

HOUSE BILL REPORT

2EHB 1584

As Passed House
January 21, 1998

Title: An act relating to school district employee benefits.

Brief Description: Revising provisions for school district employee benefits.

Sponsors: By House Committee on Health Care (originally sponsored by Representatives Sherstad, Zellinsky, Dyer, Skinner, Backlund and Johnson).

Brief History:

Committee Activity:

Health Care: 2/14/97, 2/27/97 [DP].

Floor Activity:

Passed House: 3/19/97, 98-0;

Passed House: 1/21/98, 70-28.

HOUSE COMMITTEE ON HEALTH CARE

Majority Report: Do pass. Signed by 7 members: Representatives Dyer, Chairman; Backlund, Vice Chairman; Skinner, Vice Chairman; Anderson; Parlette; Sherstad and Zellinsky.

Minority Report: Do not pass. Signed by 4 members: Representatives Cody, Ranking Minority Member; Murray, Assistant Ranking Minority Member; Conway and Wood.

Staff: Bill Hagens (786-7131).

Background: There are 296 school districts in Washington and a substantial number of school employees for which the state provides benefits at about \$315 per full-time employee, per month. While some districts purchase benefits through the State Health Care Authority, most administer them locally. State law limits state-funded benefits to these five: medical, dental, vision, group term life, and group long-term disability insurance coverage. A recent attorney general's opinion states that school districts must purchase all five benefits. This requirement reduces the amount of funds available for optional benefits through voluntary employee benefit arrangements (VEBAs).

Summary of Bill: School districts may limit the employee benefit package to one or more of the statutory benefits; however, all employee bargaining units must agree in districts where optional benefits are offered.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The bill provides greater choice to school employees.

Testimony Against: The bill will require school employees with families to pay more for their benefits.

Testified: Representative Sherstad, prime sponsor; Karen Davis, Washington Education Association (con); David Westberg, Joint Council of Stationary Engineers (con); Sherry Appleton, Service Employees International Union (con); Mike Ryherd, Teamsters (con); Mark Wilkerson, Wilkerson & Associates (pro); Peter Laney, Laney Advisors, Ltd. (pro); Dr. Cliff Campbell, Washington Association of School Administrators (pro); and John Kvamme, Association of Washington School Principals & Washington Association of School Administrators (pro).