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3 SENATE FINANCE AND TAXATION EDUCATION COMMITTEE SUBSTITUTE FOR  
4 HB121

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9 SYNOPSIS: This bill would increase the salaries of  
10 public education employees and provide for a  
11 conditional bonus for retirees of the Teachers'  
12 Retirement System.

13  
14 A BILL  
15 TO BE ENTITLED  
16 AN ACT

17  
18 Relating to the salaries of public education  
19 employees; to provide for a revision of the State Minimum  
20 Salary Schedule to reflect pay increases beginning with the  
21 fiscal year 2016-2017; to provide that each employee of  
22 certain boards of education shall receive the pay increases  
23 according to placement on the appropriate salary step; to  
24 require the appropriate increases on the State Minimum Salary  
25 Schedule; to provide support employees with a pay increase  
26 beginning with the fiscal year 2016-2017; to require salary  
27 schedules; to provide the employees of certain other public

1 educational institutions and schools with a pay increase for  
2 the 2016-2017 fiscal year; to provide for salary increases on  
3 all two-year postsecondary salary schedules; to establish  
4 other requirements on the two-year postsecondary salary  
5 schedules; to establish miscellaneous pay provisions relating  
6 to public education; and to provide for a conditional bonus  
7 for retirees of the Teachers' Retirement System.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. PAY INCREASES, FY 2016-2017. (a) The  
10 State Budget Officer shall allocate to the State Board of  
11 Education, the Board of Trustees of the Alabama Institute for  
12 Deaf and Blind, the Board of Youth Services School District,  
13 the Board of Directors of the Alabama School of Fine Arts, and  
14 the Board of Trustees of the Alabama School of Mathematics and  
15 Science and for disbursement to the employees thereof funds  
16 based on the criteria established in this section. It is not  
17 the intent of this section to make appropriations, but the  
18 appropriations required by this section shall be made in the  
19 annual Education Trust Fund budget act for the designated  
20 fiscal year.

21 (1) Certificated Personnel Earning Less than \$75,000  
22 (K-12). For the fiscal year beginning October 1, 2016, and  
23 each year thereafter, each certificated employee at all city  
24 and county school systems and the teachers at the Department  
25 of Youth Services School District earning less than \$75,000  
26 annually shall receive a four percent salary increase. Not-  
27 withstanding the foregoing, principals and assistant princi-

1       pals earning above \$75,000 shall also receive the four percent  
 2       salary increase in the same manner as provided for in this  
 3       section. Each step and cell on the State Minimum Salary Sched-  
 4       ule below \$75,000 contained in the annual budget act for the  
 5       public schools shall be increased by the amounts below for  
 6       fiscal year 2016-2017. The State Minimum Salary Schedule shall  
 7       reflect the following percentage increase:

8	Step	Years of Experience	Increase
9	1	Less than 3	4.0%
10	2	3 but less than 6	4.0%
11	3	6 but less than 9	4.0%
12	4	9 but less than 12	4.0%
13	5	12 but less than 15	4.0%
14	6	15 but less than 18	4.0%
15	7	18 but less than 21	4.0%
16	8	21 or greater	4.0%
17	9	24 but less than 27	4.0%
18	10	27 or more	4.0%

19               All certificated employees, including the Adult  
 20       Basic Education and Science in Motion employees, shall be  
 21       guaranteed pay increases in the amounts indicated above for  
 22       their years of experience and degrees earned and the

1 corresponding pay increases shall be reflected in the  
2 appropriate local salary schedule and paid to each  
3 certificated employee earning less than \$75,000 annually. The  
4 provisions and requirements of this section shall be in  
5 addition to the provisions of Section 16-13-231.1, Code of  
6 Alabama 1975, relating to the State Minimum Salary Schedule.  
7 Each certificated employee shall be properly placed on the  
8 local salary schedule according to degree earned and years of  
9 public education service (either in-state or out-of-state),  
10 which shall be not less than the amounts appropriated for the  
11 State Minimum Salary Schedule. The employee shall be paid  
12 according to degree earned and length of public education  
13 experience. The pay increase shall be given to each person  
14 employed for the 2016-2017 fiscal year in addition to any  
15 state or local step increase to which the employee is  
16 otherwise entitled. The local board of education shall  
17 transmit to the State Department of Education the appropriate  
18 notice of the earned advanced degree for each employee in a  
19 timely fashion; thereafter, the employee shall be paid for the  
20 advanced degree as soon as the degree is certified to the  
21 State Department of Education as being earned.

