

This bill establishes two important programs. It creates an annual award program to recognize excellent higher education teacher educators. The second portion of the bill establishes the excellence in teacher preparation program to provide cooperating teachers to all student teachers during their internship with local school districts. Both programs are essential components in our continuing efforts to improve teacher preparation and I am pleased to sign them into law.

Section 8 of the bill, however, delays the effective date for the sections of the bill that establish the excellence in teacher preparation program. It is important that this program go into effect without delay to allow the Superintendent of Public Instruction to publish regulations and the institutions of higher education to begin the planning process that will enable them to begin operating the program as soon as funds are appropriated.

For the reasons stated above, I have vetoed section 8.

With the exception of section 8, Reengrossed Senate Bill No. 5371 is approved.*

CHAPTER 11

[Substitute House Bill No. 2230]

SCHOOL EMPLOYEES—HEALTH CARE INSURANCE

AN ACT Relating to health care; amending RCW 28A.58.0951 and 28A.58.420; adding new sections to Title 28A RCW; creating new sections; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature recognizes the rising costs of health insurance premiums for school employees, and the increasing need to ensure effective use of state benefit dollars to obtain basic coverage for employees and their dependents. In school districts that do not pool benefit allocations among employees, increases in premium rates create particular hardships for employees with families. For many of these employees, the increases translate directly into larger payroll deductions simply to maintain basic benefits.

The goal of this act is to provide access for school employees to basic coverage, including coverage for dependents, while minimizing employees' out-of-pocket premium costs. Unnecessary utilization of medical services can contribute to rising health insurance costs. Therefore, the legislature intends to encourage plans that promote appropriate utilization without creating major barriers to access to care. The legislature also intends that school districts pool state benefit allocations so as to eliminate major differences in out-of-pocket premium expenses for employees who do and do not need coverage for dependents.

Sec. 2. Section 205, chapter 2, Laws of 1987 1st ex. sess. and RCW 28A.58.0951 are each amended to read as follows:

(1) Every school district board of directors shall fix, alter, allow, and order paid salaries and compensation for all district employees in conformance with this section.

(2)(a) Salaries for certificated instructional staff shall not be less than the salary provided in the appropriations act in the state-wide salary allocation schedule for an employee with a baccalaureate degree and zero years of service; and

(b) Salaries for certificated instructional staff with a masters degree shall not be less than the salary provided in the appropriations act in the state-wide salary allocation schedule for an employee with a masters degree and zero years of service;

(3)(a) The actual average salary paid to basic education certificated instructional staff shall not exceed the district's average basic education certificated instructional staff salary used for the state basic education allocations for that school year as determined pursuant to RCW 28A.41.112.

(b) Fringe benefit contributions for basic education certificated instructional staff shall be included as salary under (a) of this subsection to the extent that the district's actual average benefit contribution exceeds the greater of: (i) The formula amount for insurance benefits provided per certificated instructional staff unit in the state operating appropriations act in effect at the time the compensation is payable; or (ii) the actual average amount provided by the school district in the 1986-87 school year. For purposes of this section, fringe benefits shall not include payment for unused leave for illness or injury under RCW 28A.58.096, or employer contributions for old age survivors insurance, workers' compensation, unemployment compensation, and retirement benefits under the Washington state retirement system.

(c) Salary and benefits for certificated instructional staff in programs other than basic education shall be consistent with the salary and benefits paid to certificated instructional staff in the basic education program.

(4) Salaries and benefits for certificated instructional staff may exceed the limitations in subsection (3) of this section only by separate contract for additional time, additional responsibilities, or incentives. Supplemental contracts shall not cause the state to incur any present or future funding obligation. Supplemental contracts shall be subject to the collective bargaining provisions of chapter 41.59 RCW and the provisions of RCW 28A.67.074, shall not exceed one year, and if not renewed shall not constitute adverse change in accordance with RCW 28A.58.450 through 28A.58.515. No district may enter into a supplemental contract under this subsection for the provision of services which are a part of the basic education program required by Article IX, section 3 of the state Constitution.

(5) Employee benefit plans offered by any district shall comply with RCW 28A.58.420 and sections 5 and 6 of this act.

