

Multiple Agency Fiscal Note Summary

Bill Number: 5793 SB	Title: Public employee health plans
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Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Washington State Health Care Authority	0	0	0	0	0	(9,543,900)	0	0	(14,875,200)
Total \$	0	0	0	0	0	(9,543,900)	0	0	(14,875,200)

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	No fiscal impact					
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State Health Care Authority	.0	0	0	0	.0	0	0	(9,543,900)	.0	0	0	(14,875,200)
Total \$	0.0	0	0	0	0.0	0	0	(9,543,900)	0.0	0	0	(14,875,200)

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	No fiscal impact								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	No fiscal impact								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Kari Miracle, OFM	Phone: (360) 890-0830	Date Published: Final 3/31/2025
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Individual State Agency Fiscal Note

Bill Number: 5793 SB	Title: Public employee health plans	Agency: 105-Office of Financial Management
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Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Amanda Cecil	Phone: 360-786-7460	Date: 03/23/2025
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 03/27/2025
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 03/27/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 03/31/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

- The bill eliminates the smart health program:
- As of January 1, 2028, the public employees' benefits board shall no longer offer the Smart Health Program, which includes the wellness incentive and the smart health online portal.
 - Employees who have met the eligibility requirements to receive a wellness incentive by December 31, 2027, will still receive the wellness incentive in plan year 2028.
 - Employees are not eligible to earn a wellness incentive as of January 1, 2028.

Section 4: (3)(a) Matters subject to bargaining include the number of names to be certified for vacancies, promotional preferences, and, except as provided in (b) of this subsection, the dollar amount expended on behalf of each employee for health care benefits.

Section 4: (3)(b) For the 2027-2029 fiscal biennium, the dollar amount expended on behalf of each employee for health care benefits will be set by the legislature in the omnibus operating appropriations act. Bargaining agreements reached for the 2027-2029 fiscal biennium shall not include employer health care contributions, wellness, or flexible spending account contributions, or any other provisions related to employee health care expenses.

Section 5: (3)(a) Employee bargaining shall be over the dollar amount to be contributed for school employee health benefits on behalf of each employee for health care benefits, except as provided in (b) of this subsection.

Section 5: (3)(b) For the 2027-2029 fiscal biennium, the dollar amount expended on behalf of each employee for health care benefits will be set by the legislature in the omnibus operating appropriations act. Bargaining agreements reached for the 2027-2029 fiscal biennium shall not include employer health care contributions, wellness, or flexible spending account contributions, or any other provisions related to employee health care expenses.

These changes can be incorporated through normal business practices and within current resources. There is no fiscal impact to OFM.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5793 SB	Title: Public employee health plans	Agency: 107-Washington State Health Care Authority
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
School Employees' Insurance Account-Non-Appropriated 493-6				(3,605,525)	(5,348,700)
Public Employees' and Retirees Insurance Account-Non-Appropriated 721-6				(5,938,375)	(9,526,500)
Total \$				(9,543,900)	(14,875,200)

Estimated Operating Expenditures from:

Account	FY 2026	FY 2027	2025-27	2027-29	2029-31
School Employees' Insurance Account-Non-Appropriated 493-6	0	0	0	(3,605,525)	(5,348,700)
Public Employees' and Retirees Insurance Account-Non-Appropriated 721-6	0	0	0	(5,938,375)	(9,526,500)
Total \$	0	0	0	(9,543,900)	(14,875,200)

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Amanda Cecil	Phone: 360-786-7460	Date: 03/23/2025
Agency Preparation: Sara Whitley	Phone: 360-725-0944	Date: 03/26/2025
Agency Approval: Tanya Deuel	Phone: 360-725-0908	Date: 03/26/2025
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 03/28/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached narrative.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

See attached narrative.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached narrative.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
493-6	School Employees' Insurance Account	Non-Appropriated	0	0	0	(3,605,525)	(5,348,700)
721-6	Public Employees' and Retirees Insurance Account	Non-Appropriated	0	0	0	(5,938,375)	(9,526,500)
Total \$			0	0	0	(9,543,900)	(14,875,200)

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services				(9,543,900)	(14,875,200)
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	0	0	(9,543,900)	(14,875,200)

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.
NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