22 (2) Certificated Personnel Earning More than \$75,000  
23 (K-12). For the fiscal year beginning October 1, 2016, and  
24 each year thereafter, each certificated employee at all city  
25 and county school systems and the teachers at the Department  
26 of Youth Services School District earning more than \$75,000  
27 shall receive a two percent salary increase. Notwithstanding

1 the foregoing, principals and assistant principals earning  
2 above \$75,000 shall receive the four percent salary increase  
3 pursuant to and in the manner provided by subdivision (1) of  
4 this section. Each step and cell on the State Minimum Salary  
5 Schedule above \$75,000 contained in the annual budget act for  
6 the public schools shall be increased by the amounts below for  
7 fiscal year 2016-2017, the State Minimum Salary Schedule shall  
8 reflect the following percentage increase:

9	Step	Years of Experience	Increase
10	1	Less than 3	2.0%
11	2	3 but less than 6	2.0%
12	3	6 but less than 9	2.0%
13	4	9 but less than 12	2.0%
14	5	12 but less than 15	2.0%
15	6	15 but less than 18	2.0%
16	7	18 but less than 21	2.0%
17	8	21 or greater	2.0%
18	9	24 but less than 27	2.0%
19	10	27 or more	2.0%

20 All certificated employees, including the Adult  
21 Basic Education and Science in Motion employees, shall be  
22 guaranteed pay increases in the amounts indicated above for

1 their years of experience and degrees earned and the  
2 corresponding pay increases shall be reflected in the  
3 appropriate local salary schedule and paid to each  
4 certificated employee earning more than \$75,000 annually. The  
5 provisions and requirements of this section shall be in  
6 addition to the provisions of Section 16-13-231.1, Code of  
7 Alabama 1975, relating to the State Minimum Salary Schedule.  
8 Each certificated employee shall be properly placed on the  
9 local salary schedule according to degree earned and years of  
10 public education service (either in-state or out-of-state),  
11 which shall be not less than the amounts appropriated for the  
12 State Minimum Salary Schedule. The employee shall be paid  
13 according to degree earned and length of public education  
14 experience. The pay increase shall be given to each person  
15 employed for the 2016-2017 fiscal year in addition to any  
16 state or local step increase to which the employee is  
17 otherwise entitled. The local board of education shall  
18 transmit to the State Department of Education the appropriate  
19 notice of the earned advanced degree for each employee in a  
20 timely fashion; thereafter, the employee shall be paid for the  
21 advanced degree as soon as the degree is certified to the  
22 State Department of Education as being earned.

23 (3) Education Support Personnel Earning Less than  
24 \$75,000 (K-12). A four percent pay increase, beginning with  
25 the fiscal year 2016-2017, shall be paid to each public  
26 education support worker and adult bus driver, including Adult  
27 Basic Education and Science in Motion personnel, employed for

1 the 2016-2017 fiscal year in addition to the salary received  
2 during the 2015-2016 fiscal year, except employees covered  
3 under the state's Merit System at the Department of Youth  
4 Services District. Each governing body or authority shall  
5 establish and maintain a salary schedule for each class and  
6 type of employee and each step of each salary schedule shall  
7 be increased to reflect a four percent pay increase beginning  
8 with fiscal year 2016-2017, which shall be given to the person  
9 employed full-time for the 2016-2017 fiscal year and each year  
10 employed full-time thereafter. The base rate of pay for  
11 part-time support employees shall be increased by four percent  
12 beginning with fiscal year 2016-2017. A separate local salary  
13 schedule shall be established and maintained for each specific  
14 job performed.

15 (4) Education Support Personnel Earning More than  
16 \$75,000 (K-12). A two percent pay increase, beginning with the  
17 fiscal year 2016-2017, shall be paid to each public education  
18 support worker and adult bus driver, including Adult Basic  
19 Education and Science in Motion personnel, employed for the  
20 2016-2017 fiscal year in addition to the salary received  
21 during the 2015-2016 fiscal year, except employees covered  
22 under the state's Merit System at the Department of Youth  
23 Services District. Each governing body or authority shall  
24 establish and maintain a salary schedule for each class and  
25 type of employee and each step of each salary schedule shall  
26 be increased to reflect a two percent pay increase beginning  
27 with fiscal year 2016-2017, which shall be given to the person

1 employed full-time for the 2016-2017 fiscal year and each year  
2 employed full-time thereafter. The base rate of pay for  
3 part-time support employees shall be increased by two percent  
4 beginning with fiscal year 2016-2017. A separate local salary  
5 schedule shall be established and maintained for each specific  
6 job performed.

