



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

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October 1, 2024

Sent via email only

TO: Pat Sullivan, Director
Office of Financial Management

FROM: Michaela Doelman, Chief Human Resources Officer
State Human Resources Division, OFM

**SUBJECT: OFFICIAL 2025-27 COLLECTIVE BARGAINING SUBMITTAL FOR
K-12 HEALTHCARE**

This memorandum serves as the official collective bargaining status report and submittal for the School Employees Benefits Board (SEBB) K-12 negotiated health care for the 2025–27 contract period, per RCW 41.56.500 and 41.59.105. Below is summary-level detail on the agreement.

Health care

The state reached a health care agreement with the coalition of K-12 unions. For benefits during the plan years beginning January 1, 2026, and January 1, 2027, the employer medical contribution will be maintained at 85% of the monthly premium (and no less than \$600) for the self-insured School Employees Benefits Board (SEBB) Uniform Medical Plan (UMP) Achieve 2 plan. Employees will contribute the balance of the premium. The parties also agreed to bargain the impacts of any plan changes in the UMP Achieve 2 plan that have the net effect of shifting health care costs from employers to plan participants.

A flexible spending arrangement account (FSA) was established for eligible school employees occupying a position that has an “annual earnable compensation” or “compensation earnable”¹ of up to \$40,000 as reported by a SEB program employing agency. The annual amount provided is \$200. In addition to the salary threshold, employees must meet certain criteria to be eligible for the payment as outlined in the agreement.

The parties agreed the projected monthly employer contribution of \$6 on behalf of each eligible employee as bargained in the 2023–2025 agreement would be carried forward in the 2025–27 agreement as part of the base funding.

Attachment: Financial Submittal

cc: Emily Beck, Deputy Director, OFM
Nona Snell, Budget Director, OFM
Roselyn Marcus, Director, Legal & Contract Services, OFM
Kelly Woodward, Deputy Chief Human Resources Officer, State Human Resources, OFM
Gina Comeau, Section Chief, Labor Relations & Compensation Policy, State Human Resources, OFM

¹ Earnable compensation is defined in Chapter 41.32RCW and compensation earnable is defined in Chapter 41.35 RCW

2025-27 Cost of K-12 SEB Health Care Coalition Negotiations

OFM, State Human Resources Division

	General Fund-State \$		Other Funds \$		Total \$		2025-27
	FY 2026	FY 2027	FY 2026	FY 2027	FY 2026	FY 2027	Biennial \$
School Employee Health Care Funding Collective Bargaining Agreement - RCW 41.56.500 & 41.59.105	\$306,223,626	\$263,186,243	\$1,784,109	\$1,536,553	\$308,007,735	\$264,722,796	\$572,730,531
<i>Labor Relations Negotiations</i>							
Tentative agreement total ¹	306,223,626	263,186,243	1,784,109	1,536,553	308,007,735	264,722,796	572,730,531

¹ Health care assumptions from the Health Care Authority SPM 3.1 model.

The following funding rates are required to meet the 85% employer / 15% employee cost share and other terms agreed to in the collective bargaining agreement:

FY 2026: \$1,309 per employee, per month

FY 2027: \$1,358 per employee, per month