

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)
2ND CONFERENCE COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL NO. 902

By: Haney and Hobson of the
Senate

and

Hamilton and Settle of
the House

2ND CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to education; amending 70 O.S. 1991, Section 17-101, as last amended by Section 1, Chapter 359, O.S.L. 1996 (70 O.S. Supp. 1997, Section 17-101), which relates to retirement definitions; excluding certain flexible benefits from regular annual compensation for retirement purposes; amending 70 O.S. 1991, Section 18-114.7, as last amended by Section 1, Chapter 335, O.S.L. 1997 (70 O.S. Supp. 1997, Section 114.7), which relates to the minimum salary schedule; excluding certain fringe benefits from minimum salary schedule; creating Education Flexible Benefit Allowance Act; declaring purpose; defining terms; expressing intent to appropriate funds by the Legislature; distributing funds to provide a flexible benefit allowance; mandating the creation of cafeteria plans by school districts; establishing certain benefits under the plan; granting an election by employees; allowing election to receive flexible benefit allowance as taxable compensation; establishing certain expenses; excluding certain adjustments from income; defining use of flexible benefit allowance; allowing election to accept taxable compensation; crediting employees with flexible benefit allowance; communicating flexible benefit allowance to employees; expressing the amount of the flexible benefit allowance; describing treatment of excess flexible benefit allowance; describing affects of termination; establishing election period; providing exception; prescribing forms; excluding superintendents from flexible benefit allowance; allowing school districts to pay for superintendents benefit allowance from local funds; stating intent of Legislature; terminating flexible benefit allowance for certain school districts; amending 74 O.S. 1991, Section 1310.1, which relates to insurance; deleting language concerning payment of premiums; requiring school districts to provide health care coverage; allowing for health care coverage to be reduced by flexible benefit allowance; providing for codification; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 70 O.S. 1991, Section 17-101, as last amended by Section 1, Chapter 359, O.S.L. 1996 (70 O.S. Supp. 1997, Section 17-101), is amended to read as follows:

Section 17-101. The following words and phrases as used in this act, unless a different meaning is clearly required by the context, shall have the following meanings:

(1) "Retirement system" shall mean the Teachers' Retirement System of Oklahoma, as defined in Section 17-102 of this title.

(2) "Public school" shall mean a school district, a state college or university, the State Board of Education, the State Board of Vocational Education and any other state educational entity conducted within the state supported wholly or partly by public funds and operating under the authority and supervision of a legally constituted board or agency having authority and responsibility for any function of public education.

(3) "Classified personnel" shall mean any teacher, principal, superintendent, supervisor, administrator, librarian, certified or registered nurse, college professor, or college president whose salary is paid wholly or in part from public funds. An employee of any state department, board, board of regents or board of trustees, who is in a supervisory or an administrative position, the function of which is primarily devoted to public education, shall be considered classified personnel under the meaning of this act, at the discretion of the Board of Trustees of the Teachers' Retirement System. The term "teacher" shall also include instructors and counselors employed by the Department of Corrections and holding valid teaching certificates issued by the State Department of Education. Provided, that a person employed by the Department of Corrections as an instructor or counselor shall have been actively engaged in the teaching profession for a period of not less than three (3) years prior to employment to be eligible to participate in the Oklahoma Teachers' Retirement System. The Department of Corrections shall contribute the employer's share to the Oklahoma Teachers' Retirement System.

(4) "Nonclassified optional personnel" shall include cooks, janitors, maintenance personnel not in a supervisory capacity, bus drivers, noncertified or nonregistered nurses, noncertified librarians, and clerical employees of the public schools, state colleges, universities or any state department, board, board of regents or board of trustees, the functions of which are primarily devoted to public education and whose salaries are paid wholly or in part from public funds.

(5) "Employer" shall mean the state and any of its designated agents or agencies with responsibility and authority for public education, such as boards of education of elementary and independent school districts, boards of regents, boards of control or any other agency of and within the state by which a person may be employed for service in public education.

