

# SENATE BILL REPORT

## ESSB 6189

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As Passed Senate, February 19, 2020

**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:** Ways & Means: 1/23/20, 2/10/20 [DPS, DNP, w/oRec].

**Floor Activity:**

Passed Senate: 2/19/20, 47-1.

**Brief Summary of Engrossed First 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.
- Direct 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.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 6189 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Braun, Ranking Member; Billig, Carlyle, Conway, Darneille, Dhingra, Hunt, Keiser, Lias, Pedersen and Van De Wege.

**Minority Report:** Do not pass.

Signed by Senators Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Becker, Muzzall, Rivers, Schoesler, Warnick and Wilson, L..

**Minority Report:** That it be referred without recommendation.

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*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.*

Signed by Senators Hasegawa and Wagoner.

**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.

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 (PEB) Board.

Benefits under SEB began January 1, 2020.

**Summary of Engrossed First Substitute 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 SEB Board 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 SEB Board benefits.

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 on Proposed Substitute:** *The committee recommended a different version of the bill than what was heard.* 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.