



Impact of Consolidation on Collective Bargaining

Issue	Current	HCA Report	Possible Legislative Bill
Monthly allocation each employee receives for insurance.	Yes	No	No
Insurance pooling.	Yes	No	No
Eligibility for coverage.	Yes	Yes	Yes
Insurance carriers for plans	Yes	No	No
Insurance plans that fit the definition of “basic benefits”.	Yes	Partially*	Partially*
Insurance plans that are not “basic benefits”	Yes	Yes	Yes
Retiree payment	Yes	Yes	Yes

Partially*: Each bargaining unit will determine which of the mandated medical, dental, and vision plans authorized by the Board will be offered to their bargaining unit. For instance, if there are 10 ppo medical plans, a bargaining unit negotiates which of the plans will be offered to their bargaining unit. Life and LTD may become mandatory at a later time. Plan design will not be negotiated for any of the Board approved plans.

1. MONTHLY ALLOCATION EACH EMPLOYEE RECEIVES FOR INSURANCE.

- a. For instance, the rule is \$768 per full time equivalency. As with anything in K 12, there are exceptions to any rule. In rare occasions some districts might pay more than \$768.
- b. Also, for part time employees who are eligible for insurance, the bargaining units negotiate how much a less than full time employee will receive. The rule is that eligible part time employees receive a prorated amount compared to how much a full time employee receives based upon how many hours they work divided by 1,440 hours (8 hours per day times the 180 school calendar). However, there are exceptions to the rule that may deliver a higher pro-rated amount.

2. INSURANCE POOLING.

- a. This redistributes the unused allocation of employees to those employees who have out-of-pocket payments for insurance premiums. There are some situations where the district will place an amount of local funds in the insurance pool to increase the employee allocation. On the other hand, some districts only have a pool allocation if all state insurance funds are not used (this severely limits the pool allocation).

3. ELIGIBILITY FOR COVERAGE.

- a. Negotiations occur over how many hours an employee must work to become eligible for insurance coverage. This discussion mostly affects classified employees but does affect some certificated employees.

- b. There is significant variation in eligibility criteria in school districts, even within the same district. In general, an employee must work at least 3.5 hours per day to qualify for insurance. However, there are many exceptions to this rule. For instance there are a sizable number of bargaining units that establish a 4 hour qualification standard. Though some districts might go below 3.5 hours, they are the rare exception to the rule. Additionally, there are some districts with different eligibility criteria for medical, dental, and/or vision. For example, there are situations where a bargaining unit may have 3.5 hour eligibility for medical and no minimum hours for eligibility for dental.

4. INSURANCE CARRIERS FOR PLANS OFFERED TO BARGAINING UNITS.

- a. Negotiations rarely occur over who the carriers are for plans offered to bargaining units. This is normally a district wide decision though there are some differences between bargaining units in the same district. In recent years, negotiations over carriers have become rare; however, 10-15 years ago it was more common. This is a result of a reduction in carriers offering benefits to school employees.

5. INSURANCE PLANS THAT FIT THE DEFINITION OF “BASIC BENEFITS”.

- a. PSE negotiates medical, dental, vision, group life, and group long term disability (LTD) plans. Included in these negotiations, very rarely used, is the ability to negotiate the plan design.
 - i. However, the rule is we don't have the ability to change plans in negotiations (e.g., WEA Premera medical plans, Group Health medical plans, WEA Select dental insurance plans). There are some exceptions to this rule in the case of two school district trusts (however Tacoma and Everett just went to Premera and Group Health plans). Also some districts have active district-wide insurance committees that represent the interests of all employee groups when they consider changes to plan design for insurance plans that are not WEA related plans or Group Health.
- b. Locally we bargain over which plans will be offered based upon bargaining unit and “richness of pool”. Most bargaining units have a combination of medical, dental, and vision. Group life and group LTD plans are common additions.

6. INSURANCE PLANS THAT ARE NOT “BASIC BENEFITS”

- a. In limited situations, there are insurance plans that either use just employee funds or in rare situations, local funds. Some examples are VEBA (Voluntary Employee Benefit Account), salary insurance (short term disability), cancer insurance, Section 125.

7. RETIREE PAYMENT

- a. According to State law, school districts must send a payment to the Health Care Authority for K 12 retirees on the PEBB insurance plan. However, the district must negotiate with each bargaining unit where the funds come from to make this payment: employees or district, or a combination of both.
- b. Currently, the amount of the payment is \$66.01 per FTE (full time equivalent equals 1,440 hours) employee; the FTE amount for employees who are not full time is pro-rated. Next school year, the amount is scheduled to go up to \$67.91.