(6) "Member" shall mean any teacher or other employee included in the membership of the system as provided in Section 17-103 of this title.

(7) "Board of Trustees" shall mean the board provided for in Section 17-106 of this title to administer the retirement system.

(8) "Service" shall mean service as a classified or nonclassified optional employee in the public school system, or any other service devoted primarily to public education in the state.

(9) "Prior service" shall mean service rendered prior to July 1, 1943.

(10) "Membership service" shall mean service as a member of the classified or nonclassified personnel as defined in paragraphs (3) and (4) of this section.

(11) "Creditable service" shall mean membership service plus any prior service authorized under this title.

(12) "Annuitant" shall mean any person in receipt of a retirement allowance as provided in this title.

(13) "Accumulated contributions" shall mean the sum of all amounts deducted from the compensation of a member and credited to his individual account in the Teacher Savings Fund, together with interest as of June 30, 1968.

(14) "Earnable compensation" shall mean the full rate of the compensation that would be payable to a member if he worked the full normal working time.

(15) "Average salary":

- (a) for those members who joined the System prior to July 1, 1992, shall mean the average of the salaries for the three (3) years on which the highest contributions to the Teachers' Retirement System was paid not to exceed the maximum contribution level specified in Section 17-116.2 of this title or the maximum compensation level specified in subsection (28) of this section. Provided, no member shall retire with an average salary in excess of Twenty-five Thousand Dollars (\$25,000.00) unless the member has made the required election and paid the required contributions on such salary in excess of Twenty-five Thousand Dollars (\$25,000.00), and
- (b) for those members who join the System after June 30, 1992, shall mean the average of the salaries for five (5) consecutive years on which the highest contribution to the Teachers' Retirement System was paid. Only salary on which required contributions have been made may be used in computing average salary.

(16) "Annuity" shall mean payments for life derived from the "accumulated contributions" of a member. All annuities shall be payable in equal monthly installments.

(17) "Pension" shall mean payments for life derived from money provided by the employer. All pensions shall be payable in equal monthly installments.

(18) "Monthly retirement allowance" is one-twelfth (1/12) of the annual retirement allowance which shall be payable monthly.

(19) "Retirement Benefit Fund" shall mean the fund from which all retirement benefits shall be paid based on such mortality tables as shall be adopted by the Board of Trustees.

(20) "Actuary" shall mean a person especially skilled through training and experience in financial calculation respecting the expectancy and duration of life.

(21) "Actuarial equivalent" shall mean a benefit of equal value when computed upon the basis of such mortality and other tables as shall be adopted by the Board of Trustees.

(22) The masculine pronoun, whenever used, shall include the feminine.

(23) "Actuarially determined cost" shall mean the single sum which is actuarially equivalent in value to a specified pension amount as determined on the basis of mortality and interest assumptions adopted by the Board of Trustees.

(24) "Normal retirement age" means age sixty-two (62) or the age at which the sum of a member's age and number of years of creditable service total eighty (80), whichever occurs first.

(25) "Regular annual compensation" means salary plus fringe benefits, excluding the flexible benefit allowance pursuant to Section 7 of this act and for purposes pursuant to Section 17-101 et seq. of this title. For purposes of this definition, regular annual compensation shall include all normal periodic payments as provided in subsection D of Section 17-116.2 of this title.

(26) "Teacher" means classified personnel and nonclassified optional personnel.

(27) "Active classroom teacher" means a person employed by a school district to teach students specifically identified classes for specifically identified subjects during the course of a semester, and who holds a valid certificate or license issued by and in accordance with the rules and regulations of the State Board of Education.

