
HOUSE BILL 1955

State of Washington

66th Legislature

2019 Regular Session

By Representative Stokesbary

Read first time 02/07/19. Referred to Committee on Appropriations.

1 AN ACT Relating to the maximum share of state and school employee
2 health benefit premiums to be paid by employers participating in the
3 public employees' and school employees' benefits boards; and amending
4 RCW 41.05.065, 41.05.740, 41.56.500, 41.59.105, and 41.80.020.

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

6 **Sec. 1.** RCW 41.05.065 and 2018 c 260 s 12 are each amended to
7 read as follows:

8 (1) The public employees' benefits board shall study all matters
9 connected with the provision of health care coverage, life insurance,
10 liability insurance, accidental death and dismemberment insurance,
11 and disability income insurance or any of, or a combination of, the
12 enumerated types of insurance for employees and their dependents on
13 the best basis possible with relation both to the welfare of the
14 employees and to the state. However, liability insurance shall not be
15 made available to dependents.

16 (2) The public employees' benefits board shall develop employee
17 benefit plans that include comprehensive health care benefits for
18 employees. In developing these plans, the public employees' benefits
19 board shall consider the following elements:

20 (a) Methods of maximizing cost containment while ensuring access
21 to quality health care;

1 (b) Development of provider arrangements that encourage cost
2 containment and ensure access to quality care, including but not
3 limited to prepaid delivery systems and prospective payment methods;

4 (c) Wellness incentives that focus on proven strategies, such as
5 smoking cessation, injury and accident prevention, reduction of
6 alcohol misuse, appropriate weight reduction, exercise, automobile
7 and motorcycle safety, blood cholesterol reduction, and nutrition
8 education;

9 (d) Utilization review procedures including, but not limited to a
10 cost-efficient method for prior authorization of services, hospital
11 inpatient length of stay review, requirements for use of outpatient
12 surgeries and second opinions for surgeries, review of invoices or
13 claims submitted by service providers, and performance audit of
14 providers;

15 (e) Effective coordination of benefits; and

16 (f) Minimum standards for insuring entities.

17 (3) To maintain the comprehensive nature of employee health care
18 benefits, benefits provided to employees shall be substantially
19 equivalent to the state employees' health benefit plan in effect on
20 January 1, 1993. Nothing in this subsection shall prohibit changes or
21 increases in employee point-of-service payments or employee premium
22 payments for benefits ((~~or~~)), provided that the employee premium
23 payments represent on average no less than twenty percent of the
24 premiums paid by employers and employees, and the employer premium
25 payments represent on average not more than eighty percent. In
26 addition, this subsection does not prohibit the administration of a
27 high deductible health plan in conjunction with a health savings
28 account. The public employees' benefits board may establish employee
29 eligibility criteria which are not substantially equivalent to
30 employee eligibility criteria in effect on January 1, 1993.

31 (4) Except if bargained for under chapter 41.80 RCW, the public
32 employees' benefits board shall design benefits and determine the
33 terms and conditions of employee and retired or disabled school
34 employee participation and coverage, including establishment of
35 eligibility criteria subject to the requirements of this chapter.
36 Employer groups obtaining benefits through contractual agreement with
37 the authority for employees defined in RCW 41.05.011(6)(a) (i)
38 through (vi) may contractually agree with the authority to benefits
39 eligibility criteria which differs from that determined by the public
40 employees' benefits board. The eligibility criteria established by

1 the public employees' benefits board shall be no more restrictive
2 than the following:

3 (a) Except as provided in (b) through (e) of this subsection, an
4 employee is eligible for benefits from the date of employment if the
5 employing agency anticipates he or she will work an average of at
6 least eighty hours per month and for at least eight hours in each
7 month for more than six consecutive months. An employee determined
8 ineligible for benefits at the beginning of his or her employment
9 shall become eligible in the following circumstances:

10 (i) An employee who works an average of at least eighty hours per
11 month and for at least eight hours in each month and whose
12 anticipated duration of employment is revised from less than or equal
13 to six consecutive months to more than six consecutive months becomes
14 eligible when the revision is made.

