
SENATE BILL 6461

State of Washington

65th Legislature

2018 Regular Session

By Senators Conway, Padden, Chase, O'Ban, and Baumgartner

1 AN ACT Relating to employee benefits provided by the school
2 employees' benefits board; amending RCW 41.05.050; and creating a new
3 section.

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

5 NEW SECTION. **Sec. 1.** School districts and educational service
6 districts in many rural and urban areas must aggressively compete for
7 employees, and need to offer better employee benefits, benefits at a
8 lower cost, or both in order to recruit and retain employees. The
9 legislature finds that large school districts can purchase superior
10 benefits for less money, because of demographic and geographic
11 advantages.

12 **Sec. 2.** RCW 41.05.050 and 2017 3rd sp.s. c 13 s 806 are each
13 amended to read as follows:

14 (1) Every: (a) Department, division, or separate agency of state
15 government; (b) county, municipal, school district, educational
16 service district, or other political subdivisions; and (c) tribal
17 governments as are covered by this chapter, shall provide
18 contributions to insurance and health care plans for its employees
19 and their dependents, the content of such plans to be determined by
20 the authority. Contributions, paid by the county, the municipality,

1 other political subdivision, or a tribal government for their
2 employees, shall include an amount determined by the authority to pay
3 such administrative expenses of the authority as are necessary to
4 administer the plans for employees of those groups, except as
5 provided in subsection (4) of this section.

6 (2) To account for increased cost of benefits for the state and
7 for state employees, the authority may develop a rate surcharge
8 applicable to participating counties, municipalities, other political
9 subdivisions, and tribal governments.

10 (3) The contributions of any: (a) Department, division, or
11 separate agency of the state government; (b) county, municipal, or
12 other political subdivisions; (c) any tribal government as are
13 covered by this chapter; and (d) school districts and educational
14 service districts, shall be set by the authority, subject to the
15 approval of the governor for availability of funds as specifically
16 appropriated by the legislature for that purpose. Insurance and
17 health care contributions for ferry employees shall be governed by
18 RCW 47.64.270.

19 (4)(a) Until January 1, 2020, or until the requirements of
20 chapter 13, Laws of 2017, 3rd sp. sess. are met, whichever is later,
21 the authority shall collect from each participating school district
22 and educational service district an amount equal to the composite
23 rate charged to state agencies, plus an amount equal to the employee
24 premiums by plan and family size as would be charged to state
25 employees, for groups of district employees enrolled in authority
26 plans. The authority may collect these amounts in accordance with the
27 district fiscal year, as described in RCW 28A.505.030.

28 (b) For all groups of district employees enrolling in authority
29 plans for the first time after September 1, 2003, and until January
30 1, 2020, the authority shall collect from each participating school
31 district an amount equal to the composite rate charged to state
32 agencies, plus an amount equal to the employee premiums by plan and
33 by family size as would be charged to state employees, only if the
34 authority determines that this method of billing the districts will
35 not result in a material difference between revenues from districts
36 and expenditures made by the authority on behalf of districts and
37 their employees. The authority may collect these amounts in
38 accordance with the district fiscal year, as described in RCW
39 28A.505.030.

1 (c) If the authority determines at any time that the conditions
2 in (b) of this subsection cannot be met, the authority shall offer
3 enrollment to additional groups of district employees on a tiered
4 rate structure until such time as the authority determines there
5 would be no material difference between revenues and expenditures
6 under a composite rate structure for all district employees enrolled
7 in authority plans.

8 (d) Beginning January 1, 2020, or until the requirements of
9 chapter 13, Laws of 2017, 3rd sp. sess. are met, whichever is later,
10 all school districts and educational service districts shall commence
11 participation in the school employees' benefits board program
12 established under RCW 41.05.740. All school districts and educational
13 service districts, and all district employee groups participating in
14 the public employees' benefits board plans before January 1, 2020,
15 shall thereafter participate in the school employees' benefits board
16 program administered by the authority. However, school districts and
17 educational service districts may be exempt from the requirement to
18 obtain employee benefits through the school employees' benefits board
19 if the following requirements are met: Benefits offered are in
20 compliance with all requirements under RCW 41.05.740. Benefits
21 offered are of a generally equivalent actuarial value to those
22 benefits offered through the school employees' benefits board.
23 Benefits offered are at a generally equivalent cost to those benefits
24 offered through the school employees' benefits board. The school
25 district or educational service district has greater than one
26 thousand eligible employees or is purchasing benefits through a
27 trust, interlocal, or association plan with greater than ten thousand
28 subscribers.

29 (e) For the purposes of this subsection:

30 (i) "District" means school district and educational service
31 district; (~~and~~)

32 (ii) "Generally equivalent" means within ten percent; and

33 (iii) "Tiered rates" means the amounts the authority must pay to
34 insuring entities by plan and by family size.

35 (f) Notwithstanding this subsection and RCW 41.05.065(4), the
36 authority may allow districts enrolled on a tiered rate structure
37 prior to September 1, 2002, and until January 1, 2020, to continue
38 participation based on the same rate structure and under the same
39 conditions and eligibility criteria.

1 (5) The authority shall transmit a recommendation for the amount
2 of the employer contributions to the governor and the director of
3 financial management for inclusion in the proposed budgets submitted
4 to the legislature.

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