



Classified Employee Insurance Benefit Factor

Problem

With Governor Inslee's signature on the McCleary solution bill, HB 2242, in the 2017 legislative session, SEBB (School Employee Benefit Board) was created. Since SEBB's start date doesn't begin until January 1, 2020, the legislature only provided funding for the startup costs in the 2017-19 budget. However, because the law requires a four-year financial outlook the legislature had to "book" the costs of full implementation of SEBB in the future 2019-21 operating budget. In the 2019-21 budget outlook, the legislature eliminated the classified employee insurance benefit factor.

Solution

The legislature must continue the insurance benefit factor in the 2019-21 budget. Additionally, since HB 2242 lowered the full-time equivalency to 630 hours, the factor should be increased to an estimated 1.325 at an estimated cost to the State of \$28 million per year.

"The number of classified staff units determined in subsections (4) and (5) of this section multiplied by 1.325. This factor is intended to adjust allocations so that, for the purposes of distributing insurance benefits, full-time equivalent classified employees may be calculated on the basis of 630 hours of work per year, with no individual employee counted as more than one full-time equivalent."

History

1984 Supplemental Budget

- Legislators recognized a problem with State funding for classified employee insurance
 - Teachers who work 1,440 hours (8 hours per day, 180 days per school year) received full insurance funding
 - Classified employees had to work 2,080 hours to receive full insurance funding
- **Solution:** "Classified units shall be calculated on the basis of 1,440 hours of work per year, with no individual employee counted for more than one unit."

Every operating budget from 1984 to 2019 included this language:

"The number of classified staff units determined in subsections (4) and (5) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purposes of distributing insurance benefits, full-time equivalent classified employees may be calculated on the basis of 1440 hours of work per year, with no individual employee counted as more than one full-time equivalent."

The 2017-19 insurance benefit factor (1.152) provides school districts an additional \$25 million per year to give classified employees insurance benefits on a 1,440 hour basis.