15 (ii) An employee who works an average of at least eighty hours
16 per month over a period of six consecutive months and for at least
17 eight hours in each of those six consecutive months becomes eligible
18 at the first of the month following the six-month averaging period.

19 (b) A seasonal employee is eligible for benefits from the date of
20 employment if the employing agency anticipates that he or she will
21 work an average of at least eighty hours per month and for at least
22 eight hours in each month of the season. A seasonal employee
23 determined ineligible at the beginning of his or her employment who
24 works an average of at least eighty hours per month over a period of
25 six consecutive months and at least eight hours in each of those six
26 consecutive months becomes eligible at the first of the month
27 following the six-month averaging period. A benefits-eligible
28 seasonal employee who works a season of less than nine months shall
29 not be eligible for the employer contribution during the off season,
30 but may continue enrollment in benefits during the off season by
31 self-paying for the benefits. A benefits-eligible seasonal employee
32 who works a season of nine months or more is eligible for the
33 employer contribution through the off season following each season
34 worked.

35 (c) Faculty are eligible as follows:

36 (i) Faculty who the employing agency anticipates will work half-
37 time or more for the entire instructional year or equivalent nine-
38 month period are eligible for benefits from the date of employment.
39 Eligibility shall continue until the beginning of the first full
40 month of the next instructional year, unless the employment

1 relationship is terminated, in which case eligibility shall cease the
2 first month following the notice of termination or the effective date
3 of the termination, whichever is later.

4 (ii) Faculty who the employing agency anticipates will not work
5 for the entire instructional year or equivalent nine-month period are
6 eligible for benefits at the beginning of the second consecutive
7 quarter or semester of employment in which he or she is anticipated
8 to work, or has actually worked, half-time or more. Such an employee
9 shall continue to receive uninterrupted employer contributions for
10 benefits if the employee works at least half-time in a quarter or
11 semester. Faculty who the employing agency anticipates will not work
12 for the entire instructional year or equivalent nine-month period,
13 but who actually work half-time or more throughout the entire
14 instructional year, are eligible for summer or off-quarter or off-
15 semester coverage. Faculty who have met the criteria of this
16 subsection (4)(c)(ii), who work at least two quarters or two
17 semesters of the academic year with an average academic year workload
18 of half-time or more for three quarters or two semesters of the
19 academic year, and who have worked an average of half-time or more in
20 each of the two preceding academic years shall continue to receive
21 uninterrupted employer contributions for benefits if he or she works
22 at least half-time in a quarter or semester or works two quarters or
23 two semesters of the academic year with an average academic workload
24 each academic year of half-time or more for three quarters or two
25 semesters. Eligibility under this section ceases immediately if this
26 criteria is not met.

27 (iii) Faculty may establish or maintain eligibility for benefits
28 by working for more than one institution of higher education. When
29 faculty work for more than one institution of higher education, those
30 institutions shall prorate the employer contribution costs, or if
31 eligibility is reached through one institution, that institution will
32 pay the full employer contribution. Faculty working for more than one
33 institution must alert his or her employers to his or her potential
34 eligibility in order to establish eligibility.

35 (iv) The employing agency must provide written notice to faculty
36 who are potentially eligible for benefits under this subsection
37 (4)(c) of their potential eligibility.

38 (v) To be eligible for maintenance of benefits through averaging
39 under (c)(ii) of this subsection, faculty must provide written

1 notification to his or her employing agency or agencies of his or her
2 potential eligibility.

3 (vi) For the purposes of this subsection (4) (c):

4 (A) "Academic year" means summer, fall, winter, and spring
5 quarters or summer, fall, and spring semesters;

6 (B) "Half-time" means one-half of the full-time academic workload
7 as determined by each institution; except that for community and
8 technical college faculty, half-time academic workload is calculated
9 according to RCW 28B.50.489.

10 (d) A legislator is eligible for benefits on the date his or her
11 term begins. All other elected and full-time appointed officials of
12 the legislative and executive branches of state government are
13 eligible for benefits on the date his or her term begins or they take
14 the oath of office, whichever occurs first.

15 (e) A justice of the supreme court and judges of the court of
16 appeals and the superior courts become eligible for benefits on the
17 date he or she takes the oath of office.

