

SSB 5726 - S AMD 130

By Senator Ericksen

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 28A.400.270 and 1990 1st ex.s. c 11 s 4 are each  
4 amended to read as follows:

5 Unless the context clearly requires otherwise, the definitions in  
6 this section apply throughout RCW 28A.400.275 and 28A.400.280.

7 (1) "School district employee benefit plan" means the overall  
8 plan used by the district for distributing fringe benefit subsidies  
9 to employees, including the method of determining employee coverage  
10 (~~and the amount of employer contributions~~), as well as the  
11 characteristics of benefit providers and the specific benefits or  
12 coverage offered. It shall not include coverage offered to district  
13 employees for which there is no contribution from public funds.

14 (2) "Fringe benefit" does not include liability coverage, old-age  
15 survivors' insurance, workers' compensation, unemployment  
16 compensation, retirement benefits under the Washington state  
17 retirement system, or payment for unused leave for illness or injury  
18 under RCW 28A.400.210.

19 (3) "Basic benefits" are determined through local bargaining and  
20 are limited to medical, dental, vision, group term life, and group  
21 long-term disability insurance coverage; however, the bargaining for  
22 basic benefits may not include the employee contributions.

23 (4) "Benefit providers" include insurers, third party claims  
24 administrators, direct providers of employee fringe benefits, health  
25 maintenance organizations, health care service contractors, and the  
26 Washington state health care authority or any plan offered by the  
27 authority.

28 (5) "Group term life insurance coverage" means term life  
29 insurance coverage provided for, at a minimum, all full-time  
30 employees in a bargaining unit or all full-time nonbargaining group  
31 employees.

1 (6) "Group long-term disability insurance coverage" means long-  
2 term disability insurance coverage provided for, at a minimum, all  
3 full-time employees in a bargaining unit or all full-time  
4 nonbargaining group employees.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.400  
6 RCW to read as follows:

7 (1) Funding provided in the omnibus appropriations act for basic  
8 benefits for school employees must be the same per employee amount as  
9 what is provided for basic benefits for other state employees.

10 (2) School districts are specifically prohibited from  
11 contributing any public funds to basic benefits for adjusting the  
12 funding levels, or purchasing supplemental or optional benefits, in  
13 excess of the dollar amount provided in the omnibus appropriations  
14 act.

15 (3) Individual employees may contribute their own money toward  
16 additional benefits if they would like to do so voluntarily.

17 **Sec. 3.** RCW 28A.400.280 and 2012 2nd sp.s. c 3 s 2 are each  
18 amended to read as follows:

19 ~~(1) ((Except as provided in subsection (2) of this section,~~  
20 ~~school districts may provide employer fringe benefit contributions~~  
21 ~~after October 1, 1990, only for basic benefits. However, school~~  
22 ~~districts may continue payments under contracts with employees or~~  
23 ~~benefit providers in effect on April 13, 1990, until the contract~~  
24 ~~expires.~~

25 ~~(2) School districts may provide employer contributions after~~  
26 ~~October 1, 1990, for optional benefit plans, in addition to basic~~  
27 ~~benefits, only for employees included in pooling arrangements under~~  
28 ~~this subsection. Optional benefits may include direct agreements as~~  
29 ~~defined in chapter 48.150 RCW, but may not include employee~~  
30 ~~beneficiary accounts that can be liquidated by the employee on~~  
31 ~~termination of employment. Optional benefit plans may be offered only~~  
32 ~~if:~~

33 ~~(a) The school district pools benefit allocations among employees~~  
34 ~~using a pooling arrangement that includes at least one employee~~  
35 ~~bargaining unit and/or all nonbargaining group employees;~~

36 ~~(b) Each full-time employee included in the pooling arrangement~~  
37 ~~is offered basic benefits, including coverage for dependents;~~

1 ~~(c) Each employee included in the pooling arrangement who elects~~  
2 ~~medical benefit coverage pays a minimum premium charge subject to~~  
3 ~~collective bargaining under chapter 41.59 or 41.56 RCW;~~

4 ~~(d) The employee premiums are structured to ensure employees~~  
5 ~~selecting richer benefit plans pay the higher premium;~~

6 ~~(e) Each full-time employee included in the pooling arrangement,~~  
7 ~~regardless of the number of dependents receiving basic coverage,~~  
8 ~~receives the same additional employer contribution for other coverage~~  
9 ~~or optional benefits; and~~

10 ~~(f) For part-time employees included in the pooling arrangement,~~  
11 ~~participation in optional benefit plans shall be governed by the same~~  
12 ~~eligibility criteria and/or proration of employer contributions used~~  
13 ~~for allocations for basic benefits.)) School districts are~~  
14 ~~specifically prohibited from contributing any public funds to basic~~  
15 ~~benefits for adjusting the funding levels, or purchasing supplemental~~  
16 ~~or optional benefits, in excess of the dollar amount provided in the~~  
17 ~~omnibus appropriations act. Individual employees may contribute their~~  
18 ~~own money toward additional benefits if they would like to do so~~  
19 ~~voluntarily.~~

20 (2)(a) School districts may organize regionally to purchase basic  
21 benefits best suited for their regions.

