

SENATE BILL REPORT

SB 6189

As of February 5, 2020

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

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

Sponsors: Senators Wellman, Mullet, Pedersen, Zeiger, Kuderer, Das, Short and Wilson, C.

Brief History:

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

Brief Summary of Bill

- Modifies eligibility requirements of the School Employees' Benefits Board.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Amanda Cecil (786-7460)

Background: In 2017, EHB 2242 was enacted, consolidating healthcare 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. Benefits under SEB began January 1, 2020.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed Substitute): Report to the Legislature. The Office of Superintendent of Public Instruction (OSPI), in collaboration with the Health Care Authority (HCA) must analyze the impact of benefits provided by the SEB Board for substitutes and for school district employees hired specifically for extracurricular programs. School districts must provide OSPI with specific information about the total number of employees that were eligible for health care and met other hours worked criteria. This information must include the number of substitutes and coaches that were eligible, by job category. OSPI may request additional information from school districts related to the amount of funding that was provided for health care benefits for substitutes and coaches and other extracurricular staff

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categories. This information must be provided by November 1, 2020, for the 2018-2019 and 2019-2020 school years and by November 2, 2021, for the 2020-2021 school year.

OSPI and HCA must convene a workgroup that includes the exclusive bargaining representatives of classified employees, certificated instructional staff, substitutes, and coaches and others who support extracurricular programs; and representatives of school principals, school business officials, school administrators, and school directors to review the data and to develop recommendations on how to meet local school funding needs to support benefits provided by the SEB Board. A preliminary report summarizing the 2018-19 and 2019-20 data is due to the fiscal committees of the legislature by December 15, 2020. The final report that includes data from the 2020-21 school year and recommendations from the workgroup is due to the fiscal committees of the legislature by December 15, 2021.

School Employees' Benefits Board Eligibility. Beginning with the 2021-2022 school year, retired school employees receiving benefits under the Public Employees' Benefits (PEB) Board who are receiving Medicare benefits on the date that they return to work, are ineligible for benefits under the SEB Board. If these retired school employees would otherwise be eligible for SEB, the school district must provide the employee with a stipend in addition to all other regular compensation is equal to the additional cost the employee would pay for premiums under PEB Board, as determined by HCA. If the stipend would exceed the employer contribution rate for benefits under the SEB Board the school district may make the employee SEB eligible.

Beginning with the 2022 plan year, dual coverage under the SEB Board and benefits provided under the PEB Board is prohibited for the same type of coverage. The SEB and PEB Boards shall adopt policies to reflect this single enrollment requirement.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: The bill takes effect on July 1, 2021.

Staff Summary of Public Testimony: PRO: The underlying bill was also good but the substitute also helps. The study should be done more quickly so that action can be taken sooner. This is a matter of quality of the education if districts have to stop calling good substitutes so that they do not become benefits eligible. The added healthcare cost is coming out of the funding nurses, councilors, and other employees that are not adequately funded by the state. If substitutes are eligible for healthcare the state should provide funding. There needs to be provisions that allow a district to terminate coverage if the employee does not pay their share. This is an issue in the summer months when some employees do not get a paycheck.

CON: There are concerns with the underlying bill, but the efforts in the substitute are appreciated. Every employee that meets the requirements deserve benefits, including substitute teachers. Substitutes play an important role. The consolidation of healthcare was

intended to help recruit and maintain good staff and many subs will work more hours to be eligible for benefits.

OTHER: Taking healthcare away from hard working people is not the way to solve the problem. The study will allow for information to inform future decisions. There needs to be better clarity around single enrollment and retiree coverage. Providing healthcare to substitutes will mean hiring fewer teachers and result in laying off permanent employees to cover the added cost. Funding for substitutes comes out of local enrichment funding.

Persons Testifying: PRO: Dan Steele, Washington Association of School Administrators and Washington Association of School Business Officials; Dan Steele, Washington School Personnel Association; Krestin Bahr, Superintendent, Eatonville School District; Chris Rust, Superintendent, Toledo School District; Brian Sims, Washington State School Directors Association; Jane Stavem, Lake Washington School District.

CON: Julie Salvi, Washington Education Association; Nancy Paine, President, Edmonds Substitute Teacher Association; Rick Chisa, Public School Employees of Washington.

OTHER: Tim Ames, EWQSC and Medical Lake School District; Marcus Morgan, EWQSC and Reardan-Edwall School District; Gene Sementi, EWQSC and West Valley School District; Dave Mastin, OSPI; David Iseminger, HCA; Charlie Brown, Schools Alliance.

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