ken Jacobsen State Representative Forty-Sixth District 7307 - 40th Avenue NE Seattle, WA 98115

Cite as: AGO 1989 No. 5

Dear Representative Jacobsen:

By letter previously acknowledged, you have requested the opinion of this office on the following questions:

- (1) May currently serving school directors by duly adopted resolution receive compensation of fifty dollars or less per day when attending meetings or performing services on behalf of the school district during their current terms of office?
- (2) If RCW 28A.57.327 were amended to make school director compensation automatic, what effect would this have on your response to question 1?

We answer your first question in the negative and your second question in the manner set forth in our analysis.

ANALYSIS

School districts are municipal or quasi-municipal corporations. RCW 28A.58.010. They are created by the Legislature and can exercise only those powers expressly granted [[Orig. Op. Page 2]] and those impliedly granted or incident to the declared objects and purposes of the district. Noe v. Edmonds Sch. Dist., 83 Wn.2d 97, 515 P.2d 977 (1973).

Article 30, section 1 of the state constitution provides in part:

The compensation of all elective and appointive state, county, and municipal officers who do not fix their own compensation, including judges of courts of record and the justice courts may be increased during their terms of office to the end that such officers and judges shall each severally receive compensation for their services in accordance with the law in effect at the time the services are being rendered.

Article 11, section 8 deals with salaries and states as follows:

The salary of any county, city, town, or municipal officers shall not be increased except as provided in section 1 of Article XXX or diminished after his election, or during his term of office; nor shall the term of any such officer be extended beyond the period for which he is elected or appointed.

The governing body of a school district is known as the board of directors. RCW 28A.57.312. Directors are elected for four year terms in the manner prescribed by chapter 28A.57 RCW. Because school districts are municipal corporations, members of the board of directors are elective municipal officers, thus placing them within the scope of article 30, section 1 and article 11, section 8 of the state constitution.

Although serving as elected municipal officers, school directors traditionally have received no salary or compensation for services performed on behalf of the district. Recognizing this as an inequity, the Legislature in 1987 declared the policy of the state to be to:

- (1) Ensure, for the sake of educational excellence, that the electorate has the broadest possible field in which to choose qualified candidates for its school boards;
 - (2) Ensure that the opportunity to serve on school boards be open to all, regardless of financial circumstances; and
- (3) Ensure that the time-consuming and demanding service as directors not be limited to those able or [[Orig. Op. Page 3]] willing to make substantial personal and financial sacrifices.

Laws of 1987, ch. 307, § 1, p. 1082.

Along with this statement of intent, the 1987 Legislature added a new section to chapter 28A.57 RCW:

Each member of the board of directors of a school district may receive compensation of fifty dollars per day or portion thereof for attending board meetings and for performing other services on behalf of the school district, not to exceed four thousand eight hundred dollars per year, if the district board of directors has authorized by board resolution, at a regularly scheduled meeting, the provision of such compensation. A board of directors of a school district may authorize such compensation only from locally collected excess levy funds available for that purpose, and compensation for board members shall not cause the state to incur any present or future funding obligation.

Any director may waive all or any portion of his or her compensation under this section as to any month or months during his or her term of office, by a written waiver filed with the district as provided in this section. The waiver, to be effective, must be filed any time after the director's election and before the date on which the compensation would otherwise be paid. The waiver shall specify the month or period of months for which it is made.

The compensation provided in this section shall be in addition to any reimbursement for expenses paid to such directors by the school district.

Laws of 1987, ch. 307, § 2, p. 1082 (codified as RCW 28A.57.327).

As we saw in article 30, section 1, compensation of municipal officers may be increased during their terms of office if they do not fix their own compensation. If they do fix their own compensation, they may not increase their compensation during their current terms of office. Const. art. 11, § 8. RCW 28A.57.327 provides that the district board of directors must authorize the payment of compensation by board resolution.

In AGO 1969 No. 2, we addressed a similar question pertaining to public utility district commissioners. As we stated in that opinion:

[[Orig. Op. Page 4]]

In order to say that the commissioners of a public utility district might provide themselves with a mid-term increase in their compensation, it would be necessary to read the constitutional amendment in question as if it said that pay increases during their terms of office might be granted to "municipal officers who do not fix their own compensation, and, as well, those who do fix their own compensation within maximums established by the legislature."