(28) "Maximum compensation level" shall mean:

(a) Twenty-five Thousand Dollars (\$25,000.00) for credited service authorized and performed prior to July 1, 1995, for members not electing a higher maximum compensation level,

(b) Forty Thousand Dollars (\$40,000.00) for credited service authorized and performed prior to July 1,

1995, for members electing a maximum compensation level in excess of Twenty-five Thousand Dollars (\$25,000.00),

(c) Twenty-seven Thousand Five Hundred Dollars (\$27,500.00) for members who, as of June 30, 1995, had elected to have a maximum compensation level not in excess of Twenty-five Thousand Dollars (\$25,000.00), and who were employed by an entity or institution within The Oklahoma State System of Higher Education for credited service authorized and performed on or after July 1, 1995, but not later than June 30, 1996, if such member does not elect a higher maximum compensation level for this period as authorized by Section ~~4 of this act~~ 17-116.2A of this title,

(d) Thirty-two Thousand Five Hundred Dollars (\$32,500.00) for members employed by a comprehensive university if the member meets the requirements imposed by Section ~~4 of this act~~ 17-116.2A of this title and the member elects to impose a higher maximum compensation level for service performed on or after July 1, 1995, but not later than June 30, 1996,

(e) Forty-four Thousand Dollars (\$44,000.00) for members who, as of June 30, 1995, had elected to have a maximum compensation level in excess of Twenty-five Thousand Dollars (\$25,000.00), and who were employed by an entity or institution within The Oklahoma State System of Higher Education for credited service authorized and performed on or after July 1, 1995, but not later than June 30, 1996, if such member does not elect a higher maximum compensation level for this period as authorized by Section ~~4 of this act~~ 17-116.2A of this title,

(f) Forty-nine Thousand Dollars (\$49,000.00) for members employed by a comprehensive university if the member

meets the requirements imposed by Section ~~4 of this act~~ 17-116.2A of this title and the member elects to impose a higher maximum compensation level for service performed on or after July 1, 1995, but not later than June 30, 1996,

(g) the following amounts for credited service authorized and performed by members employed by a comprehensive university, based upon the election of the member in effect as of June 30, 1995:

1. for members who elected a maximum compensation level not in excess of Twenty-five Thousand Dollars (\$25,000.00):
 - (i) Thirty-two Thousand Five Hundred Dollars (\$32,500.00) for service authorized and performed on or after July 1, 1996, but not later than June 30, 1997,
 - (ii) Thirty-seven Thousand Five Hundred Dollars (\$37,500.00) for service authorized and performed on or after July 1, 1997, but not later than June 30, 1998,
 - (iii) Forty-two Thousand Five Hundred Dollars (\$42,500.00) for service authorized and performed on or after July 1, 1998, but not later than June 30, 1999,
 - (iv) Forty-seven Thousand Five Hundred Dollars (\$47,500.00) for service authorized and performed on or after July 1, 1999, but not later than June 30, 2000,
 - (v) Fifty-two Thousand Five Hundred Dollars (\$52,500.00) for service authorized and performed on or after July 1, 2000, but not later than June 30, 2001, and
 - (vi) the full amount of regular annual compensation for service authorized and performed on or after July 1, 2001, and

2. for members who elected a maximum compensation level in excess of Twenty-five Thousand Dollars (\$25,000.00):

(i) Forty-nine Thousand Dollars (\$49,000.00) for service authorized and performed on or after July 1, 1996, but not later than June 30, 1997,

(ii) Fifty-four Thousand Dollars (\$54,000.00) for service authorized and performed on or after July 1, 1997, but not later than June 30, 1998,

(iii) Fifty-nine Thousand Dollars (\$59,000.00) for service authorized and performed on or after July 1, 1998, but not later than June 30, 1999,

(iv) Sixty-four Thousand Dollars (\$64,000.00) for service authorized and performed on or after July 1, 1999, but not later than June 30, 2000,

(v) Sixty-nine Thousand Dollars (\$69,000.00) for service authorized and performed on or after July 1, 2000, but not later than June 30, 2001, and

(vi) the full amount of regular annual compensation for service authorized and performed on or after July 1, 2001,

(h) the full amount of regular annual compensation of:

