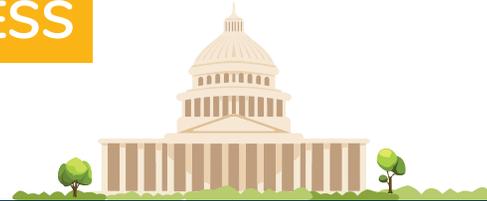


THE FUNDING PROCESS

FOR STATE-FUNDED POSITIONS

In the SEBB Program, the funding rate is built to cover the cost of insuring all eligible state-funded school employees. That funding rate is what the state provides the districts, and the amount the districts send to HCA for state-funded positions.



1

The state sets the funding rate. This includes:

- + The employer medical contribution (in a way that takes into account an assumed number of enrolled dependents)
- + Full premium contributions for dental, vision, basic life and accidental death and dismemberment (AD&D), and basic long-term disability insurance
- + The K-12 remittance fee
- + Administrative and other costs

2

The number of state-funded full-time equivalent employees (FTEs) is then multiplied by the benefit allocation factor (BAF).



This figure is based on the prototypical school funding model. The BAF helps address the difference between the number of state-funded FTEs and the actual number of benefits-eligible school employees. It also takes into account that multiple employees may be hired at part-time capacities. The monthly funding rate is multiplied by the district's state funded FTE as adjusted by the BAF to reach the total monthly insurance benefit allocation.



3

The monthly insurance benefit allocation is sent to school districts and charter schools each month.

→ The funding rate represents an *average*, and assumes a certain number of employees will waive coverage.

4

Districts pay the Washington State Health Care Authority (HCA) the same amount for each employee's benefits, regardless of:

Whether they enroll a spouse, state-registered domestic partner, or dependents



Whether they waive coverage



What plan they choose to enroll in



5

School districts and charter schools pay HCA the funding rate, plus the employees' monthly medical premiums, and any applicable surcharges for each benefits eligible employee.