AGO 1969 No. 2, at 5. Also addressed in that opinion was a statute very similar to RCW 28A.57.327, which provided for payment to fire district commissioners not to exceed ten dollars per day or thirty dollars per month for attendance at board meetings and performance of other services on behalf of the district. Similarly, such payments were to be fixed by resolution. We stated:

[The authority granted by this statute is such as to enable a board of fire commissioners to grant its members an increase in their compensation (either from none to some or from a fixed to a higher rate)....

AGO 1969 No. 2, at 6.

In<u>State ex rel. Wyrick v. Ritzville</u>, 16 Wn.2d 36, 132 P.2d 737 (1942), the court considered whether the constitution prohibited payment of compensation in the first instance where no compensation previously attached to positions on the Ritzville City Council. In finding a constitutional violation, the court stated:

It is as much in violation of the spirit and purpose of the constitution to permit payment of compensation to an officer during his term of office, where previously the office carried no compensation, as it is to permit the amount of compensation, previously fixed, to be increased and such increase of compensation paid to one who, at the time of the increase, is holding office under an unexpired term.

State ex rel. Wyrick v. Ritzville, 16 Wn.2d at 39.

In 1983 we again addressed the provisions of article 30, section 1. AGO 1983 No. 6 concerned resolutions adopted by commissioners of public hospital districts. The Legislature had amended RCW 70.44.050 to allow for a compensation increase from \$25 to \$40 per day. We found that adopting a resolution increasing the daily rate from \$25 to \$40 would be fixing compensation under article 30, section 1, stating:

[[Orig. Op. Page 5]]

By the passage of such a resolution, the commissioners, in our judgment, would clearly be increasing their own compensation. Accordingly, any such increases may not constitutionally take effect until the commencement of each commissioner's next ensuing term of office.

AGO 1983 No. 6, at 2.

In your letter, you question whether choosing to accept any payment for the first time is the same as increasing one's compensation while in a current term of office. We believe it is. RCW 28A.57.327 sets limits on the amount of compensation that may be paid to school district directors. However, the compensation must be established by board resolution. Passage of the resolution is an establishment of compensation.

As you also pointed out in your letter to us, if we find that school directors fix their own compensation thereby making them ineligible to receive the monies until they are next elected, this has placed school boards in the awkward situation where some directors are receiving allowable compensation while others must await the beginning of their next ensuing term. This appears to be in keeping with section 1, chapter 307, Laws of 1987, in which the Legislature stated its intention that the field of candidates for school board positions be broadened and that the opportunity to serve on school boards be opened to all regardless of financial circumstances. The law appears to target future school board directors rather than those currently serving.

In summary, we conclude that the board of directors of a school district are municipal officers who fix their own compensation. Accordingly, they may not increase their own compensation during their current terms of office pursuant to article 30, section 1 and article 11, section 8 of the state constitution. Thus, we answer your first question in the negative.

We turn now to your second question, which is repeated here for ease of reference:

If RCW 28A.57.327 were amended to make school director compensation automatic, what effect would this have on your response to question 1?

RCW 28A.57.327 provides that monies for compensation of school directors may be paid only from locally collected excess levy funds. We assume that in asking your second question, it is your intention that school directors would automatically receive compensation of fifty dollars per day unless they decided to [[Orig. Op. Page 6]] waive the monies, or unless the district lacked excess levy monies to fund compensation.

In 1974, we addressed this issue in an opinion relating to legislatively granted salary increases for county commissioners. That opinion noted that in AGO 1969 No. 2, we had advised that members of a board of county commissioners were not precluded from receiving mid-term salary increases granted by the Legislature. We then advised:



Neither the spirit nor the letter of the constitution is violated by the payment to a county commissioner of a mid-term salary increase provided for by the legislature - as distinguished from one which is granted by the commissioners themselves. In the one case, the new salary is fixed by a state law enacted by the legislative authority of the state; in the other, it is fixed by a county ordinance or resolution requiring the approval of the commissioners themselves for passage.

AGO 1974 No. 9, at 5.

Our opinion remains the same as it relates to school directors. Were the Legislature to amend RCW 28A.57.327 to provide for compensation in the amount of fifty dollars per day (or some other amount) without the necessity for school board resolution approving the compensation, directors could receive the compensation without violating article 30, section 1 or article 11, section 8. For constitutional purposes, the important thing is to remove the salary increase entirely from the discretion of the local board of directors. So long as the Legislature and not the local board is deciding on the increase, article 30, section 1 permits mid-term increases in compensation.

We trust the foregoing will be of assistance to you.

Very truly yours, KENNETH O. EIKENBERRY Attorney General

MEREDITH WRIGHT MORTON
Assistant Attorney General

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