Sec. 3. Section 28A.58.420, chapter 223, Laws of 1969 ex. sess. as last amended by section 16, chapter 107, Laws of 1988 and RCW 28A.58.420 are each amended to read as follows:

(1) The board of directors of any of the state's school districts may make available liability, life, health, health care, accident, disability and salary protection or insurance or any one of, or a combination of the enumerated types of insurance, or any other type of insurance or protection, for the members of the boards of directors, the students, and employees of the school district, and their dependents. Such coverage may be provided by contracts with private carriers, with the state health care authority after July 1, 1990, pursuant to the approval of the authority administrator, or through self-insurance or self-funding pursuant to chapter 48.62 RCW, or in any other manner authorized by law.

(2) Whenever funds (~~(shall be)~~) are available for these purposes the board of directors of the school district may contribute all or a part of the cost of such protection or insurance for the employees of their respective school districts and their dependents. The premiums on such liability insurance shall be borne by the school district.

After October 1, 1990, school districts may not contribute to any employee protection or insurance other than liability insurance unless the district's employee benefit plan conforms to sections 5 and 6 of this act.

(3) For school board members and students, the premiums due on such protection or insurance shall be borne by the assenting school board member or student: PROVIDED, That the school district may contribute all or part of the costs, including the premiums, of life, health, health care, accident or disability insurance which shall be offered to all students participating in interschool activities on the behalf of or as representative of their school or school district.

(4) All contracts for insurance or protection written to take advantage of the provisions of this section shall provide that the beneficiaries of such contracts may utilize on an equal participation basis the services of those practitioners licensed pursuant to chapters 18.22, 18.25, 18.53, 18.57, and 18.71 RCW.

NEW SECTION. Sec. 4. Unless the context clearly requires otherwise, the definitions in this section apply throughout sections 5 and 6 of this act.

(1) "School district employee benefit plan" means the overall plan used by the district for distributing fringe benefit subsidies to employees, including the method of determining employee coverage and the amount of employer contributions, as well as the characteristics of benefit providers and the specific benefits or coverage offered. It shall not include coverage offered to district employees for which there is no contribution from public funds.

(2) "Fringe benefit" does not include liability coverage, old-age survivors' insurance, workers' compensation, unemployment compensation, retirement benefits under the Washington state retirement system, or payment for unused leave for illness or injury under RCW 28A.58.096.

(3) "Basic benefits" are determined through local bargaining and are limited to medical, dental, vision, group term life, and group long-term disability insurance coverage.

(4) "Benefit providers" include insurers, third party claims administrators, direct providers of employee fringe benefits, health maintenance organizations, health care service contractors, and the Washington state health care authority or any plan offered by the authority.

(5) "Group term life insurance coverage" means term life insurance coverage provided for, at a minimum, all full-time employees in a bargaining unit or all full-time nonbargaining group employees.

(6) "Group long-term disability insurance coverage" means long-term disability insurance coverage provided for, at a minimum, all full-time employees in a bargaining unit or all full-time nonbargaining group employees.

NEW SECTION. Sec. 5. (1) Any contract for employee benefits executed after the effective date of this act between a school district and a benefit provider or employee bargaining unit is null and void unless it contains an agreement to abide by state laws relating to school district employee benefits. The term of the contract may not exceed one year.

(2) School districts shall annually submit to the Washington state health care authority summary descriptions of all benefits offered under the district's employee benefit plan. The districts shall also submit data to the health care authority specifying the total number of employees and, for each employee, types of coverage or benefits received including numbers of covered dependents, the number of eligible dependents, the amount of the district's contribution, additional premium costs paid by the employee through payroll deductions, and the age and sex of the employee and each dependent. The plan descriptions and the data shall be submitted in a format and according to a schedule established by the health care authority.

(3) Any benefit provider offering a benefit plan by contract with a school district under subsection (1) of this section shall agree to make available to the school district the benefit plan descriptions and, where available, the demographic information on plan subscribers that the district is required to report to the Washington state health care authority under this section.

(4) This section shall not apply to benefit plans offered in the 1989-90 school year.

