

Engrossed Substitute Senate Bill (ESSB) 6241

An act concerning the January 1, 2020, implementation of the School Employees' Benefits Board Program

Significant topics initially proposed by HCA in the legislation:

- Data collection requirements: Amends data collection requirements so HCA can gather data directly. Changes the data due date from January 1, 2019 to April 1, 2018 so data is available for procurements in 2018.
- Substitute reimbursements related to SEB Board member duties: Authorizes HCA (mirroring RCW 28A.300.035) to reimburse districts for substitutes when certificated/classified employees on SEBB are performing board duties.
- Clarify salary reduction plan participation: Clarifies that school employees can use HCA's administered IRS Section 125 Cafeteria Plan, which allows pretax payroll deductions for certain benefits.
- Create necessary accounts for SEBB Program: Creates all fiscal accounts necessary to implement, maintain, and track the SEBB Program benefits and administrative expenditures separately from the PEBB Program.
- Definition of "school employee": Uses a more distinct "school employee" definition to contrast with the "employee" definition used for PEBB benefits-eligible employees.
- Clarify and ensure alignment of "board" roles and responsibilities for SEBB and PEBB: Because the SEBB and PEBB Programs are both in Chapter 41.05 RCW, creates a new section conveying that "board" means both SEBB and PEBB—unless the usage clearly describes only one board.
- 3:1 ratio employee premiums: Drawing from RCW 28A.400.350(5), expressly states the premiums for family coverage cannot be more than three times the premium of employee-only coverage for the same plan.
- Anticipated to work requirement and "school year" definition: Clarifies employee eligibility for SEBB benefits is when an employee is *anticipated* to work at least 630 hours during the next school year, and defines "school year" in Chapter 41.05.011 RCW (mirroring the RCW 28A.150.203[11] definition).
- Clarify charter school employee inclusion in SEBB Program: Adds clarity in more statutes that charter school employees are in the SEBB Program, but HCA has discretion to maintain an ERISA governmental plan exemption.
- Clarify benefit contract length requirement: Clarifies local benefit contracts for the '18-'19 school year must exceed the statutory maximum one-year length by the months needed to ensure benefits continue through Dec. 31, 2019.
- Clarifies provisions for waiving benefits: Clarifies school employees can waive benefits under requirements set by the SEBB and that contributions must be sent to HCA, including for employees who waive coverage.

Provisions added during the legislative process:

- Allows school districts, using local funds, to bargain for and provide SEBB authorized benefits to employees who are anticipated to work less than 630 hours during the school year.
- Allows school districts, using local funds, to offer optional benefits that are outside the authority of the SEBB. School districts must annually report their optional benefit offerings to HCA for review and evaluation.
- Requires OIC to provide HCA with historical K-12 health care benefit information, and exempts this information from public disclosure (when held by either OIC or HCA).
- Outlines state funding to school districts in the 2019-2021 biennium will be no less than the PEBB Program monthly per-employee funding rate.
- States a legislative intent to review funding assumptions on the proportion of people anticipated to work 630 hours or more when allocating funding to school districts in the 2019-2021 biennium.