18 (f) Except as provided in (c)(i) and (ii) of this subsection,
19 eligibility ceases for any employee the first of the month following
20 termination of the employment relationship.

21 (g) In determining eligibility under this section, the employing
22 agency may disregard training hours, standby hours, or temporary
23 changes in work hours as determined by the authority under this
24 section.

25 (h) Insurance coverage for all eligible employees begins on the
26 first day of the month following the date when eligibility for
27 benefits is established. If the date eligibility is established is
28 the first working day of a month, insurance coverage begins on that
29 date.

30 (i) Eligibility for an employee whose work circumstances are
31 described by more than one of the eligibility categories in (a)
32 through (e) of this subsection shall be determined solely by the
33 criteria of the category that most closely describes the employee's
34 work circumstances.

35 (j) Except for an employee eligible for benefits under (b) or
36 (c)(ii) of this subsection, an employee who has established
37 eligibility for benefits under this section shall remain eligible for
38 benefits each month in which he or she is in pay status for eight or
39 more hours, if (i) he or she remains in a benefits-eligible position
40 and (ii) leave from the benefits-eligible position is approved by the

1 employing agency. A benefits-eligible seasonal employee is eligible
2 for the employer contribution in any month of his or her season in
3 which he or she is in pay status eight or more hours during that
4 month. Eligibility ends if these conditions are not met, the
5 employment relationship is terminated, or the employee voluntarily
6 transfers to a noneligible position.

7 (k) For the purposes of this subsection, the public employees'
8 benefits board shall define "benefits-eligible position."

9 (5) The public employees' benefits board may authorize premium
10 contributions for an employee and the employee's dependents in a
11 manner that encourages the use of cost-efficient managed health care
12 systems.

13 (6)(a) For any open enrollment period following August 24, 2011,
14 the public employees' benefits board shall offer a health savings
15 account option for employees that conforms to section 223, Part VII
16 of subchapter B of chapter 1 of the internal revenue code of 1986.
17 The public employees' benefits board shall comply with all applicable
18 federal standards related to the establishment of health savings
19 accounts.

20 (b) By November 30, 2015, and each year thereafter, the authority
21 shall submit a report to the relevant legislative policy and fiscal
22 committees that includes the following:

23 (i) Public employees' benefits board health plan cost and service
24 utilization trends for the previous three years, in total and for
25 each health plan offered to employees;

26 (ii) For each health plan offered to employees, the number and
27 percentage of employees and dependents enrolled in the plan, and the
28 age and gender demographics of enrollees in each plan;

29 (iii) Any impact of enrollment in alternatives to the most
30 comprehensive plan, including the high deductible health plan with a
31 health savings account, upon the cost of health benefits for those
32 employees who have chosen to remain enrolled in the most
33 comprehensive plan.

34 (7) Notwithstanding any other provision of this chapter, for any
35 open enrollment period following August 24, 2011, the public
36 employees' benefits board shall offer a high deductible health plan
37 in conjunction with a health savings account developed under
38 subsection (6) of this section.

39 (8) Employees shall choose participation in one of the health
40 care benefit plans developed by the public employees' benefits board

1 and may be permitted to waive coverage under terms and conditions
2 established by the public employees' benefits board.

3 (9) The public employees' benefits board shall review plans
4 proposed by insuring entities that desire to offer property insurance
5 and/or accident and casualty insurance to state employees through
6 payroll deduction. The public employees' benefits board may approve
7 any such plan for payroll deduction by insuring entities holding a
8 valid certificate of authority in the state of Washington and which
9 the public employees' benefits board determines to be in the best
10 interests of employees and the state. The public employees' benefits
11 board shall adopt rules setting forth criteria by which it shall
12 evaluate the plans.

13 (10) Before January 1, 1998, the public employees' benefits board
14 shall make available one or more fully insured long-term care
15 insurance plans that comply with the requirements of chapter 48.84
16 RCW. Such programs shall be made available to eligible employees,
17 retired employees, and retired school employees as well as eligible
18 dependents which, for the purpose of this section, includes the
19 parents of the employee or retiree and the parents of the spouse of
20 the employee or retiree. Employees of local governments, political
21 subdivisions, and tribal governments not otherwise enrolled in the
22 public employees' benefits board sponsored medical programs may
23 enroll under terms and conditions established by the director, if it
24 does not jeopardize the financial viability of the public employees'
25 benefits board's long-term care offering.