1. a member of the retirement system not employed by an entity or institution within The Oklahoma State System of Higher Education for all credited service authorized and performed on or after July 1, 1995,

2. a member of the retirement system first employed on or after July 1, 1995, by an entity or institution within The Oklahoma State System of Higher Education for all credited service

- authorized and performed on or after July 1, 1995, but not later than June 30, 1996,
3. a member of the retirement system employed by an entity or institution within The Oklahoma State System of Higher Education, other than a comprehensive university, if the member elects to impose a higher maximum compensation level for service performed on or after July 1, 1995, but not later than June 30, 1996, pursuant to subsection B of Section ~~4 of this act~~ 17-116.2A of this title,
 4. a member of the retirement system who is first employed on or after July 1, 1996, by any entity or institution within The Oklahoma State System of Higher Education, including a comprehensive university, for credited service authorized and performed on or after July 1, 1996,
 5. a member of the retirement system who, as of July 1, 1996, is subject to a maximum compensation level pursuant to paragraph (g) of this subsection if the member terminates service with a comprehensive university and is subsequently reemployed by a comprehensive university, or
 6. a member of the retirement system employed by a comprehensive university for all service performed on and after July 1, 2001.

(29) "Comprehensive university" shall mean:

- (a) the University of Oklahoma and all of its constituent agencies, including the University of Oklahoma Health Sciences Center, the University of Oklahoma Law Center and the Geological Survey, and
- (b) Oklahoma State University and all of its constituent agencies, including the Oklahoma State University Agricultural Experiment Station, the Oklahoma State University Agricultural Extension Division, the

Oklahoma State University College of Veterinary
 Medicine, the Oklahoma State University College of
 Osteopathic Medicine, the Technical Branch at
 Oklahoma City and the Technical Branch at Okmulgee.

SECTION 2. AMENDATORY 70 O.S. 1991, Section 18-114.7,
 as last amended by Section 1, Chapter 335, O.S.L. 1997 (70 O.S.
 Supp. 1997, Section 18-114.7), is amended to read as follows:

Section 18-114.7 A. Beginning with the ~~1997-98~~ 1998-99
 school year, teachers in the public schools of Oklahoma shall
 receive in salary and/or fringe benefits not less than the amounts
 specified in the following schedule:

MINIMUM SALARY SCHEDULE

Years of Experience	Bachelor's Degree	Master's Degree	Doctor's Degree
0	\$24,060	\$25,166	\$26,272
1	\$25,221	\$26,327	\$27,433
2	\$25,553	\$26,659	\$27,765
3	\$25,774 <u>\$25,885</u>	\$26,880 <u>\$26,991</u>	\$27,986 <u>\$28,097</u>
4	\$26,106 <u>\$26,217</u>	\$27,212 <u>\$27,323</u>	\$28,318 <u>\$28,429</u>
5	\$26,438 <u>\$26,549</u>	\$27,544 <u>\$27,655</u>	\$28,650 <u>\$28,761</u>
6	\$26,659 <u>\$26,881</u>	\$27,765 <u>\$27,987</u>	\$28,871 <u>\$29,093</u>
7	\$26,991 <u>\$27,213</u>	\$28,097 <u>\$28,319</u>	\$29,203 <u>\$29,425</u>
8	\$27,212 <u>\$27,545</u>	\$28,318 <u>\$28,651</u>	\$29,535 <u>\$29,757</u>
9	\$27,544 <u>\$27,877</u>	\$28,650 <u>\$28,983</u>	\$29,756 <u>\$30,089</u>
10	\$27,765 <u>\$28,209</u>	\$28,871 <u>\$29,315</u>	\$29,977 <u>\$30,421</u>
11	\$28,097 <u>\$28,541</u>	\$29,203 <u>\$29,647</u>	\$30,309 <u>\$30,753</u>
12	\$28,318	\$29,424	\$30,530

