
Appropriations Committee

HB 2655

Brief Description: Adding members to the school employees' benefits board.

Sponsors: Representatives Dolan, Harris, Kilduff, Robinson and Santos.

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| <p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Adds two voting members to the nine-member School Employees' Benefits Board, one nominated by the Washington State School Directors' Association, and one nominated by the Washington Association of School Administrators. |
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Hearing Date: 1/25/18

Staff: David Pringle (786-7310).

Background:

In 2017 the Legislature created the nine-member School Employees' Benefits Board (SEBB) with the enactment of Engrossed House Bill (EHB) 2242. Under this bill, beginning January 1, 2020, all public schools must provide health care and related benefits to employees through the SEBB program, administered by the Health Care Authority (HCA).

The state allocates funding to each school district for employee fringe benefits such as health care and for the cost to districts of covering retiree health care for state-funded K-12 staff units. Although the state allocates the funding, prior to EHB 2242 and until January 1, 2020, each district purchases health benefits separately and bargains locally with its employees regarding the specific benefits package. Employee and employer contributions vary by district, and by bargaining units within districts.

A legislatively mandated study by the Joint Legislative Audit and Review Committee (JLARC) completed in 2016 indicated that the share of the costs of coverage paid by school district employees who insure only themselves was typically much lower than for those who also insure their family members. The JLARC study also concluded that while slight improvement was

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made toward goals set by the Legislature in 2012 to achieve greater equity between individual and family premiums, targets set by the Legislature were unmet.

The SEBB's membership consists of:

- two members representing classified employees;
- two members representing certificated employees;
- four members with expertise in employee health benefits policy and administration, including one member that is nominated by the Washington Association of School Board Officials; and
- the director of the HCA.

The SEBB's responsibilities include:

- developing school employee benefit plans that include comprehensive, evidence-based health care benefits;
- authorizing premium contributions, including employee share of the cost for family coverage that does not exceed the required employee share of the cost for employee-only coverage;
- determining the terms of employee and dependent eligibility criteria and enrollment policies, subject to the condition that employees must work at least 630 hours per year to qualify for coverage;
- determining the terms for participation in the SEBB plans, and the penalties for failing to comply with participation criteria;
- participating with the HCA and in coordination with the Public Employees' Benefits Board in the selection of carriers to provide health and dental plans; and
- reporting to legislative policy and fiscal committees by November 30, 2021, regarding whether the provisions of the act have resulted in cost savings to the state.

In addition to consolidating health care purchasing for school district employees, EHB 2242 also removed medical, dental, vision, and other basic and optional insurance benefits from the scope of local school district bargaining. Similarly to how state employees bargain for health care, health benefit provisions will be bargained between the Governor or the Governor's designee and one coalition of all the exclusive bargaining representatives impacted by benefit purchasing with the SEBB. Bargaining must be initiated after July 1, 2018.

The Washington State School Directors' Association (WSSDA) is a state agency but all state funding for the agency is provided through the members' dues. The WSSDA provides services for its members including coordinating policies, control, and management of school districts; conducting studies and providing information on ways to increase administrative efficiencies; and purchasing liability insurance for school directors.

The Washington Association of School Administrators is a private organization for professional school administrators that provides leadership and professional training programs to members, consulting services, and governmental relations services.

Summary of Bill:

By July 7, 2018, the SEBB membership is expanded from nine to 11 members, adding two voting members appointed by the Governor:

- one member from two candidates nominated by the Washington State School Directors' Association; and
- one member from two candidates nominated by the Washington Association of School Administrators.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.