NEW SECTION. Sec. 6. (1) Except as provided in subsection (2) of this section, school districts may provide employer fringe benefit contributions after October 1, 1990, only for basic benefits. However, school districts may continue payments under contracts with employees or benefit providers in effect on the effective date of this act, until the contract expires.

(2) School districts may provide employer contributions after October 1, 1990, for optional benefit plans, in addition to basic benefits, only for employees included in pooling arrangements under this subsection. Optional

benefit plans may not include employee beneficiary accounts that can be liquidated by the employee on termination of employment. Optional benefit plans may be offered only if:

(a) The school district pools benefit allocations among employees using a pooling arrangement that includes at least one employee bargaining unit and/or all nonbargaining group employees;

(b) Each full-time employee included in the pooling arrangement is offered basic benefits, including coverage for dependents, without a payroll deduction for premium charges;

(c) Each full-time employee included in the pooling arrangement, regardless of the number of dependents receiving basic coverage, receives the same additional employer contribution for other coverage or optional benefits; and

(d) For part-time employees included in the pooling arrangement, participation in optional benefit plans shall be governed by the same eligibility criteria and/or proration of employer contributions used for allocations for basic benefits.

(3) Savings accruing to school districts due to limitations on benefit options under this section shall be pooled and made available by the districts to reduce out-of-pocket premium expenses for employees needing basic coverage for dependents. School districts are not intended to divert state benefit allocations for other purposes.

NEW SECTION. Sec. 7. The Washington state health care authority, in consultation with the state insurance commissioner and the advisory committee established under this section, shall develop recommendations on school employee benefit plans, to be submitted to the appropriations committee of the house of representatives and the ways and means committee of the senate. The advisory committee shall include three members: A representative of health maintenance organizations, a representative of health care service contractors, and a representative of commercial carriers. The health care authority, the insurance commissioner, and the advisory committee shall submit preliminary recommendations by December 15, 1990, including a proposed set of guidelines for school employee benefit plans, to be considered by the legislature for implementation in the 1991-93 biennium. A final set of recommendations, including an analysis of demographic data on plan subscribers, shall be submitted by February 15, 1991. In developing the recommendations and guidelines, the health care authority, the insurance commissioner, and the advisory committee shall consider the need for local flexibility in plan design, as well as for equity between school district employees and state employees, and shall also consider the impact of collective bargaining by multiple bargaining units on school employee benefit plans and how they are structured. The recommendations and guidelines shall also address:

(1) Methods for ensuring equitable pooling of benefits among school district employees according to the need for coverage, including coverage of dependents;

(2) Giving top priority to using state benefit dollars for basic coverage, with particular emphasis on medical coverage;

(3) Methods of curbing overutilization of benefits through subscriber cost-sharing provisions or other means;

(4) Options for allocation of benefit contributions to part-time employees, taking into consideration patterns of employment unique to school districts and their impact on distribution of benefits;

(5) Standards for the financial practices of plan providers; and

(6) The availability and provision of coverage for retired school district employees.

This section shall expire June 30, 1991.

NEW SECTION. Sec. 8. Sections 4 through 6 of this act are each added to Title 28A RCW.

NEW SECTION. Sec. 9. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House March 31, 1990.

Passed the Senate April 1, 1990.

Approved by the Governor April 13, 1990.

Filed in Office of Secretary of State April 13, 1990.

CHAPTER 12

[Senate Bill No. 6906]

COMMUNITY PROTECTION ACT AMENDMENTS

AN ACT Relating to making minor adjustments to chapter 3, Laws of 1990, concerning criminal offenders; amending RCW 13.40.020, 71.____, 71.____, and 71.____; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 56, chapter 291, Laws of 1977 ex. sess. as last amended by section 301, chapter 3, Laws of 1990 and RCW 13.40.020 are each amended to read as follows:

For the purposes of this chapter:

(1) "Serious offender" means a person fifteen years of age or older who has committed an offense which if committed by an adult would be:

(a) A class A felony, or an attempt to commit a class A felony;

(b) Manslaughter in the first degree; or

(c) Assault in the second degree, extortion in the first degree, child molestation in the second degree, kidnapping in the second degree, robbery