26 (a) Participation of eligible employees or retired employees and
27 retired school employees in any long-term care insurance plan made
28 available by the public employees' benefits board is voluntary and
29 shall not be subject to binding arbitration under chapter 41.56 RCW.
30 Participation is subject to reasonable underwriting guidelines and
31 eligibility rules established by the public employees' benefits board
32 and the health care authority.

33 (b) The employee, retired employee, and retired school employee
34 are solely responsible for the payment of the premium rates developed
35 by the health care authority. The health care authority is authorized
36 to charge a reasonable administrative fee in addition to the premium
37 charged by the long-term care insurer, which shall include the health
38 care authority's cost of administration, marketing, and consumer
39 education materials prepared by the health care authority and the
40 office of the insurance commissioner.

1 (c) To the extent administratively possible, the state shall
2 establish an automatic payroll or pension deduction system for the
3 payment of the long-term care insurance premiums.

4 (d) The public employees' benefits board and the health care
5 authority shall establish a technical advisory committee to provide
6 advice in the development of the benefit design and establishment of
7 underwriting guidelines and eligibility rules. The committee shall
8 also advise the public employees' benefits board and authority on
9 effective and cost-effective ways to market and distribute the long-
10 term care product. The technical advisory committee shall be
11 comprised, at a minimum, of representatives of the office of the
12 insurance commissioner, providers of long-term care services,
13 licensed insurance agents with expertise in long-term care insurance,
14 employees, retired employees, retired school employees, and other
15 interested parties determined to be appropriate by the public
16 employees' benefits board.

17 (e) The health care authority shall offer employees, retired
18 employees, and retired school employees the option of purchasing
19 long-term care insurance through licensed agents or brokers appointed
20 by the long-term care insurer. The authority, in consultation with
21 the public employees' benefits board, shall establish marketing
22 procedures and may consider all premium components as a part of the
23 contract negotiations with the long-term care insurer.

24 (f) In developing the long-term care insurance benefit designs,
25 the public employees' benefits board shall include an alternative
26 plan of care benefit, including adult day services, as approved by
27 the office of the insurance commissioner.

28 (g) The health care authority, with the cooperation of the office
29 of the insurance commissioner, shall develop a consumer education
30 program for the eligible employees, retired employees, and retired
31 school employees designed to provide education on the potential need
32 for long-term care, methods of financing long-term care, and the
33 availability of long-term care insurance products including the
34 products offered by the public employees' benefits board.

35 (11) The public employees' benefits board may establish penalties
36 to be imposed by the authority when the eligibility determinations of
37 an employing agency fail to comply with the criteria under this
38 chapter.

1 **Sec. 2.** RCW 41.05.740 and 2018 c 260 s 1 are each amended to
2 read as follows:

3 (1) The school employees' benefits board is created within the
4 authority. The function of the school employees' benefits board is to
5 design and approve insurance benefit plans for school employees and
6 to establish eligibility criteria for participation in insurance
7 benefit plans.

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

11 (a) Two members from associations representing certificated
12 employees;

13 (b) Two members from associations representing classified
14 employees;

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

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

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

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

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

28 (b) While school employees' benefits board members are carrying
29 out their powers and duties under this chapter (~~(41.05-RCW)~~), if the
30 service of any certificated or classified employee results in a need
31 for a school employees' benefits board organization to employ a
32 substitute for such certificated or classified employee during such
33 service, payment for such a substitute may be made by the authority
34 from funds appropriated by the legislature for the school employees'
35 benefits board program. If such substitute is paid by the authority,
36 no deduction shall be made from the salary of the certificated or
37 classified employee. In no event shall a school employees' benefits
38 board organization deduct from the salary of a certificated or
39 classified employee serving on the school employees' benefits board

1 more than the amount paid the substitute employed by the school
2 employees' benefits board organization.