	<u>\$28,873</u>	<u>\$29,979</u>	<u>\$31,085</u>
13	\$28,650	\$29,756	\$30,862
	<u>\$29,205</u>	<u>\$30,311</u>	<u>\$31,417</u>
14	\$28,761	\$29,867	\$30,973
	<u>\$29,537</u>	<u>\$30,643</u>	<u>\$31,749</u>
15	\$29,092	\$30,198	\$31,304
	<u>\$29,869</u>	<u>\$30,975</u>	<u>\$32,081</u>
16	\$29,424	\$30,530	\$31,636
	<u>\$30,201</u>	<u>\$31,307</u>	<u>\$32,413</u>
17	\$29,756	\$30,862	\$31,968
	<u>\$30,533</u>	<u>\$31,639</u>	<u>\$32,745</u>
18	\$30,088	\$31,194	\$32,300
	<u>\$30,865</u>	<u>\$31,971</u>	<u>\$33,077</u>
19	\$30,420	\$31,526	\$32,632
	<u>\$31,197</u>	<u>\$32,303</u>	<u>\$33,409</u>
20	\$30,752	\$31,858	\$32,964
	<u>\$31,529</u>	<u>\$32,635</u>	<u>\$33,741</u>
21	\$31,084	\$32,190	\$33,296
	<u>\$31,861</u>	<u>\$32,967</u>	<u>\$34,073</u>
22	\$31,416	\$32,522	\$33,628
	<u>\$32,193</u>	<u>\$33,299</u>	<u>\$34,405</u>
23	\$31,748	\$32,854	\$33,960
	<u>\$32,525</u>	<u>\$33,631</u>	<u>\$34,737</u>
24	\$32,080	\$33,186	\$34,292
	<u>\$32,857</u>	<u>\$33,963</u>	<u>\$35,069</u>
25	\$32,412	\$33,518	\$34,624
	<u>\$33,189</u>	<u>\$34,295</u>	<u>\$35,401</u>

When determining the Minimum Salary Schedule, "fringe benefits" shall mean all or part of hospital or medical benefits, and sickness, accident, health or life insurance, and retirement benefits, excluding the contributions made pursuant to subsection A of Section 17-108.1 of this title and the flexible benefit allowance pursuant to Section 7 of this act from the flexible benefit allowance funds disbursed by the State Board of Education and the State Board of Vocational and Technical Education pursuant to Section 6 of this act. Any of the degrees referred to in this

section shall be from a college recognized by the State Board of Education. The State Board of Education shall accept teaching experience from out-of-state school districts that are accredited by the State Board of Education or appropriate state accrediting agency for said districts. For the purpose of state salary increments and retirement, no teacher shall be granted credit for more than five (5) years' active duty in the military service, or out-of-state teaching experience as a certified teacher or its equivalent. Nothing in this section shall prohibit boards of education from crediting more years of experience on local salary schedules than those allowed for state purposes. The State Board of Education shall recognize, for purposes of certification and salary increments, the years of experience of a certified teacher who teaches in the Department of Corrections' educational program beginning with fiscal year 1981. The State Board of Education shall recognize for purposes of certification and salary increments the years of experience of a Vocational Rehabilitation Counselor under the Department of Human Services if such counselor was employed as a certified teacher by the State Department of Education when the Division of Vocational Rehabilitation was transferred from the State Board for Vocational Education or the State Board of Education to the Oklahoma Public Welfare Commission on July 1, 1968.

B. The State Board of Education shall recognize for purposes of certification and salary increments all of the years of experience a:

1. Vocational Rehabilitation Counselor completed while employed by the Department of Human Services if such counselor was certified as a teacher or was eligible for certification as a teacher in Oklahoma;

2. Certified teacher completed while employed by the Department of Human Services Child Study Center at University Hospital, if the teacher was certified as a teacher in Oklahoma; and

3. Certified school psychologist or psychometrist completed while employed as a doctoral intern, psychological assistant, or

psychologist with any agency of the State of Oklahoma if such experience primarily involved work with persons of school or pre-school age and if such person was, at the time the experience was acquired, certified as, or eligible for certification as, a school psychologist or psychometrist.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 26-101 of Title 70, unless there is created a duplication in numbering, reads as follows:

Sections 3 through 9 of this act shall be known and may be cited as the "Education Flexible Benefits Allowance Act".

