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**HOUSE BILL 2458**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By Representative Stonier**

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 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.

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