3 (5) The director of the authority or his or her designee shall be
4 the chair and another member shall be selected by the school
5 employees' benefits board as vice chair. The chair shall conduct
6 meetings of the school employees' benefits board. The vice chair
7 shall preside over meetings in the absence of the chair. The school
8 employees' benefits board shall develop bylaws for the conduct of its
9 business.

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

11 (a) Study all matters connected with the provision of health care
12 coverage, life insurance, liability insurance, accidental death and
13 dismemberment, and disability insurance, or any of, or combination
14 of, the enumerated types of insurance for eligible school employees
15 and their dependents on the best basis possible with relation both to
16 the welfare of the school employees and the state. However, liability
17 insurance should not be made available to dependents;

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

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

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

27 (iii) Wellness, preventive care, chronic disease management, and
28 other incentives that focus on proven strategies;

29 (iv) Utilization review procedures to support cost-effective
30 benefits delivery;

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

33 (vi) Effective coordination of benefits; and

34 (vii) Minimum standards for insuring entities;

35 (c) Authorize premium contributions for a school employee and the
36 employee's dependents in a manner that encourages the use of cost-
37 efficient health care systems. ~~((For))~~ Premium contributions
38 authorized by the school employees' benefits board must:

39 (i) Require that for participating school employees, the
40 ~~((required))~~ school employee share of the cost for family coverage

1 premiums may not exceed three times the premiums for a school
2 employee purchasing single coverage for the same coverage plan; and

3 (ii) Require that school employee premium payments represent on
4 average no less than twenty percent of the premiums paid by employers
5 and employees, and that employer premium payments represent on
6 average not more than eighty percent;

7 (d) Determine the terms and conditions of school employee and
8 dependent eligibility criteria, enrollment policies, and scope of
9 coverage. At a minimum, the eligibility criteria established by the
10 school employees' benefits board shall address the following:

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

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

16 (iii) Coverage for dependents, including criteria for legal
17 spouses; children up to age twenty-six; children of any age with
18 disabilities, mental illness, or intellectual or other developmental
19 disabilities; and state registered domestic partners, as defined in
20 RCW 26.60.020, and others authorized by the legislature;

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

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

32 (g) Participate with the authority in the preparation of
33 specifications and selection of carriers contracted for school
34 employee benefit plan coverage of eligible school employees in
35 accordance with the criteria set forth in rules. To the extent
36 possible, the school employees' benefits board shall leverage
37 efficient purchasing by coordinating with the public employees'
38 benefits board.

39 (7) School employees shall choose participation in one of the
40 health care benefit plans developed by the school employees' benefits

1 board. Individual school employees eligible for benefits under
2 subsection (6)(d) of this section may be permitted to waive coverage
3 under terms and conditions established by the school employees'
4 benefits board.

5 (8) By November 30, 2021, the authority shall review the benefit
6 plans provided through the school employees' benefits board, complete
7 an analysis of the benefits provided and the administration of the
8 benefits plans, and determine whether provisions in chapter 13, Laws
9 of 2017 3rd sp. sess. have resulted in cost savings to the state. The
10 authority shall submit a report to the relevant legislative policy
11 and fiscal committees summarizing the results of the review and
12 analysis.

13 **Sec. 3.** RCW 41.56.500 and 2017 3rd sp.s. c 13 s 817 are each
14 amended to read as follows:

15 (1) All collective bargaining agreements entered into between a
16 school district employer and school district employees under this
17 chapter after June 10, 2010, as well as bargaining agreements
18 existing on June 10, 2010, but renewed or extended after June 10,
19 2010, shall be consistent with RCW 28A.657.050.

20 (2) All collective bargaining agreements entered into between a
21 school district employer and school district employees under this
22 chapter shall be consistent with RCW 28A.400.280 and 28A.400.350.

