

HOUSE BILL REPORT

ESSB 6189

As Reported by House Committee On: Appropriations

Title: An act relating to school employees' benefits board coverage.

Brief Description: Concerning eligibility for school employees' benefits board coverage.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Wellman, Mullet, Pedersen, Zeiger, Kuderer, Das, Short and Wilson, C.).

Brief History:

Committee Activity:

Appropriations: 2/29/20, 3/2/20 [DP].

Brief Summary of Engrossed Substitute Bill

- Directs the Joint Legislative Audit and Review Committee to study the number and types of part-time employees that are eligible for School Employees' Benefits Board coverage.
- Directs the Health Care Authority to analyze changes to the requirement that employers pay premiums when employees waive coverage.
- Prohibits dual enrollment in School Employees' Benefits Board and Public Employees' Benefits Board plans.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 33 members: Representatives Ormsby, Chair; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier, Chandler, Chopp, Cody, Corry, Dolan, Dye, Fitzgibbon, Hansen, Hoff, Hudgins, Kilduff, Kraft, Macri, Mosbrucker, Pettigrew, Pollet, Ryu, Schmick, Senn, Springer, Steele, Sullivan, Sutherland, Tarleton, Tharinger and Ybarra.

Staff: David Pringle (786-7310).

Background:

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.

In 2017 Engrossed House Bill 2242 was enacted, consolidating healthcare benefits for all eligible school employees under the School Employees' Benefits Board (SEBB). The SEBB 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 Engrossed Second Substitute Bill 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 (PEBB). Benefits under the SEBB began January 1, 2020.

Summary of Bill:

The Joint Legislative Audit and Review Committee will conduct a study to identify the number and types of part-time employees and their eligibility for SEBB benefits. The report is due to the Legislature by September 1, 2021.

The Health Care Authority must analyze the impacts of changes to the requirement that school employers remit premiums for employees that waive medical coverage. The analysis is due to the Legislature by September 1, 2021.

When school districts report annually to the Office of the Superintendent of Public Instruction on data related to substitute teachers, they must include the hours worked by each substitute and the number that were eligible for SEBB benefits.

Beginning with the 2022 plan year, dual coverage under the SEBB and benefits provided under the PEBB is prohibited for the same type of coverage. The SEBB and the PEBB must adopt policies to reflect this single enrollment requirement.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) An interim report would be a good idea, as was included in the operating budget proposal. There are some PEBB/SEBB mitigation measures that could be taken, such as capping benefits until the additional local/federal costs are understood. Substitute teachers are also a concern, along with other substitute employees. Please keep this bill moving through the legislative process.

(Opposed) None.

(Other) School districts are concerned about the increase in costs to districts from the SEBB Program. The districts are having to make cuts, and the study timeline is too long. The study language is the result of this bill changing from a very different type of proposal. The Washington Education Association prefers the current study language. Many policies and practices are likely to change, both in the SEBB and among SEBB employers during the first years of program operation.

Persons Testifying: (In support) Brian Sims, Washington State School Directors Association; and Charlie Brown, Schools Alliance.

(Opposed) None.

(Other) Fred Yancey, Washington Association of School Administrators; and Julie Salvi, Washington Education Association.

Persons Signed In To Testify But Not Testifying: None.