See attached narrative.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

HCA Fiscal Note

Bill Number: **5793 SB**

HCA Request #: 25-178

Title: **Public Employee Health Plans**

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	ACCOUNT TITLE	TYPE	FY-2027	FY-2028	FY-2029	FY-2030	2027-29	2029-31
721	Public Employees' and Retirees' Insurance Account	Non-Appropriated	\$ -	\$ (1,175,125)	\$ (4,763,250)	\$ (4,763,250)	(5,938,375)	(9,526,500)
493	School Employees' Insurance Account	Non-Appropriated	\$ -	\$ (931,175)	\$ (2,674,350)	\$ (2,674,350)	(3,605,525)	(5,348,700)
ACCOUNT - TOTAL			\$ -	\$ (2,106,300)	\$ (7,437,600)	\$ (7,437,600)	\$ (9,543,900)	\$ (14,875,200)

Estimated Operating Expenditures from:

ACCOUNT	ACCOUNT TITLE	TYPE	FY-2027	FY-2028	FY-2029	FY-2030	2027-29	2029-31
721	Public Employees' and Retirees' Insurance Account	Non-Appropriated	\$ -	\$ (1,175,125)	\$ (4,763,250)	\$ (4,763,250)	(5,938,375)	(9,526,500)
493	School Employees' Insurance Account	Non-Appropriated	\$ -	\$ (931,175)	\$ (2,674,350)	\$ (2,674,350)	(3,605,525)	(5,348,700)
ACCOUNT - TOTAL			\$ -	\$ (2,106,300)	\$ (7,437,600)	\$ (7,437,600)	\$ (9,543,900)	\$ (14,875,200)

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Part II: Narrative Explanation

HCA Fiscal Note

Bill Number: **5793 SB**

HCA Request #: 25-178

Title: **Public Employee Health Plans**

II. A - Brief Description of What the Measure Does That Has a Fiscal Impact

Section 2(2)(c)(ii) amends RCW 41.05.065 (Public employees' benefits board (PEBB)—Duties—Eligibility—Definitions—Penalties) by removing the PEBB's authority to offer the smart health program, including the wellness incentive and smart health online platform as of January 1, 2028.

- Employees who have met the eligibility requirements to receive a wellness incentive by December 31, 2027 will still receive their wellness incentive in plan year 2028; employees will no longer be eligible to earn a wellness incentive as of January 1, 2028.

Section 3(6)((iii)) amends RCW 41.05.740 (School employees' benefits board (SEBB)) applying the same provisions regarding wellness incentives and smart health noted in Section 1 to the SEBB program, removing the program as of January 1, 2028.

Sections 4(3)(b), 5(3)(b), 6(3)(b), and 7(5) amend various collective bargaining statutes for represented PEBB and SEBB program employees to adjust the scope of bargaining for the 2027-2029 fiscal biennium by removing the dollar amount expected on behalf of each employee for health care benefits; instead, employer health care contributions will be set by the legislature in the omnibus operating appropriations act.

- Bargaining agreements for the 2027-2029 biennium shall also not include wellness incentives, flexible spending account (FSA) contributions, employer health contributions or any other provision related to employee health care expenses.

II. B - Cash Receipts Impact

HCA estimates a decrease to projected expenditures in the Public Employee Benefits Board (PEBB) and School Employee Benefits Board (SEBB) programs. Any decreases in assumed expenditures are assumed to require a parallel decrease in revenue via future PEBB and SEBB funding rates. See detailed analysis below.

ACCOUNT	ACCOUNT TITLE	TYPE	FY-2027	FY-2028	FY-2029	FY-2030	2027-29	2029-31
721	Public Employees' and Retirees' Insurance Account	Non-Appropriated	\$ -	\$ (1,175,125)	\$ (4,763,250)	\$ (4,763,250)	(5,938,375)	(9,526,500)
493	School Employees' Insurance Account	Non-Appropriated	\$ -	\$ (931,175)	\$ (2,674,350)	\$ (2,674,350)	(3,605,525)	(5,348,700)
ACCOUNT - TOTAL \$			\$ -	\$ (2,106,300)	\$ (7,437,600)	\$ (7,437,600)	\$ (9,543,900)	\$ (14,875,200)

II. C – Expenditures

Public Employees Benefits Board (PEBB) and School Employees Benefits Board (SEBB) programs

This bill amends a variety of statutes that currently apply to collectively bargained components of the PEBB and SEBB health benefit offerings by removing them from the scope of collective bargaining and instead establishes the Legislature's authority for those topics for the 2027-29 biennium. Specifically, health care bargaining that would typically take place in the Summer of 2026 would not occur, instead the State's spending on health benefit offerings would be established by the Legislature in the 2027-29 biennial operating budget. The bill also removes the wellness incentive offered to PEBB and SEBB employees as of January 1, 2028.

