
Appropriations Committee

SB 5539

Brief Description: Concerning state funding for educational service districts.

Sponsors: Senators Hunt and Wilson, C..

Brief Summary of Bill

- Requires that state funding be provided to each educational service district (ESD) for the employer cost of school employees' benefits for employees of the ESD who are covered by collective bargaining.

Hearing Date: 2/22/22

Staff: James Mackison (786-7104).

Background:

School Employees' Benefits Board and State Health Benefits Funding.

In 2017 the Legislature created the nine-member School Employees' Benefits Board (SEBB) to provide health care and related benefits for all eligible public school employees and represented employees of Educational Service Districts (ESDs). The program is administered by the Health Care Authority (HCA). Under the SEBB, collective bargaining for school employee health benefits is consolidated to a single agreement. Prior to the SEBB, each school district purchased health benefits separately and bargained locally with its employees regarding benefit packages. State prototypical school funding formulas include funding for health benefits under SEBB for state-funded staff units. To calculate state health benefit allocations, the Legislature sets a Health Benefits Rate that applies to each SEBB-eligible school employee, which in the current school year is \$968 per employee per month. That rate is applied to each staff unit generated by the state formulas and multiplied by a Benefit Allocation Factor, which for classified staff is 1.43 and certificated staff is 1.02. Staff types for which the state allocates benefits funding include:

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instructional staff, administrative staff, classified staff, district-wide support staff, and central office staff. Formulas for special education, bilingual, and other categorical programs also include health benefits in the calculation. Employers must pay the Health Benefit Rate for employees who are included in SEBB but are not state funded.

Educational Service Districts.

There are nine regional ESDs in the state. Each is governed by a board consisting of seven to nine members elected by the school directors of the ESD. The ESDs' responsibilities include:

- providing cooperative, administrative, and informational services to and on behalf of local school districts; and
- assisting the Superintendent of Public Instruction and the State Board of Education in the performance of their duties.

The ESDs provide a variety of services, which are funded by several revenue sources. Services include back office administrative support, fiscal support, technology services, special education, early childhood education, institutional education, professional development, and other instructional and noninstructional programs. Revenue is provided to the ESDs through fees paid by school districts and others for fee for service and co-operative programs, state and federal grants, and direct state allocations.

Until 2024, ESDs are not required to participate in the SEBB for employees not represented in collective bargaining. According to a 2020 report by the HCA, approximately 2,687 headcount employees work in ESDs. An estimated 163 ESD employees participate in the SEBB as represented employees. The state directly allocates approximately 195 staff units to ESDs for various programs, and state allocations to school districts also indirectly support some ESD staff.

Summary of Bill:

State funding shall be provided to each ESD for the employer cost of the school employees' benefits provided to the employees of the ESD who are covered by a collective bargaining agreement.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.