
HOUSE BILL 2160

State of Washington

69th Legislature

2026 Regular Session

By Representatives Bernbaum, Parshley, Leavitt, Reed, Santos, Zahn, Stonier, Gregerson, Reeves, Bergquist, Pollet, Donaghy, and Lekanoff

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1 AN ACT Relating to eligibility for membership in the school
2 employees' benefits board programs during the second school year of
3 employment; and amending RCW 41.05.740.

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

5 **Sec. 1.** RCW 41.05.740 and 2025 c 396 s 2 are each amended to
6 read as follows:

7 (1) The school employees' benefits board is created within the
8 authority. The function of the school employees' benefits board is to
9 design and approve insurance benefit plans for school employees and
10 to establish eligibility criteria for participation in insurance
11 benefit plans.

12 (2) By September 30, 2017, the governor shall appoint the
13 following voting members to the school employees' benefits board as
14 follows:

15 (a) Two members from associations representing certificated
16 employees;

17 (b) Two members from associations representing classified
18 employees;

19 (c) Four members with expertise in employee health benefits
20 policy and administration, one of which is nominated by an
21 association representing school business officials; and

1 (d) The director of the authority or his or her designee.

2 (3) Initial members of the school employees' benefits board shall
3 serve staggered terms not to exceed four years. Members appointed
4 thereafter shall serve two-year terms.

5 (4) Compensation and reimbursement related to school employees'
6 benefits board member service are as follows:

7 (a) Members of the school employees' benefits board must be
8 compensated in accordance with RCW 43.03.250 and must be reimbursed
9 for their travel expenses while on official business in accordance
10 with RCW 43.03.050 and 43.03.060.

11 (b) While school employees' benefits board members are carrying
12 out their powers and duties under this chapter, if the service of any
13 certificated or classified employee results in a need for a school
14 employees' benefits board organization to employ a substitute for
15 such certificated or classified employee during such service, payment
16 for such a substitute may be made by the authority from funds
17 appropriated by the legislature for the school employees' benefits
18 board program. If such substitute is paid by the authority, no
19 deduction shall be made from the salary of the certificated or
20 classified employee. In no event shall a school employees' benefits
21 board organization deduct from the salary of a certificated or
22 classified employee serving on the school employees' benefits board
23 more than the amount paid the substitute employed by the school
24 employees' benefits board organization.

25 (5) The director of the authority or his or her designee shall be
26 the chair and another member shall be selected by the school
27 employees' benefits board as vice chair. The chair shall conduct
28 meetings of the school employees' benefits board. The vice chair
29 shall preside over meetings in the absence of the chair. The school
30 employees' benefits board shall develop bylaws for the conduct of its
31 business.

32 (6) The school employees' benefits board shall:

33 (a) Study all matters connected with the provision of health care
34 coverage, life insurance, liability insurance, accidental death and
35 dismemberment, and disability insurance, or any of, or combination
36 of, the enumerated types of insurance for eligible school employees
37 and their dependents on the best basis possible with relation both to
38 the welfare of the school employees and the state. However, liability
39 insurance should not be made available to dependents;

1 (b) Develop school employee benefit plans that include
2 comprehensive, evidence-based health care benefits for school
3 employees. In developing these plans, the school employees' benefits
4 board shall consider the following elements:

5 (i) Methods of maximizing cost containment while ensuring access
6 to quality health care;

7 (ii) Development of provider arrangements that encourage cost
8 containment and ensure access to quality care including, but not
9 limited to, prepaid delivery systems and prospective payment methods;

10 (iii)(A) Wellness, preventive care, chronic disease management,
11 and other initiatives that focus on proven strategies.

12 (B)(I) As of January 1, 2028, the school employees' benefits
13 board shall no longer offer the smart health program, which includes
14 the wellness incentive and the smart health online portal.

15 (II) Employees who have met the eligibility requirements to
16 receive a wellness incentive by December 31, 2027, will still receive
17 the wellness incentive in plan year 2028.

18 (III) Employees are not eligible to earn a wellness incentive as
19 of January 1, 2028;

20 (iv) Utilization review procedures to support cost-effective
21 benefits delivery;

22 (v) Ways to leverage efficient purchasing by coordinating with
23 the public employees' benefits board;

24 (vi) Effective coordination of benefits; and

25 (vii) Minimum standards for insuring entities;

26 (c) Authorize premium contributions for a school employee and the
27 employee's dependents in a manner that encourages the use of cost-
28 efficient health care systems. For participating school employees,
29 the required school employee share of the cost for family coverage
30 premiums may not exceed three times the premiums for a school
31 employee purchasing single coverage for the same coverage plan;

32 (d) Determine the terms and conditions of school employee and
33 dependent eligibility criteria, enrollment policies, and scope of
34 coverage. Employer groups obtaining benefits through contractual
35 agreement with the authority for school employees defined in RCW
36 41.05.011(6)(b)(iv) may contractually agree with the authority to
37 benefits eligibility criteria which differs from that determined by
38 the school employees' benefits board. At a minimum, the eligibility
39 criteria established by the school employees' benefits board shall
40 address the following:

1 (i) The effective date of coverage following hire;

2 (ii) The benefits eligibility criteria, but the school employees'
3 benefits board's criteria shall be no more restrictive than requiring
4 that a school employee be anticipated to work at least six hundred
5 thirty hours per school year to be benefits eligible; (~~and~~)

6 (iii) That benefits eligibility is presumed at the start of a
7 school year if the school employee worked at least 630 hours in the
8 prior school year and returns to the same type of position with any
9 employer; and

10 (iv) Coverage for dependents, including criteria for legal
11 spouses; children up to age twenty-six; children of any age with
12 disabilities, mental illness, or intellectual or other developmental
13 disabilities; and state registered domestic partners, as defined in
14 RCW 26.60.020, and others authorized by the legislature;

15 (e) Establish terms and conditions for a school employees'
16 benefits board organization to have the ability to locally negotiate
17 eligibility criteria for a school employee who is anticipated to work
18 less than six hundred thirty hours in a school year. A school
19 employees' benefits board organization that elects to use a lower
20 threshold of hours for benefits eligibility must use benefits
21 authorized by the school employees' benefits board and shall do so as
22 an enrichment to the state's definition of basic education;

23 (f) Establish penalties to be imposed when a school employees'
24 benefits board organization fails to comply with established
25 participation criteria; and

26 (g) Participate with the authority in the preparation of
27 specifications and selection of carriers contracted for school
28 employee benefit plan coverage of eligible school employees in
29 accordance with the criteria set forth in rules. To the extent
30 possible, the school employees' benefits board shall leverage
31 efficient purchasing by coordinating with the public employees'
32 benefits board.

33 (7) School employees shall choose participation in one of the
34 health care benefit plans developed by the school employees' benefits
35 board. Individual school employees eligible for benefits under
36 subsection (6)(d) of this section may be permitted to waive coverage
37 under terms and conditions established by the school employees'
38 benefits board.

39 (8) By November 30, 2021, the authority shall review the benefit
40 plans provided through the school employees' benefits board, complete

1 an analysis of the benefits provided and the administration of the
2 benefits plans, and determine whether provisions in chapter 13, Laws
3 of 2017 3rd sp. sess. have resulted in cost savings to the state. The
4 authority shall submit a report to the relevant legislative policy
5 and fiscal committees summarizing the results of the review and
6 analysis.

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