There are two main components to this legislation that result in a fiscal impact:

- Removal of the smart health platform and wellness incentive as of January 1, 2028 (quantified below).
- Potential Legislative changes to the employer contribution toward employee health benefits, FSA contributions, benefit allocation factors (SEBB only), or any other provisions related to employee health expenses in future periods (unknown at this time).

HCA Fiscal Note

Bill Number: **5793 SB**

HCA Request #: 25-178

Title: **Public Employee Health Plans**

Removal of wellness incentive and smart health platform

The wellness incentive is a \$125 per employee (subscriber) reduction to plan deductibles available to PEBB and SEBB employees. Employees who are enrolled in a Consumer-Directed Health Plan (CDHP) or a High-Deductible Health Plan (HDHP) receive a deposit into their Health Savings Account (HSA). To qualify, employees must meet wellness activity requirements established via the state's "SmartHealth" platform administrator, currently WebMD. Employees are eligible to qualify for the smart health incentive if they are enrolled in a PEBB or SEBB medical plan offering and complete the required activities.

There are two main cost components underlying the wellness program offered to PEBB and SEBB employees, both are assumed to result in a decrease in expenditures to PEBB fund 721 and SEBB fund 493:

1. The cost of the annual \$125 incentive applied as a reduction to plan deductibles or as an HSA contribution

- As of January 1, 2028 the wellness program, and any future incentives paid out to eligible employees, are assumed to expire. HCA assumes incentives will be paid out to employees in 2028 that were earned for the 2027 incentive year, as required in section 2(c)(ii) of the bill; however, projected incentive expenditures in future periods are assumed to result in a decrease to program expenditures in PEBB fund 721 and SEBB fund 493. Using the 2023 assumed participation rates for the wellness program, and the number of subscribers who meet the requirements to receive the wellness incentive, HCA assumes the following estimated reduction to expenditures for members who would have received the benefit in 2029 (earned for 2028). Assumes no deviation from 2023 actual wellness incentive participation (13 percent of eligible population in PEBB and 5 percent of eligible population in SEBB receive incentive per year).

Estimated reduction in expenditures for removal of wellness incentive			
	FY2027	FY2028	FY2029
PEBB	\$0	\$0	(\$2,413,000)
SEBB	\$0	\$0	(\$812,000)
Total	\$0	\$0	(\$3,225,000)

2. The cost of operating the smart health platform via administrative fees paid to WebMD

- The smart health platform, operated by WebMD, is assumed to be terminated as of December 31, 2027. HCA currently pays an administrative fee to operate the platform; the amounts detailed below are estimated reductions to expenditures in the following fiscal periods:

Estimated reduction in expenditures for removal of wellness portal			
	FY2027	FY2028	FY2029
PEBB	\$0	(\$1,175,125)	(\$2,350,250)
SEBB	\$0	(\$931,175)	(\$1,862,350)
Total	\$0	(\$2,106,300)	(\$4,212,600)

HCA Fiscal Note

Bill Number: **5793 SB**

HCA Request #: 25-178

Title: **Public Employee Health Plans**

Therefore, HCA estimates the following total reduction to program expenditures resulting from the expiration of the wellness benefit as of January 1, 2028 (incentive + platform):

Total estimated reduction in expenditures for removal of wellness platform			
	FY2027	FY2028	FY2029
PEBB	\$0	(\$1,175,125)	(\$4,763,250)
SEBB	\$0	(\$931,175)	(\$2,674,350)
Total	\$0	(\$2,106,300)	(\$7,437,600)

Legislative changes to the employer contribution toward employee health benefits, FSA contributions, benefit allocation factors (SEBB only) in future periods, or any other provisions related to employee health expenses are unknown at this time; therefore, projected changes to PEBB and SEBB program expenditures resulting from these changes are unknown. Should the legislature choose to establish requirements that deviate from status-quo, current projections for future program expenditures will change.