22 (b) School districts may use funds that are specifically provided  
23 for in the omnibus appropriations act for block grants to districts  
24 to purchase basic benefit plans that best fit the region.

25 (3) Savings accruing to school districts due to limitations on  
26 benefit options under this section shall be pooled and made available  
27 by the districts to reduce out-of-pocket premium expenses only for  
28 employees needing basic coverage for dependents. School districts are  
29 not intended to divert state basic benefit allocations for other  
30 purposes.

31 (4) The employee premiums must be structured so that (a) every  
32 employee pays a minimum of five percent of the monthly premium  
33 charge, and (b) employees selecting richer benefit plans pay a higher  
34 premium.

35 **Sec. 4.** RCW 28A.400.350 and 2012 2nd sp.s. c 3 s 3 are each  
36 amended to read as follows:

37 (1) The board of directors of any of the state's school districts  
38 or educational service districts may make available liability, life,  
39 ((health, health care)) medical, dental, vision, accident,

1 disability, and salary protection or insurance, direct agreements as  
2 defined in chapter 48.150 RCW, or any one of, or a combination of the  
3 types of employee benefits enumerated in this subsection, or any  
4 other type of insurance or protection, for the members of the boards  
5 of directors, the students, and employees of the school district or  
6 educational service district, and their dependents. Such coverage may  
7 be provided by contracts or agreements with private carriers, with  
8 the state health care authority after July 1, 1990, pursuant to the  
9 approval of the authority administrator, or through self-insurance or  
10 self-funding pursuant to chapter 48.62 RCW, or in any other manner  
11 authorized by law, including regional purchasing agreements. Any  
12 direct agreement must comply with RCW 48.150.050.

13 (2) Whenever funds are available for these purposes the board of  
14 directors of the school district or educational service district may  
15 contribute all or a part of the cost of such protection or insurance  
16 for the employees of their respective school districts or educational  
17 service districts and their dependents. The premiums on such  
18 liability insurance shall be borne by the school district or  
19 educational service district.

20 After October 1, 1990, school districts may not contribute to any  
21 employee protection or insurance other than liability insurance  
22 unless the district's employee benefit plan conforms to RCW  
23 28A.400.275 and 28A.400.280.

24 (3) For school board members, educational service district board  
25 members, and students, the premiums due on such protection or  
26 insurance shall be borne by the assenting school board member,  
27 educational service district board member, or student. The school  
28 district or educational service district may contribute all or part  
29 of the costs, including the premiums, of life, (~~health, health~~  
30 ~~care~~) medical, dental, vision, accident or disability insurance  
31 which shall be offered to all students participating in interschool  
32 activities on the behalf of or as representative of their school,  
33 school district, or educational service district. The school district  
34 board of directors and the educational service district board may  
35 require any student participating in extracurricular interschool  
36 activities to, as a condition of participation, document evidence of  
37 insurance or purchase insurance that will provide adequate coverage,  
38 as determined by the school district board of directors or the  
39 educational service district board, for medical expenses incurred as  
40 a result of injury sustained while participating in the

1 extracurricular activity. In establishing such a requirement, the  
2 district shall adopt regulations for waiving or reducing the premiums  
3 of such coverage as may be offered through the school district or  
4 educational service district to students participating in  
5 extracurricular activities, for those students whose families, by  
6 reason of their low income, would have difficulty paying the entire  
7 amount of such insurance premiums. The district board shall adopt  
8 regulations for waiving or reducing the insurance coverage  
9 requirements for low-income students in order to assure such students  
10 are not prohibited from participating in extracurricular interschool  
11 activities.

12 (4) All contracts or agreements for insurance or protection  
13 written to take advantage of the provisions of this section shall  
14 provide that the beneficiaries of such contracts may utilize on an  
15 equal participation basis the services of those practitioners  
16 licensed pursuant to chapters 18.22, 18.25, 18.53, 18.57, and 18.71  
17 RCW.

