

CERTIFICATION OF ENROLLMENT
SUBSTITUTE SENATE BILL 5873

Chapter 254, Laws of 1991
(partial veto)

52nd Legislature
1991 Regular Session

SCHOOL DISTRICT EMPLOYEES--INSURANCE COVERAGE FOR
RETIRED AND DISABLED EMPLOYEES

EFFECTIVE DATE: 7/28/91

Passed by the Senate April 23, 1991
Yeas 42 Nays 0

JOEL PRITCHARD
President of the Senate

Passed by the House April 16, 1991
Yeas 96 Nays 0

JOE KING
**Speaker of the
House of Representatives**

Approved May 17, 1991, with the
exception of section 2, which is
vetoed.

BOOTH GARDNER
Governor of the State of Washington

CERTIFICATE

I, Gordon Golob, Secretary of the
Senate of the State of Washington, do
hereby certify that the attached is
SUBSTITUTE SENATE BILL 5873 as passed
by the Senate and the House of
Representatives on the dates hereon
set forth.

GORDON A. GOLOB
Secretary

FILED

May 17, 1991 - 10:33 a.m.

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5873

AS AMENDED BY THE HOUSE

Passed Legislature - 1991 Regular Session

State of Washington 52nd Legislature 1991 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators McDonald, Gaspard, Saling, Snyder, L. Smith, Johnson, Bauer, Rasmussen and Barr).

Read first time March 11, 1991.

1 AN ACT Relating to insurance coverage for retired and disabled
2 school district employees; adding a new section to chapter 28A.400 RCW;
3 and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.400
6 RCW to read as follows:

7 (1) Retired and disabled school district employees shall be
8 entitled to continue their participation in any insurance plans and
9 contracts after their retirement or disablement for a period of at
10 least thirty months. These retired or disabled employees shall bear
11 the full cost of premiums required to provide the coverage.

12 (2) This section applies to:

13 (a) School district employees who retire or are disabled after
14 the effective date of this act; and

1 (b) School district employees who retired within the eighteen-
2 month period ending on the effective date of this act.

3 (3) School district employees who retired more than eighteen
4 months before the effective date of this act and who were covered by a
5 school district's insurance plan on January 1, 1991, may continue their
6 coverage for a period of at least one year from the effective date of
7 this act.

8 **NEW SECTION. Sec. 2. (1) The Washington state health care*
9 *authority shall study and develop recommendations regarding health care*
10 *coverage for retired and disabled public school employees. The study*
11 *shall include, but not be limited to, the following:*
12

13 (a) *Collection of information regarding the cost to both the*
14 *school district and the retired or disabled employee of coverage, the*
15 *prevalence of use of available coverage by retirees, and the types of*
16 *coverage made available through school districts;*

17 (b) *Evaluation of the feasibility and cost implications to*
18 *retired or disabled employees, the state, school districts, and active*
19 *employees of: (i) Requiring school districts to allow retired*
20 *employees to continue their employer-sponsored health care coverage at*
21 *a reasonable cost to the employee; or (ii) Allowing retired or disabled*
22 *school district employees to participate in insurance plans offered by*
23 *the state employees' benefits board even if the retired or disabled*
24 *employees did not participate in such plans as active employees;*

25 (c) *Development of mechanisms to pre-fund health care coverage*
26 *for retired and disabled employees, through means such as contributions*
27 *by active employees to a fund established to finance future retired and*
28 *disabled employees' health care benefits, and voluntary contributions*
29 *by active employees to individual medical accounts from which funds can*

1 *be drawn upon retirement or becoming disabled to pay premiums and costs*
2 *for health care coverage;*

3 (d) *Establishment of variable health care coverage premium rates*
4 *for retired or disabled employees based upon the individual retired or*
5 *disabled individual's income; and*

6 (e) *Evaluation of any other areas deemed necessary by the health*
7 *care authority.*

8 (2) *The health care authority may form technical advisory*
9 *committees to assist with the study. The health care authority shall*
10 *submit its findings and recommendations to the legislature by December*
11 *1, 1991.*

12 *Sec. 2 was vetoed, see message at end of chapter.

Passed the Senate April 23, 1991.

Passed the House April 16, 1991.

Approved by the Governor May 17, 1991, with the exception of
certain items which were vetoed.

Filed in Office of Secretary of State May 17, 1991.

1 Note: Governor's explanation of partial veto is as follows:

2 "I am returning herewith, without my approval as to section 2,
3 Substitute Senate Bill No. 5873 entitled:

4 "AN ACT Relating to insurance coverage for retired and disabled
5 school district employees."

6 Section 2 of this bill requires the Health Care Authority to
7 conduct a study of considerable importance to retirees of the public
8 school system and public policy makers. However, the bill does not
9 provide that agency with either additional staff or adequate funds to
10 support such an effort. The Fiscal Note reveals estimated costs of at
11 least \$140,000.00 for the study. Funds for the agency to do the study
12 do not appear in the operating budgets proposed by either the House or
13 the Senate during the Regular Session and I cannot sign into law a
14 requirement that would put the Health Care Authority at such risk.

15 I believe that a study of this nature should be undertaken, but not
16 in the manner proposed. At the very least it should address the
17 question of costs and access to health care benefits by the retirees of
18 all public agencies, not just those in the public school system. The
19 costs and needs of the respective public agencies must also be
20 considered. It is unlikely that the comprehensive study that I believe
21 to be necessary could be completed in only a four- to six- month time
22 frame. The public policy issues are too important and the welfare of
23 far too many individuals is at risk for this task to be addressed too
24 hurriedly or on a piecemeal basis.

1 For the reasons stated, I have vetoed section 2 of Substitute
2 Senate Bill No. 5873.

3 With the exception of section 2, Substitute Senate Bill No. 5873 is
4 approved."