

FINAL BILL REPORT

SB 5539

C 87 L 22
Synopsis as Enacted

Brief Description: Concerning state funding for educational service districts.

Sponsors: Senators Hunt and Wilson, C..

Senate Committee on Ways & Means
House Committee on Appropriations

Background: School Employees' Benefits Board. In 2017, the Legislature created the nine-member School Employees' Benefits Board (SEBB). Originally, all school districts, educational service districts (ESDs), and charter schools were required to provide health care and related benefits to employees through the SEBB program, administered by the Health Care Authority, beginning January 1, 2020. In 2019, participation in the SEBB by non-represented ESD employees was delayed from January 1, 2020, to January 1, 2024.

Educational Service Districts. There are nine regional ESDs in the state. Each is governed by a board consisting of seven to nine members elected by the school directors of the ESD. ESDs' responsibilities include providing cooperative, administrative, and informational services to and on behalf of local school districts, and assisting the Superintendent of Public Instruction and the State Board of Education in the performance of their duties.

ESDs provide a variety of services, which are funded by several revenue sources. Services include back office administrative support, fiscal support, technology services, special education, early childhood education, professional development, and other instructional and non-instructional programs. Revenue is provided to the ESDs though fees paid by school districts and others for fee-for-service and co-operative programs, state and federal grants, and direct state allocations.

State Funding Formulas for School Health Benefits. Based on prototypical school formulas, the state allocates funding to each school district for employee health benefits and for the cost to districts of covering retiree health care for state-funded kindergarten through grade 12 staff units. Staff types for which the state allocates benefits funding include instructional

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staff, administrative staff, classified staff, district-wide support staff, and central office staff. Formulas for special education, bilingual, and other categorical programs also include health benefits in the calculation. State funding for staff directly allocated by the state to the ESDs also includes health benefits allocations.

Summary: State funding shall be provided to each ESD for the employer cost of the school employees' benefits provided to the employees of the ESD that are covered by a collective bargaining agreement.

Votes on Final Passage:

Senate	28	21
House	80	17

Effective: June 9, 2022