

STATE OF OKLAHOMA

2nd Session of the 48th Legislature (2002)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1968

By: Corn

COMMITTEE SUBSTITUTE

An Act relating to schools; amending 70 O.S. 2001, Section 18-114.7 (Section 1, Chapter 237, O.S.L. 2001), which relates to minimum salary schedules; excluding supplemental benefit allowance from fringe benefits; amending 70 O.S. 2001, Sections 26-103, 26-104 and 26-105, which relate to the Education Flexible Benefits Allowance Act; adding definition; providing for funding for the supplemental benefit allowance; providing for remittance of the supplemental benefit allowance; providing for crediting the supplemental benefit allowance to certain employees; excluding the supplement benefit allowance amount from certain salary calculations; prohibiting certain reduction in salary and fringe benefits; modifying flexible benefit allowance amount and dates; establishing supplemental benefit allowance amount; amending 74 O.S. 2001, Section 1310.1, which relates to premium payments for school district employees; adding the supplemental benefit allowance amount to employer contribution requirement; updating statutory language; making enactment of provisions contingent; repealing 70 O.S. 2001, Section 18-114.7 (Section 118, Chapter 33, O.S.L. 2001), which relates to minimum salary schedules; providing for noncodification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 2001, Section 18-114.7

(Section 1, Chapter 237, O.S.L. 2001), is amended to read as follows:

Section 18-114.7 A. Beginning with the 2000-01 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
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0	\$27,060	\$28,166	\$29,272
1	\$28,221	\$29,327	\$30,433
2	\$28,553	\$29,659	\$30,765
3	\$28,885	\$29,991	\$31,097
4	\$29,217	\$30,323	\$31,429
5	\$29,549	\$30,655	\$31,761
6	\$29,881	\$30,987	\$32,093
7	\$30,213	\$31,319	\$32,425
8	\$30,545	\$31,651	\$32,757
9	\$30,877	\$31,983	\$33,089
10	\$31,209	\$32,315	\$33,421
11	\$31,541	\$32,647	\$33,753
12	\$31,873	\$32,979	\$34,085
13	\$32,205	\$33,311	\$34,417
14	\$32,537	\$33,643	\$34,749
15	\$32,869	\$33,975	\$35,081
16	\$33,201	\$34,307	\$35,413
17	\$33,533	\$34,639	\$35,745
18	\$33,865	\$34,971	\$36,077
19	\$34,197	\$35,303	\$36,409
20	\$34,529	\$35,635	\$36,741
21	\$34,861	\$35,967	\$37,073
22	\$35,193	\$36,299	\$37,405
23	\$35,525	\$36,631	\$37,737
24	\$35,857	\$36,963	\$38,069
25	\$36,189	\$37,295	\$38,401

For the 2000-01 school year, any amounts received pursuant to Section 1, Chapter 1, O.S.L. 2000, shall count towards the minimum salary schedule established in this section for those teachers who qualified for the salary increase under Section 1, Chapter 1, O.S.L. 2000.

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 and supplemental benefit allowance amounts pursuant to Section 26-105 of this title from the flexible benefit allowance funds disbursed by the State Board of Education and the State Board of Career and Technology Education pursuant to Section 26-104 of this title. 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 of Career and Technology 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.

C. The provisions of this section shall not apply to teachers who have entered into postretirement employment with a public school in Oklahoma and are still receiving a monthly retirement benefit.

