

# HOUSE BILL REPORT

## HB 2077

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*As Reported By House Committee on:  
Appropriations*

**Title:** An act relating to school district employee benefits.

**Brief Description:** Changing reporting requirements for school district employee benefit providers.

**Sponsor(s):** Representatives Hine, Silver, Peery and Holland.

**Brief History:**

Reported by House Committee on:  
Appropriations, March 5, 1991, DPS.

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**HOUSE COMMITTEE ON  
APPROPRIATIONS**

**Majority Report:** *That Substitute House Bill No. 2077 be substituted therefor, and the substitute bill do pass.*  
Signed by 30 members: Representatives Locke, Chair; Inslee, Vice Chair; Spanel, Vice Chair; Silver, Ranking Minority Member; Morton, Assistant Ranking Minority Member; Appelwick; Belcher; Bowman; Braddock; Brekke; Dorn; Ebersole; Ferguson; Fuhrman; Hine; Holland; Lisk; May; McLean; Mielke; Nealey; Peery; Pruitt; Rust; H. Sommers; Sprenkle; Valle; Vance; Wang; and Wineberry.

**Staff:** Barbara McLain (786-7153).

**Background:** In 1990, the Legislature enacted ESHB 2230, which required school districts to use state allocations for employee benefits on "basic benefits" before any optional benefits were purchased. Additional restrictions on the availability of optional benefits were also established. The bill required the state Health Care Authority (HCA) annually to collect detailed data from school districts on the types of benefits offered and on the demographic characteristics of enrollees and their dependents. Finally, the HCA was to study the implementation of the bill and report back to the Legislature in 1991 with findings and any further recommendations.

Among the HCA's findings and recommendations were:

- (a) The Superintendent of Public Instruction should be granted authority to write administrative rules to clarify the implementation of ESHB 2230; and
- (b) The annual data collection from school districts by the HCA should be modified to a periodic collection of aggregate data.

If a political subdivision wishes to participate in the health insurance plans offered by the Health Care Authority, all employees must transfer as a unit, and the employer must pay at least the same contribution for its employees as the state pays for state employees.

**Summary of Substitute Bill:** A requirement for the Health Care Authority annually to collect detailed data on insurance benefit plans and employee demographics from school districts is changed so that: (a) data may be collected periodically, not more than once every two years; and (b) aggregate summary data, rather than detailed data, will be collected.

The Superintendent of Public Instruction is authorized to adopt administrative rules to implement 1990 legislation regarding K-12 employee benefits.

School districts are exempt from requirements that all employees from a political subdivision wishing to participate in HCA insurance plans must transfer as a unit, and that employers must pay the same amount to cover these transferred employees as the state pays as an employer.

**Substitute Bill Compared to Original Bill:** School districts wishing to participate in HCA insurance plans are exempt from certain requirements regarding transfer of and contributions for their employees.

**Fiscal Note:** Not requested.

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

**Testimony For:** The Health Care Authority has completed its report, which was the primary reason to collect data. The purpose of further collection would be to monitor changes in K-12 benefits and could be done periodically with survey data. SPI should write rules to clarify the actual implementation of the pooling language in statute.

**Testimony Against:** None.

**Witnesses:** Margaret Stanley, Health Care Authority  
(support); and Karen Davis, Washington Education Association  
(support).