7 (5) AIDB. For the fiscal year 2016-2017, employees  
8 at the Alabama Institute for Deaf and Blind shall receive a  
9 pay increase which shall be in excess of their salaries  
10 received during the 2015-2016 fiscal year. The increase shall  
11 be as follows:

12 a. Certificated Employees Earning Less than \$75,000.  
13 The salary schedule for certificated employees earning less  
14 than \$75,000 shall be revised to reflect at least the follow-  
15 ing percentage increase beginning with the fiscal year  
16 2016-2017:

17	Step	Years of Experience	Increase
18	1	Less than 3	4.0%
19	2	3 but less than 6	4.0%
20	3	6 but less than 9	4.0%
21	4	9 but less than 12	4.0%
22	5	12 but less than 15	4.0%
23	6	15 but less than 18	4.0%
24	7	18 but less than 21	4.0%



1	8	21 or greater	4.0%
2	9	24 but less than 27	4.0%
3	10	27 or more	4.0%

4           b. Certificated Employees Earning More than \$75,000.  
5 The salary schedule for certified employees earning more than  
6 \$75,000 shall be revised to reflect at least the following  
7 percentage increase beginning with the fiscal year 2016-2017:

8	Step	Years of Experience	Increase
9	1	Less than 3	2.0%
10	2	3 but less than 6	2.0%
11	3	6 but less than 9	2.0%
12	4	9 but less than 12	2.0%
13	5	12 but less than 15	2.0%
14	6	15 but less than 18	2.0%
15	7	18 but less than 21	2.0%
16	8	21 or greater	2.0%
17	9	24 but less than 27	2.0%
18	10	27 or more	2.0%

19           c. Education Support Personnel Earning Less than  
20 \$75,000 (K-12). A four percent pay increase, beginning with

1 the 2016-2017 fiscal year, shall be given to each support  
2 worker employed full-time by the Alabama Institute for Deaf  
3 and Blind. A separate local salary schedule shall be  
4 established and maintained for each specific job performed.  
5 The pay increase in this section shall be incorporated into  
6 the support employees' salary schedules. The base rate of pay  
7 for part-time support employees shall be increased by four  
8 percent for the 2016-2017 fiscal year.

9 d. Education Support Personnel Earning More than  
10 \$75,000 (K-12). A two percent pay increase, beginning with the  
11 2016-2017 fiscal year, shall be given to each support worker  
12 employed full-time by the Alabama Institute for Deaf and  
13 Blind. A separate local salary schedule shall be established  
14 and maintained for each specific job performed. The pay  
15 increase in this section shall be incorporated into the  
16 support employees' salary schedules. The base rate of pay for  
17 part-time support employees shall be increased by two percent  
18 for the 2016-2017 fiscal year.

19 e. Miscellaneous Requirements. The AIDB board shall  
20 establish and maintain a salary schedule for each class and  
21 type of employee and each step of each salary schedule for  
22 fiscal year 2016-2017 shall be increased to reflect the pay  
23 increases above to be given to each person employed for the  
24 2016-2017 fiscal year and each year employed thereafter. The  
25 pay increases contained in this subsection shall be paid to  
26 each employee.

1 (4) Two-Year Postsecondary Institutions Employees.

2 The Board of Trustees of the Community College System shall  
3 revise all salary schedules of the two-year postsecondary  
4 institutions to reflect an increase of four percent for the  
5 2016-2017 fiscal year. The pay increase shall be given to each  
6 person employed in addition to any step increase to which the  
7 employee is otherwise entitled. The Postsecondary Education  
8 Department shall take proper steps to ensure that employees on  
9 all salary schedules are given full credit for prior work  
10 experience in the public schools and colleges, and shall take  
11 care to ensure proper placements on the salary schedules.  
12 Placement on the revised salary schedules shall be in  
13 accordance with the employee's length of service in public  
14 education. No pay increase shall be given to any two-year  
15 postsecondary employee in excess of four percent, except as  
16 specifically provided in this section.

17 (5) Miscellaneous provisions. The following  
18 provisions are hereby established:

19 a. Fiscal Year. All salaries and salary increases  
20 which are established by the State Board of Education shall be  
21 paid in full to each person employed before the end of the  
22 applicable fiscal year as defined in Section 16-1-1 of the  
23 Code of Alabama 1975, as amended.

24 b. Extended Work. Public K-12 school employees on  
25 contracts which extend beyond 187 days, or the hourly  
26 equivalent thereof, shall be given a pro rata salary increment  
27 for each or partial day of work extending beyond 187 days.