SECTION 2. AMENDATORY 70 O.S. 2001, Section 26-103, is amended to read as follows:

Section 26-103. 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. "Supplemental benefit allowance" means amounts credited by the school district for each school district employee who is participating in the health insurance plan offered by the State and Education Employees Group Insurance Board or who is participating in the health insurance plan offered by any school district that is self-insured on July 1, 2001;

5. "Support personnel" means full-time employees of a school district as determined by the standard period of labor which is customarily understood to constitute full-time employment for the type of services performed by the employees who are employed a minimum of six (6) hours per day for a minimum of one hundred seventy-two (172) days and who provide services not performed by certified personnel, which is necessary for the efficient and satisfactory functioning of a school district, and shall include cooks, janitors, maintenance personnel, bus drivers, noncertified or nonregistered nurses, noncertified librarians, and clerical employees of a school district but shall not include adult education instructors or adult coordinators employed by technology center school districts;

~~5.~~ 6. "Plan year" means the twelve-month period established by the school district for the cafeteria plan;

~~6.~~ 7. "School district" means the public school districts and technology center school districts of this state;

~~7.~~ 8. "School district employee" means certified or support personnel as defined in this act;

~~8.~~ 9. "Certified personnel" means a certified person employed on a full-time basis to serve as a teacher, principal, supervisor, administrator, counselor, librarian, or certified or registered nurse, but shall not mean a superintendent of a school district; and

~~9.~~ 10. "Self-insured" means a health care program in which the school district funds the benefit plans from its own resources without purchasing insurance and which may be administered by the

school district or by an outside administrator under contract with the school district for administrative services. The State Board of Education shall prepare by May 1st of each year a list of each school district in the state that is self-insured and the number of support personnel and the number of certified personnel that are participating in each self-insured school district plan.

SECTION 3. AMENDATORY 70 O.S. 2001, Section 26-104, is amended to read as follows:

Section 26-104. A. The Legislature shall annually appropriate adequate funding to the State Board of Education and the State Board of Career and Technology Education for the purpose of providing a flexible benefit allowance and a supplemental benefit allowance to school district employees pursuant to this act. The funding for the flexible benefit allowance shall be based on the number of eligible school district employees employed by a school district which is participating in the health insurance plan offered by the State and Education Employees Group Insurance Board or is self-insured as counted on May 1st of each year. The funding for the supplemental benefit allowance shall be based on the number of eligible school district employees actually participating in the health insurance plan offered by the State and Education Employees Group Insurance Board or employees participating in the health insurance plan offered by any school district that is self-insured on July 1, 2001. Each Board shall disburse the flexible benefit allowance funds in appropriate amounts to school districts.

Each Board shall forward the supplemental benefit allowance for each eligible school district employee participating in the health insurance plan offered by the State and Education Employees Group Insurance Board to the State and Education Employees Group Insurance Board. The procedure for remittances of the supplemental benefit allowance shall be established by the State and Education Employees Group Insurance Board. Each Board shall forward the supplemental

benefit allowance for self-insured school districts to the school districts in the appropriate amount.

B. Every school district shall establish or make available to school district employees a cafeteria plan pursuant to 26 U.S.C. Section 125 of the United States Code. The plan shall offer, as a benefit, major medical health care plan coverage.

C. The flexible benefit allowance amount established pursuant to Section 26-105 of this title shall be credited to each eligible school district employee. School district employees shall elect whether to use the flexible benefit allowance to pay for coverage in the health insurance plan offered by the State and Education Employees Group Insurance Board or the self-insured plan offered by the school district, or to receive the flexible benefit allowance as taxable compensation. The supplemental benefit allowance amount established pursuant to Section 26-105 of this title shall be credited to eligible school district employees who are actually participating in the health insurance plan offered by the State and Education Employees Group Insurance Board or who are actually participating in the health insurance plan offered by any school district that is self-insured on July 1, 2001.

D. The administrator of the cafeteria plan shall maintain a separate account for each participating school district employee. School districts shall forward the school district employee flexible benefit allowance amounts to the administrator for elected purchases of cafeteria plan benefits.

E. Expenses included in an employee's salary adjustment agreement pursuant to the cafeteria plan shall be limited to 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.