23 (3) Employee bargaining shall be initiated after July 1, 2018,
24 over the dollar amount to be contributed for school employee health
25 benefits beginning January 1, 2020, on behalf of each employee for
26 health care benefits. Bargaining must subsequently be conducted in
27 even-numbered years between the governor or governor's designee and
28 one coalition of all the exclusive bargaining representatives
29 impacted by benefit purchasing with the school employees' benefits
30 board established in RCW 41.05.740, consistent with RCW 28A.400.280
31 and 28A.400.350. For agreements covering the 2021-2023 fiscal
32 biennium, and each biennium thereafter, any agreement between the
33 governor or governor's designee and the school employee health
34 benefits coalition regarding the amount expended on behalf of each
35 employee for health benefits must ensure that the share of premiums
36 paid by the employer does not exceed eighty percent of the total
37 premiums paid by the employer and the employee. The coalition
38 bargaining must follow the model initially established for state
39 employees in RCW 41.80.020.

1 (4) The governor shall submit a request for funds necessary to
2 implement the collective bargaining agreement for the dollar amount
3 to be expended for school employee health benefits, or for
4 legislation necessary to implement the agreement. A request for funds
5 shall not be submitted to the legislature by the governor unless such
6 request:

7 (a) Has been submitted to the director of the office of financial
8 management by October 1st prior to the legislative session at which
9 the request is to be considered; and

10 (b) Has been certified by the director of the office of financial
11 management as being feasible financially for the state.

12 The legislature shall approve or reject the submission of the
13 request for funds. The legislature shall not consider a request for
14 funds unless the request is transmitted to the legislature as part of
15 the governor's budget document submitted under RCW 43.88.030 and
16 43.88.060.

17 If the legislature rejects or fails to act on the submission,
18 either party may reopen all or part of the agreement. However, if the
19 director of the office of financial management does not certify a
20 request under this section as being feasible financially for the
21 state, the parties shall enter into collective bargaining solely for
22 the purpose of reaching a mutually agreed upon modification of the
23 agreement necessary to address the absence of those requested funds.
24 The legislature may act upon the health care benefit provisions of
25 the modified collective bargaining agreement if those provisions are
26 agreed upon and submitted to the office of financial management and
27 legislative budget committees before final legislative action on the
28 biennial or supplemental operating budget. If the legislature rejects
29 or fails to act on the submission, either party may reopen all or
30 part of the agreement.

31 **Sec. 4.** RCW 41.59.105 and 2017 3rd sp.s. c 13 s 818 are each
32 amended to read as follows:

33 (1) All collective bargaining agreements entered into between a
34 school district employer and school district employees under this
35 chapter after June 10, 2010, as well as bargaining agreements
36 existing on June 10, 2010, but renewed or extended after June 10,
37 2010, shall be consistent with RCW 28A.657.050.

1 (2) All collective bargaining agreements entered into between a
2 school district employer and school district employees under this
3 chapter shall be consistent with RCW 28A.400.280 and 28A.400.350.

4 (3) Employee bargaining shall be initiated after July 1, 2018,
5 over the dollar amount to be contributed beginning January 1, 2020,
6 on behalf of each employee for health care benefits. Bargaining must
7 subsequently be conducted in even-numbered years between the governor
8 or governor's designee and one coalition of all the exclusive
9 bargaining representatives impacted by benefit purchasing with the
10 school employees' benefits board established in RCW 41.05.740,
11 consistent with RCW 28A.400.280 and 28A.400.350. For agreements
12 covering the 2021-2023 fiscal biennium, and each biennium thereafter,
13 any agreement between the governor or governor's designee and the
14 school employee health benefits coalition regarding the amount
15 expended on behalf of each employee for health benefits must ensure
16 that the share of premiums paid by the employer does not exceed
17 eighty percent of the total premiums paid by the employer and the
18 employee. The coalition bargaining must follow the model initially
19 established for state employees in RCW 41.80.020.

20 (4) The governor shall submit a request for funds necessary to
21 implement the collective bargaining agreement for the dollar amount
22 to be expended for school employee health benefits, or for
23 legislation necessary to implement the agreement. A request for funds
24 shall not be submitted to the legislature by the governor unless such
25 request:

26 (a) Has been submitted to the director of the office of financial
27 management by October 1st prior to the legislative session at which
28 the request is to be considered; and

29 (b) Has been certified by the director of the office of financial
30 management as being feasible financially for the state.

