

SENATE BILL REPORT

SB 6290

As of February 5, 2020

Title: An act relating to contributions to and eligibility for school employee benefit plans.

Brief Description: Concerning contributions to and eligibility for school employee benefit plans.

Sponsors: Senators Short, Mullet and Wilson, C.

Brief History:

Committee Activity: Ways & Means: 1/23/20.

Brief Summary of Bill

- Eliminates the requirements that school employers make contributions for employee health care when the employee has waived coverage.
- Makes substitute employees and coaches ineligible for benefits under the School Employees' Benefits Board.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Amanda Cecil (786-7460)

Background: In 2017, EHB 2242 was enacted, consolidating health care benefits for all eligible school employees under the School Employees' Benefits (SEB) Board. The SEB Board is responsible for determining the terms of employee and dependent eligibility and enrollment policies, subject to the condition that employees anticipated to work at least 630 hours per year qualify for coverage.

In 2018, ESSB 6241 was enacted, which included various provisions related to the administration of the benefits, including a requirement that school employers make contributions for employee health care even when the employee has waived coverage. The same provision exists under the Public Employees' Benefits Board.

Benefits under SEB began January 1, 2020.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill: The following changes take effect beginning in the 2021-2022 school year:

- the employer contribution is no longer due for employees that have waived SEB coverage; and
- substitute employees and coaches are not eligible for benefits provided by the SEB Board.

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.

Staff Summary of Public Testimony: PRO: This is the single largest issue for some districts. This law was not intended to cover substitutes and coaches and this will fix that. Coaches make \$4,000 to \$5,000 a year and their healthcare can cost more than \$12,000. Schools would like to provide benefits if they were funded by the state. Many employees opt out of coverage because they have coverage elsewhere, like TRICare, and districts should not have to pay for benefits for those employees. If this bill does not move forward please include the waiver issue in the study.

CON: Good benefits help recruit and retain high quality substitutes. Every employee that meets the standards deserve benefits.

OTHER: The funding rate is complicated and there are significant impacts for changing the waiver process. The total cost stays the same, but the costs are spread out differently. Only medical benefits can be waived and there would still be a cost for dental, vision, and life coverage. Some districts would experience higher costs.

Persons Testifying: PRO: Senator Shelly Short, Prime Sponsor; Dan Steele, Washington Association of School Administrators and Washington Association of School Business Officials; Dan Steele, Washington School Personnel Association; Marcus Morgan, EWQSC and Reardon-Edwall School District; Tim Ames, EWQSC and Medical Lake School District; Gene Sementi, EWQSC and West Valley School District.

CON: Julie Salvi, Washington Education Association.

OTHER: Brian Sims, Washington State School Directors Association; Dave Mastin, OSPI; David Iseminger, Health Care Authority.

Persons Signed In To Testify But Not Testifying: No one.