Part III: Expenditure Detail

III. A - Operating Budget Expenditure

ACCOUNT	ACCOUNT TITLE	TYPE	FY-2027	FY-2028	FY-2029	FY-2030	2027-29	2029-31
721	Public Employees' and Retirees' Insurance Account	Non-Appropriated	\$ -	\$ (1,175,125)	\$ (4,763,250)	\$ (4,763,250)	(5,938,375)	(9,526,500)
493	School Employees' Insurance Account	Non-Appropriated	\$ -	\$ (931,175)	\$ (2,674,350)	\$ (2,674,350)	(3,605,525)	(5,348,700)
ACCOUNT - TOTAL \$			\$ -	\$ (2,106,300)	\$ (7,437,600)	\$ (7,437,600)	\$ (9,543,900)	\$ (14,875,200)

III. B - Expenditures by Object or Purpose

OBJECT	OBJECT TITLE	FY-2027	FY-2028	FY-2029	FY-2030	2025-27	2029-31
Object N	Grants, Benefits & Client Services	-	(2,106,300)	(7,437,600)	(7,437,600)	(9,543,900)	(14,875,200)
OBJECT - TOTAL \$		\$ -	\$ (2,106,300)	\$ (7,437,600)	\$ (7,437,600)	\$ (9,543,900)	\$ (14,875,200)

III. C - Operating FTE Detail:

NONE

III. D - Expenditures by Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object or Purpose

NONE

HCA Fiscal Note

Bill Number: **5793 SB**

HCA Request #: 25-178

Title: **Public Employee Health Plans**

IV. C - Capital Budget Breakout: Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

NONE

Individual State Agency Fiscal Note

Bill Number: 5793 SB	Title: Public employee health plans	Agency: SDF-School District Fiscal Note - SPI
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Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Amanda Cecil	Phone: 360-786-7460	Date: 03/23/2025
Agency Preparation: Amy Kollar	Phone: 360 725-6420	Date: 03/27/2025
Agency Approval: Mike Woods	Phone: (360) 725-6283	Date: 03/27/2025
OFM Review: Shea Hamilton	Phone: (360) 229-4774	Date: 03/27/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Sec. 2. Amended

2(c)(i) Strikes incentives and replaces it with wellness initiatives.

2(c)(ii)(A) As of January 1, 2028, the public employees' benefits board will discontinue the smart health program, including the wellness incentive and the smart health online portal.

2(c)(ii)(B) Employees who qualify for a wellness incentive by December 31, 2027, will receive it in 2028.

2(c)(ii)(C) Employees are not eligible to earn a wellness incentive as of January 1, 2028.

Sec. 3. Amended

3(6)(b)(iii)(A) Strikes incentives and replaces it with initiatives.

3(6)(b)(iii)(B)(I) As of January 1, 2028, the school employees' benefits board will discontinue the smart health program, including the wellness incentive and the smart health online portal.

3(6)(b)(iii)(B)(II) Employees who qualify for a wellness incentive by December 31, 2027, will receive it in 2028.

3(6)(b)(iii)(B)(III) Employees are not eligible to earn a wellness incentive as of January 1, 2028.

Sec. 4. Amended

4(3)(a) adds language referencing an exception as provided in subsection (b) of this section.

4(3)(b) For the 2027-2029 fiscal biennium, health care benefit expenses per employee will be determined by the legislature. Bargaining agreements will exclude employer contributions to health care, wellness, flexible spending accounts, and other related employee health care expenses.

Sec. 5. Amended

5(3)(a) Strikes references to previous dates and adds language referencing an exception as provided in subsection (b) of this section.

5(3)(b) For the 2027-2029 fiscal biennium, health care benefit expenses per employee will be determined by the legislature. Bargaining agreements will exclude employer contributions to health care, wellness, flexible spending accounts, and other related employee health care expenses.

5(3)(d) adds exception that subsection (4) does not apply to the 2027-29 fiscal biennium.

Sec. 6. Amended

6(3)(a) Strikes references to previous dates and adds language referencing an exception as provided in subsection (b) of this section.

6(3)(b) For the 2027-2029 fiscal biennium, health care benefit expenses per employee will be determined by the legislature. Bargaining agreements will exclude employer contributions to health care, wellness, flexible spending accounts, and other related employee health care expenses.

6(3)(d) adds exception that subsection (4) does not apply to the 2027-29 fiscal biennium.

Sec. 7. Amended

7(1) Adds language referencing an exception as provided in subsection (5) of this section.

7(3) Adds language referencing an exception as provided in subsection (5) of this section.

7(5) For the 2027-2029 fiscal biennium, health care benefit expenses per employee will be determined by the legislature. Bargaining agreements will exclude employer contributions to health care, wellness, flexible spending accounts, and other related employee health care expenses.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

No cash receipts impact for local education agencies (LEAs).

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

The Office of Superintendent of Public Instruction (OSPI) does not foresee any mandated expenses for LEAs in implementing this legislation. Should LEAs decide to cover costs that are no longer funded by the legislature, OSPI could not accurately predict the fiscal impact related to those decisions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

No capital budget impact projected.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.