31 The legislature shall approve or reject the submission of the
32 request for funds. The legislature shall not consider a request for
33 funds unless the request is transmitted to the legislature as part of
34 the governor's budget document submitted under RCW 43.88.030 and
35 43.88.060.

36 If the legislature rejects or fails to act on the submission,
37 either party may reopen all or part of the agreement. However, if the
38 director of the office of financial management does not certify a
39 request under this section as being feasible financially for the
40 state, the parties shall enter into collective bargaining solely for

1 the purpose of reaching a mutually agreed upon modification of the
2 agreement necessary to address the absence of those requested funds.
3 The legislature may act upon the health care benefit provisions of
4 the modified collective bargaining agreement if those provisions are
5 agreed upon and submitted to the office of financial management and
6 legislative budget committees before final legislative action on the
7 biennial or supplemental operating budget. If the legislature rejects
8 or fails to act on the submission, either party may reopen all or
9 part of the agreement.

10 **Sec. 5.** RCW 41.80.020 and 2015 3rd sp.s. c 1 s 318 are each
11 amended to read as follows:

12 (1) Except as otherwise provided in this chapter, the matters
13 subject to bargaining include wages, hours, and other terms and
14 conditions of employment, and the negotiation of any question arising
15 under a collective bargaining agreement.

16 (2) The employer is not required to bargain over matters
17 pertaining to:

18 (a) Health care benefits or other employee insurance benefits,
19 except as required in subsection (3) of this section;

20 (b) Any retirement system or retirement benefit; or

21 (c) Rules of the director of financial management, the director
22 of enterprise services, or the Washington personnel resources board
23 adopted under RCW 41.06.157.

24 (3) Matters subject to bargaining include the number of names to
25 be certified for vacancies, promotional preferences, and the dollar
26 amount expended on behalf of each employee for health care benefits.
27 However, except as provided otherwise in this subsection for
28 institutions of higher education, negotiations regarding the number
29 of names to be certified for vacancies, promotional preferences, and
30 the dollar amount expended on behalf of each employee for health care
31 benefits shall be conducted between the employer and one coalition of
32 all the exclusive bargaining representatives subject to this chapter.
33 The exclusive bargaining representatives for employees that are
34 subject to chapter 47.64 RCW shall bargain the dollar amount expended
35 on behalf of each employee for health care benefits with the employer
36 as part of the coalition under this subsection. Any such provision
37 agreed to by the employer and the coalition shall be included in all
38 master collective bargaining agreements negotiated by the parties.
39 For institutions of higher education, promotional preferences and the

1 number of names to be certified for vacancies shall be bargained
2 under the provisions of RCW 41.80.010(4). For agreements covering the
3 (~~2013-2015 fiscal biennium, any agreement between the employer and~~
4 ~~the coalition regarding the dollar amount expended on behalf of each~~
5 ~~employee for health care benefits is a separate agreement and shall~~
6 ~~not be included in the master collective bargaining agreements~~
7 ~~negotiated by the parties)) 2021-2023 fiscal biennium, and each
8 biennium thereafter, any agreement between the employer and the
9 health benefits coalition regarding the amount expended on behalf of
10 each employee for health benefits must ensure that the share of
11 premiums paid by the employer does not exceed eighty percent of the
12 total premiums paid by the employer and the employee.~~

13 (4) The employer and the exclusive bargaining representative
14 shall not agree to any proposal that would prevent the implementation
15 of approved affirmative action plans or that would be inconsistent
16 with the comparable worth agreement that provided the basis for the
17 salary changes implemented beginning with the 1983-1985 biennium to
18 achieve comparable worth.

19 (5) The employer and the exclusive bargaining representative
20 shall not bargain over matters pertaining to management rights
21 established in RCW 41.80.040.

22 (6) Except as otherwise provided in this chapter, if a conflict
23 exists between an executive order, administrative rule, or agency
24 policy relating to wages, hours, and terms and conditions of
25 employment and a collective bargaining agreement negotiated under
26 this chapter, the collective bargaining agreement shall prevail. A
27 provision of a collective bargaining agreement that conflicts with
28 the terms of a statute is invalid and unenforceable.

29 (7) This section does not prohibit bargaining that affects
30 contracts authorized by RCW 41.06.142.

--- END ---