F. The flexible benefit allowance amount and the supplemental benefit allowance amount established in Section 26-105 of this title shall not be included as income in computation of state retirement contributions and benefits or as part of the Minimum Salary Schedule for teachers established in Section 18-114.7 of this title or as fringe benefits. School districts shall not consider the flexible benefit allowance amount or the supplemental benefit allowance amount as income or fringe benefits for eligible support employees ~~and thereby shall not reduce the salary of an eligible support employee~~. Any school district funds dedicated to the salary and fringe benefits of an employee prior to the effective date of this act shall not be reduced as a result of the passage of this act unless the hours or duties of the employee are reduced proportionately.

SECTION 4. AMENDATORY 70 O.S. 2001, Section 26-105, is amended to read as follows:

Section 26-105. A. At a minimum, the flexible benefit allowance may be used by a school district employee that is participating in the cafeteria plan to purchase major medical health care plan coverage offered by the school district through a cafeteria plan, or the excess flexible benefit allowance may be used to purchase any of the additional benefits offered by the school district. A school district employee that is not participating in the school district sponsored cafeteria plan, may elect to receive the flexible benefit allowance as taxable compensation.

B. Each eligible school district employee 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 eligible school district employee shall be communicated to the employee prior to the

enrollment period for each plan year. For the ~~fiscal plan~~ plan year ending ~~June 30, 2002~~ December 31, 2003, and for each year thereafter, the flexible benefit allowance amount for certified personnel shall be no less than ~~Sixty-nine Dollars and seventy-one cents (\$69.71)~~ One Hundred Thirteen Dollars and ninety-one cents (\$113.91) per month. For the ~~fiscal plan~~ plan year ending ~~June 30, 2002~~ December 31, 2003, and for each year thereafter, the flexible benefit allowance amount for support personnel shall be no less than ~~One Hundred Eighty-six Dollars and sixty-nine cents (\$186.69)~~ Two Hundred Four Dollars and fifty-eight cents (\$204.58) per month.

C. Each eligible school district employee shall be credited annually with a specified amount as a supplemental benefit allowance. The amount of the supplemental benefit allowance for eligible school district employees participating in the health insurance plan offered by the State and Education Employees Group Insurance Board for each plan year shall be the difference between the flexible benefit allowance amount set in subsection B of this section and the premium amount for the high option health benefit plan available for employees.

The amount of the supplemental benefit allowance for eligible school district employees participating in the health insurance plan offered by any school district that is self-insured on July 1, 2001, shall be the difference between the flexible benefit allowance amount set in subsection B of this section and the premium amount for the self-insured health insurance plan available for employees or the difference between the flexible benefit allowance amount set in subsection B of this section and the premium amount for the high option health benefit plan available for employees in the State and Education Employees Group Insurance Plan, whichever amount is less.

D. If a school district employee who is participating in the cafeteria plan elects benefits whose sum total is less than the flexible benefit allowance, the employee shall receive any excess

flexible benefit allowance as taxable compensation. Such taxable compensation shall be paid in substantially equal amounts each pay period over the plan year. On termination during a plan year, a participating school district employee shall have no right to receive any such taxable cash compensation allocated to the portion of the plan year after the termination of the employee.

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

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

~~G.~~ H. A school district shall have the option of providing a flexible benefit allowance to the superintendent of that school district in an amount not more than the amount of the flexible benefit allowance established for certified personnel in subsection B of this section. Funding for the flexible benefit allowance for a superintendent shall be provided through local revenue.

SECTION 5. AMENDATORY 74 O.S. 2001, Section 1310.1, is amended to read as follows:

Section 1310.1 ~~1.~~ A. 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 and the supplemental benefit allowance amount provided for in Section 7 26-105 of ~~this act~~ Title 70 of the Oklahoma Statutes.

~~2.~~ B. 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.~~ C. 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 6. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

The provisions of this act shall become effective only upon the provision of appropriated funds designated for such purpose.

SECTION 7. REPEALER 70 O.S. 2001, Section 18-114.7 (Section 118, Chapter 33, O.S.L. 2001), is hereby repealed.

SECTION 8. This act shall become effective July 1, 2002.

SECTION 9. 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.

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