
SENATE BILL 6479

State of Washington

66th Legislature

2020 Regular Session

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

Read first time 01/17/20. Referred to Committee on Ways & Means.

1 AN ACT Relating to optional benefits offered by school districts;
2 amending RCW 28A.400.280; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that school
5 districts have offered a variety of optional benefit plans to school
6 district personnel. Many of these optional insurance benefit plans,
7 such as homeowner, automobile, accident only, specified disease, and
8 other fixed payment benefit insurance, are paid by employees through
9 payroll deductions. In establishing the school employees' benefits
10 board, the legislature intended to maximize purchasing power by
11 consolidating all K-12 personnel in a statewide structure for
12 purchasing basic benefits and certain optional benefits. As the
13 statewide benefits have been developed, the interpretation and
14 administrative advice regarding what optional benefits school
15 districts can offer has shifted over time and left school districts
16 in doubt. Therefore, the legislature intends to draw a clear line
17 regarding what school districts can offer in terms of supplemental
18 benefits.

19 **Sec. 2.** RCW 28A.400.280 and 2018 c 260 s 29 are each amended to
20 read as follows:

1 (1) Except as provided in subsection (2) of this section, school
2 districts may provide employer fringe benefit contributions after
3 October 1, 1990, only for basic benefits. However, school districts
4 may continue payments under contracts with employees or benefit
5 providers in effect on April 13, 1990, until the contract expires.

6 (2) School districts may provide employer contributions after
7 October 1, 1990, for optional benefit plans, in addition to basic
8 benefits. Beginning January 1, 2020, school district optional
9 benefits must ~~((be outside))~~ not compete with any basic or optional
10 benefits offered through the school employees' benefits ~~((board's~~
11 authority)) board established in RCW 41.05.740((+6)). Employee-paid,
12 voluntary benefits including, but not limited to, personal lines
13 homeowners insurance, private passenger automobile insurance, and
14 accident only, specified disease, and other fixed payment benefit
15 insurance, may be offered to school employees and paid by the
16 employee through a payroll deduction. Beginning December 1, 2019, and
17 each December 1st thereafter, school district optional benefits must
18 be reported to the school employees' benefits board and health care
19 authority. The school employees' benefits board shall review the
20 optional benefits offered by districts and: (a) Determine if the
21 optional benefits conflict with school employees' benefits board's
22 benefit plan ~~((s offering authority))~~ offerings and, if not, (b)
23 evaluate whether to seek additional benefit offerings authority from
24 the legislature. The legislature finds that supplemental fixed
25 payment insurance plans, including accident only and specified
26 disease plans, offer financial protection and do not conflict nor
27 compete with basic medical or disability plans. Optional benefits may
28 include direct agreements as defined in chapter 48.150 RCW, and may
29 include ~~((employee))~~ a benefit plan as provided for in RCW
30 28A.400.210(3) and voluntary employees' beneficiary association
31 accounts ~~((that can be liquidated by the employee on termination of~~
32 employment)). Optional benefit plans may be offered only if:

33 ~~((+a))~~ (i) Each full-time employee, regardless of the number of
34 dependents receiving basic coverage, receives the same additional
35 employer contribution for other coverage or optional benefits; and

36 ~~((+b))~~ (ii) For part-time employees, participation in optional
37 benefit plans shall be governed by the same eligibility criteria
38 and/or proration of employer contributions used for allocations for
39 basic benefits.

1 (3) School districts are not intended to divert state basic
2 benefit allocations for other purposes. Beginning January 1, 2020,
3 school districts must offer all benefits offered by the school
4 employees' benefits board administered by the health care authority,
5 and consistent with RCW 41.56.500(2).

6 (4) Any optional benefits offered by a school district under
7 subsection (2) of this section are considered an enhancement to the
8 state's definition of basic education.

--- **END** ---