18 (5) School districts offering medical, vision, and dental  
19 benefits shall:

20 (a) Offer a high deductible health plan option with a health  
21 savings account that conforms to section 223, part VII of subchapter  
22 1 of the internal revenue code of 1986. School districts shall comply  
23 with all applicable federal standards related to the establishment of  
24 health savings accounts;

25 ~~(b) ((Make progress toward employee premiums that are established  
26 to ensure that full family coverage premiums are not more than three  
27 times the premiums for employees purchasing single coverage for the  
28 same coverage plan, unless a subsequent premium differential target  
29 is defined as a result of the review and subsequent actions described  
30 in RCW 41.05.655;~~

31 ~~(e))~~ Offer employees at least one health benefit plan that is  
32 not a high deductible health plan offered in conjunction with a  
33 health savings account in which the employee share of the premium  
34 cost for a full-time employee, regardless of whether the employee  
35 chooses employee-only coverage or coverage that includes dependents,  
36 does not exceed the share of premium cost paid by state employees  
37 during the state employee benefits year that started immediately  
38 prior to the school year.

39 (6) All contracts or agreements for employee benefits must be  
40 held to responsible contracting standards, meaning a fair, prudent,

1 and accountable competitive procedure for procuring services that  
2 includes an open competitive process, except where an open process  
3 would compromise cost-effective purchasing, with documentation  
4 justifying the approach.

5 (7) School districts offering medical, vision, and dental  
6 benefits shall also make progress on promoting health care  
7 innovations and cost savings and significantly reduce administrative  
8 costs.

9 (8) All contracts or agreements for insurance or protection  
10 described in this section shall be in compliance with chapter 3, Laws  
11 of 2012 2nd sp. sess.

12 (9) Upon notification from the office of the insurance  
13 commissioner of a school district's substantial noncompliance with  
14 the data reporting requirements of RCW 28A.400.275, and the failure  
15 is due to the action or inaction of the school district, and if the  
16 noncompliance has occurred for two reporting periods, the  
17 superintendent is authorized and required to limit the school  
18 district's authority provided in subsection (1) of this section  
19 regarding employee health benefits to the provision of health benefit  
20 coverage provided by the state health care authority.

21 **Sec. 5.** RCW 41.56.500 and 2010 c 235 s 802 are each amended to  
22 read as follows:

23 All collective bargaining agreements entered into between a  
24 school district employer and school district employees under this  
25 chapter after June 10, 2010, as well as bargaining agreements  
26 existing on June 10, 2010, but renewed or extended after June 10,  
27 2010, shall be consistent with RCW 28A.657.050. School districts are  
28 prohibited from bargaining additional public funding toward health  
29 care benefits, supplements, or add-on benefits in excess of the  
30 amounts provided in the omnibus appropriations act.

31 **Sec. 6.** RCW 41.59.105 and 2010 c 235 s 803 are each amended to  
32 read as follows:

33 All collective bargaining agreements entered into between a  
34 school district employer and school district employees under this  
35 chapter after June 10, 2010, as well as bargaining agreements  
36 existing on June 10, 2010, but renewed or extended after June 10,  
37 2010, shall be consistent with RCW 28A.657.050. School districts are  
38 prohibited from bargaining additional public funding toward health

1 care benefits, supplements, or add-on benefits in excess of the  
2 amounts provided in the omnibus appropriations act."

**SSB 5726 - S AMD 130**

By Senator Ericksen

3 On page 1, line 1 of the title, after "benefits;" strike the  
4 remainder of the title and insert "amending RCW 28A.400.270,  
5 28A.400.280, 28A.400.350, 41.56.500, and 41.59.105; and adding a new  
6 section to chapter 28A.400 RCW."

EFFECT: Strikes the provisions of the underlying bill that require school employee benefits be provided by the Public Employees' Benefits Board. Makes the amount of the employee premiums for school employee health care not subject to bargaining. Requires that each employee pay at least 5 percent of the monthly premium. Prohibits districts from using pooled savings to offset employee premiums or to purchase supplemental benefits. Prohibits the bargaining of additional publicly funded supplemental benefits beyond what is funded in the budget. Allows employees to pay for the cost of supplemental benefits. Provides that school districts may purchase basic benefits regionally. Provides that school districts may use funds provided in a block grant in the budget to purchase regional plans. Removes a directive from current law that school districts must make progress toward benefit premiums where full family coverage costs no more than three times that of individual coverage.

--- END ---