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 26-102 of Title 70, unless there is created a duplication in numbering, reads as follows:

It is hereby declared that the purpose of the Education Flexible Benefits Allowance Act is:

1. To recognize that the employee benefit needs of individual school district employees differ, depending on the age, salary and family status of the employee, and that it is needful to permit such employees to select and tailor the benefits they receive in a manner calculated to best meet the particular needs of themselves and their families; and

2. To furnish school district employees with choices among various employee benefits or cash compensation.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 26-103 of Title 70, unless there is created a duplication in numbering, reads as follows:

The following words and phrases as used in this act, unless a different meaning is clearly required by the context, shall have the following meanings:

1. "Benefit" means any of the benefits which may be purchased or are required to be purchased under the cafeteria plan;

2. "Cafeteria plan" means a benefit plan established pursuant to 26 U.S.C. Section 125;

3. "Flexible benefit allowance" means amounts credited by the school district for each school district employee for the purchase of benefits under the cafeteria plan;

4. "Other personnel" means employees of a school district that are not defined as classified personnel and shall include cooks, janitors, maintenance personnel, bus drivers, noncertified or nonregistered nurses, noncertified librarians, and clerical employees of a school district;

5. "Plan year" means the twelve-month period established by the school district for the cafeteria plan;

6. "School district" means the public school districts and area vocational-technical school districts of this state;

7. "School district employee" means classified or other personnel as defined in this act; and

8. "Classified personnel" means a teacher, principal, supervisor, administrator, counselor, librarian, or certified or registered nurse.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 26-104 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. On or before July 1, 1998, the state Legislature shall appropriate adequate funding to the State Board of Education and the State Board of Vocational and Technical Education for the purpose of providing a flexible benefit allowance to school district employees, excluding school district superintendents, pursuant to this act. Said Boards shall disburse the flexible benefit allowance funds in appropriate amounts to school districts.

B. On or before July 1, 1998, school districts shall establish, if not already in existence, a cafeteria plan pursuant to 26 U.S.C. Section 125 of the United States Code. The plan shall offer, as a benefit, a school district employee major medical insurance health care plan coverage, with the option of having amounts contributed by the flexible benefit allowance pursuant to this act being applied to payment of such coverage. School district employees shall elect whether to use the flexible benefit allowance to purchase benefits in the cafeteria plan or to receive the flexible benefit allowance as taxable compensation. The administrator of the cafeteria plan shall have a separate

account for each participating school district employee. School districts shall transfer applicable flexible benefit allowance amounts to the administrator for elected purchases of cafeteria plan benefits.

C. If the school districts are unable to establish the cafeteria plan for purposes of subsection B of this section by July 1, 1998, then they shall provide monthly beginning July 1, 1998, to the school district employees, until such cafeteria plan is established, the flexible benefit allowance as taxable compensation.

D. Expenses included in an employee's salary adjustment agreement pursuant to the cafeteria plan shall include expenses for:

1. Premiums for any health insurance, health maintenance organization, life insurance, long term disability insurance, dental insurance or high deductible health benefit plan offered to employees and their dependents; and

2. All other eligible benefit programs offered under 26 U.S.C. Section 125 of the United States Code.

E. Whether or not the school district employee elects to receive the flexible benefit allowance as taxable compensation, the flexible benefit allowance shall not be included as income in computation of state retirement contributions and benefits or as part of the minimum salary schedule.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 26-105 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The flexible benefit allowance may be used to purchase any of the benefits offered by the school district and if such allowance is used to purchase benefits, then such amounts shall not be included as taxable income of the school district employee. A school district employee, regardless if he or she is participating in the school district sponsored major medical insurance health care plan, may elect to receive the flexible benefit allowance as taxable compensation.

