

# SENATE BILL REPORT

## SB 6288

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As of January 24, 2018

**Title:** An act relating to the school employees' benefits program.

**Brief Description:** Regarding the school employees' benefits board.

**Sponsors:** Senators Frockt, Chase, Conway, Van De Wege, Ranker and McCoy.

**Brief History:**

**Committee Activity:** Ways & Means: 1/24/18.

**Brief Summary of Bill**

- Makes various changes to the the School Employees Benefits Board (SEBB) and provisions related to school employee health care.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Amanda Cecil (786-7460)

**Background:** EHB 2242 was enacted in 2017 creating a nine-member SEBB within the Health Care Authority (HCA). Under this bill, beginning January 1, 2020, all public schools must provide health care benefits to eligible employees through the SEBB program.

Board membership includes:

- 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 HCA.

SEBB responsibilities include:

- developing school employee benefit plans that include comprehensive, evidence-based health care benefits;

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- 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 (PEBB) 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 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.

**Summary of Bill:** Public school employers are not required to provide health care benefits through the SEBB until:

- the monthly insurance benefit is of equal or greater value and the amount allocated to school districts is funded at a rate that is no less than the rate that is provided to state agencies for state employee benefits, and
- the staffing assumptions for benefit allocations are adjusted to reflect the proportion of staff that work 630 hours or more.

SEBB membership is expanded to include one additional representative of certificated employees and one additional representative of classified employees.

HCA may provide funding for substitute teachers to back fill for a SEBB member while they are carrying out their board duties.

Health care premiums for full-family coverage may not exceed three times the premiums for an employee purchasing single coverage.

A school district may bargain to provide benefits to employees that are expected to work less than 630 hours year as an enrichment to basic education.

Certain school districts that offers benefits through an employee benefit trust are exempted from the requirement to provide health care benefits through SEBB. The benefits offered through the employee trust must be generally equivalent in value and cost as those offered by SEBB in order to be exempt.

School districts may bargain for and provide supplemental health care benefits to employees if equivalent options are not available through SEBB. Optional benefits are considered an enhancement to basic education.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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