1           c. Local Increment. Any cost-of-living adjustment  
2 and/or increase on the State Minimum Salary Schedule for  
3 teachers as provided in this section shall be exclusive of any  
4 local pay increase granted or due to teachers under provisions  
5 of any local salary schedule. Any cost-of-living adjustment  
6 and/or pay increase required by this section for public school  
7 support personnel shall be in addition to any pay increase due  
8 or granted to the employee under provisions of any local  
9 salary schedules. The pay increase provisions of this section  
10 shall not apply to any salary supplements granted by local  
11 boards of education, bonuses earned for certification by the  
12 National Board of Professional Teaching Standards, or the  
13 federal portion of the salary paid to a Junior Reserve Officer  
14 Training Corps (JROTC) instructor employed by a local school  
15 board.

16           d. Community Education. Each county and city board  
17 of education shall have the option to exclude from the  
18 provisions of this section any part-time employees of  
19 community education or school-sponsored child care or child  
20 enrichment program which is supplemental to the state-required  
21 educational program.

22           e. Local Chief Executive Officers. The pay increase  
23 provisions of this section shall not apply to superintendents  
24 of education of any school system or institution. Any pay  
25 increase given to the superintendent shall be by majority  
26 recorded vote of the governing body or authority.

1           Section 2. The pay increases granted in Section 1  
2 shall begin in fiscal year 2016-2017 and continue in  
3 subsequent years. Nothing in Section 1 shall authorize  
4 additional pay increases in subsequent years.

5           Section 3. (a) There is hereby conditionally  
6 provided for fiscal year 2016-2017 a funded one-time lump-sum  
7 payment, hereinafter referred to as "lump-sum payment," to  
8 each person whose effective date of retirement for purposes of  
9 receiving benefits from the Teachers' Retirement System is  
10 prior to October 1, 2015, and who is receiving or is entitled  
11 to receive a monthly allowance from the Employees' Retirement  
12 System on September 30, 2016, subject to the availability of  
13 funds as provided in subsection (g).

14           (b) The formula for calculating the lump-sum payment  
15 shall be two dollars (\$2) per month for each year of service  
16 attained by the retiree or \$300.00 whichever is greater.

17           (c) Beneficiaries of deceased members or deceased  
18 retirees, if the date of death for the deceased member, or the  
19 effective date of retirement for the deceased retiree for  
20 purposes of receiving benefits from the Teachers' Retirement  
21 System was prior to October 1, 2015, and if the beneficiary is  
22 receiving or is entitled to receive a monthly allowance from  
23 the Teachers' Retirement System on September 30, 2016, shall  
24 receive a lump-sum payment of \$300.00, subject to the  
25 availability of funds as provided in subsection (g).

26           (d) There is hereby conditionally provided for  
27 fiscal year 2016-2017 a funded one-time lump-sum payment to

1 certain persons identified in subsection (e) herein, whose  
2 effective date of retirement for purposes of receiving  
3 benefits from the Employees' Retirement System is prior to  
4 October 1, 2015, and who is receiving or is entitled to  
5 receive a monthly allowance from the Employees' Retirement  
6 System on September 30, 2016, subject to the availability of  
7 funds as provided in subsection (g).

8 (e) For purposes of this section, service includes  
9 the service under Section 16-25-1 and Section 16-25-150 et  
10 seq., Code of Alabama 1975.

11 (f) Any person who received benefits under the  
12 Medicaid program and whose eligibility for Medicaid benefits  
13 would be impaired by the lump-sum payment provided by this  
14 section shall not be entitled to receive the aforementioned  
15 increase. Any person who subsequently applies for benefits  
16 under the Medicaid program and that person's eligibility to  
17 receive benefits is impaired by the lump-sum payment provided  
18 by this section shall not be entitled to receive the increase  
19 subsequent to the date that the member files application for  
20 benefits under the Medicaid program.

21 (g) There is hereby conditionally appropriated from  
22 the Education Trust Fund to the Teachers' Retirement System of  
23 Alabama \$46,400,000 for the fiscal year beginning October 1,  
24 2016, or such amounts as are necessary to carry out the  
25 provisions of this section as it relates to the Teachers'  
26 Retirement System. Such appropriation shall be paid in full to  
27 the Teachers' Retirement System by October 31, 2017 if funds

1 are available for such appropriation. This appropriation from  
2 the Education Trust Fund shall be conditioned on funds being  
3 available for such appropriation.

4 (h) The conditional lump-sum payments provided under  
5 this section shall be paid to all eligible recipients by the  
6 Teachers' Retirement System on September 1, 2017 if funds are  
7 available for such payments.

8 Section 4. The provisions of this act are severable.  
9 If any part of this act is declared invalid or  
10 unconstitutional, that declaration shall not affect the part  
11 which remains.

12 Section 5. This act shall become effective  
13 immediately following its passage and approval by the  
14 Governor, or its otherwise becoming law.