

SENATE BILL REPORT

SB 6479

As Reported by Senate Committee On:
Ways & Means, February 5, 2020

Title: An act relating to optional benefits offered by school districts.

Brief Description: Concerning optional benefits offered by school districts.

Sponsors: Senators Wellman, Wilson, L., Hobbs, Schoesler, Nguyen, Saldaña, Hunt, Ericksen and Wilson, C.

Brief History:

Committee Activity: Ways & Means: 1/23/20, 2/05/20 [DP, w/oRec].

Brief Summary of Bill

- Allows school districts to provide certain optional, employee-paid benefits that are not provided by the School Employees' Benefits Board.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Honeyford, Assistant Ranking Member, Capital; Billig, Carlyle, Conway, Darneille, Dhingra, Hasegawa, Hunt, Keiser, Liias, Muzzall, Pedersen, Rivers, Van De Wege, Wagoner and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senators Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Becker, Schoesler and Wilson, L..

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.

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 2018, ESSB 6241 was enacted, which included various provisions related to the administration of the benefits, including a provision allowing school districts to provide certain benefits to employees falling outside the authority of the SEB Board. The SEB Board's authority broadly includes medical and liability insurance.

Benefits under SEB began January 1, 2020.

Summary of Bill: School districts may provide certain voluntary, employee-paid benefits through a payroll deduction that may fall under the SEB Board's authority, but that are not being provided by the SEB Board. This can include personal lines homeowners insurance, private passenger automobile insurance, and accident only, specified disease, and other fixed payment benefit insurance.

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 will allow districts to continue providing employee paid benefits while protecting the state's purchasing power. Cancer care and Aflac are important benefits to employees that districts provide through a payroll deduction that cover living expenses if someone gets sick. VEBA is not a benefit that falls under the SEB Board jurisdiction, and this makes that clear.

OTHER: This needs to be clarified to say that optional benefits must be employee paid, that this is not creating a contractual right, and to allow for districts to recoup costs of managing employee paid benefits

Persons Testifying: PRO: Julie Salvi, Washington Education Association; Mel Sorensen, American Fidelity, American Council of Life Insurers, Am Health Ins Plans; Mark Wilkerson, VEBA Trust; Rick Chisa, Public School Employees of Washington; Tim Boyd, Aflac.

OTHER: Brian Sims, Washington State School Directors Association.

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