B. Each school district employee, other than superintendents, shall be credited annually with a specified amount as a flexible benefit allowance which shall be available for the purchase of benefits. The amount of the flexible benefit allowance credited to each participant shall be communicated to him or her prior to the enrollment period for each plan year. For the fiscal year ending June 30, 1999, the amount of a classified personnel's flexible benefit allowance shall be no less than Fifty-seven Dollars (\$57.00) per month. For the fiscal year ending June 30, 1999, the amount of the flexible benefit allowance for other personnel, as defined in this act, shall be no less than Eighty-five Dollars (\$85.00) per month.

C. If a participant elects benefits whose sum total of benefit prices is less than his or her flexible benefit allowance, he or she shall receive any excess flexible benefit allowance as taxable compensation. Such taxable compensation will be paid in substantially equal amounts each pay period over the plan year. On termination during a plan year, a participant shall have no right to receive any such taxable cash compensation allocated to the portion of the plan year after the participant's termination.

D. Each school district employee shall make an annual election of benefits under the plan during an enrollment period to be held prior to the beginning of each plan year. The enrollment period dates will be determined annually and will be announced by the school district, providing the enrollment period shall end no later than thirty (30) days before the beginning of the plan year. Each such school district employee shall make an irrevocable advance election for the plan year or the remainder thereof pursuant to such procedures as the school district shall prescribe.

E. The school district shall prescribe the forms that participants will be required to use in making their elections, and may prescribe deadlines and other procedures for filing the elections.

F. School district employees hired after the closing of the enrollment period shall be allowed to make an election as provided in this act.

G. The school district shall have the option of providing a flexible benefit allowance to the school district superintendent up to the total amount of the flexible benefit allowance given to classified personnel. Funding for the superintendent's flexible benefit allowance shall be funded by local revenue.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 26-106 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. It is the intent of the Oklahoma State Legislature to provide a monthly flexible benefit allowance to other personnel, as defined in this act, in an amount equal to one hundred percent (100%) of the employees premium in a major medical health insurance plan offered through the State and Education Employees Group Insurance Board, beginning in the fiscal year ending June 30, 2000.

B. It is the intent of the Oklahoma State Legislature to provide a monthly flexible benefit allowance to classified personnel, as defined in this act, in an amount equal to fifty percent (50%) of the classified personnel's major medical insurance health care coverage, beginning in the fiscal year ending June 30, 2000.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 26-107 of Title 70, unless there is created a duplication in numbering, reads as follows:

The flexible benefit allowance provided in this act shall cease July 1, 1999, for all school districts, as defined in this act, who are neither participating in a major medical health insurance plan offered by the State and Education Employees Group Insurance Board nor self-insured.

SECTION 10. AMENDATORY 74 O.S. 1991, Section 1310.1, is amended to read as follows:

Section 1310.1 ~~(1) The premium for each employee of an education entity which is participating in the health and dental~~

~~insurance plans offered through the State and Education Employees Group Insurance Act shall be paid as follows:~~

~~(a) one-third (1/3) of the premium shall be paid by the education entity; and~~

~~(b) two-thirds (2/3) of the premium shall be paid by the education employee, provided that the education entity may pay all or any portion of education employees' portion of premium.~~

~~(2)~~ 1. If a school district employee elects health care coverage under a plan offered by a school district, then a school district shall pay fifty percent (50%) of the cost of the health care coverage of such employee. The fifty percent (50%) amount shall be reduced by the flexible benefit allowance provided for in Section 7 of this act.

2. The premium for education entities that participate in the health and dental insurance plans offered through the State and Education Employees Group Insurance Act shall be the same as paid by state agencies for said plans.

~~(3)~~ 3. All education entities that participate in the insurance plans offered through the State and Education Employees Group Insurance Act shall forward the employer and employee premiums to the Board no later than the tenth day of each month following the month for which payment is due.

SECTION 11. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

46-2-3295

AP

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