

ENROLLED HOUSE
BILL NO. 1968

By: Corn, Adair, Askins, Balkman, Benson, Blackburn, Bonny, Braddock, Cox, Deutschendorf, Dunegan, Easley, Eddins, Ervin, Erwin, Fields, Gilbert, Hefner, Hilliard, Hutchison, Ingmire, Kirby, Leist, Lindley, McCarter, Mass, Miller (Doug), Miller (Ray), Mitchell, Nance, Nations, O'Neal, Paulk, Plunk, Pope (Clay), Pope (Tim), Rice, Roach, Roan, Ross, Smith (Dale), Staggs, Stites, Sweeden, Taylor, Toure, Turner, Walker, Wells, Wilson, Tyler, Pettigrew, Newport, Roberts, Perry, Hastings, Peters, Ericson, Piatt, Roggow, Jones, Benge, Young and DeWitt of the House

and

Dickerson, Crutchfield, Stipe, Hobson, Capps, Maddox, Muegge, Henry, Horner, Mickle, Shurden, Wilkerson, Haney, Rabon, Littlefield, Harrison, Rozell, Cain, Campbell, Coffee, Douglass, Dunlap, Easley, Fair, Fisher, Ford, Helton, Herbert, Johnson, Kerr, Laughlin, Leftwich, Martin, Milacek, Monson, Morgan, Nichols, Price, Pruitt, Reynolds, Riley, Robinson, Smith, Snyder, Taylor, Wilcoxson, Williams and Williamson of the Senate

An Act relating to schools; amending 70 O.S. 2001, Sections 26-101, 26-102, and 26-105, which relate to flexible benefits allowances for school employees; enacting the Larry Dickerson Education Flexible Benefits Allowance Act; providing short title; amending statutory reference; authorizing certain employees to elect certain compensation in lieu of certain flexible benefit allowance amounts; clarifying uses of excess flexible allowance amounts by certain employees; providing certain minimum flexible benefit allowance amounts for certain personnel for certain fiscal years; amending 74 O.S. 2001, Section 1310.1, which relates to health care coverage for certain education employees; clarifying certain insurance plans to which application of flexible benefit allowance reduction applies; amending percentage of cost of certain health care coverage school districts must pay for certain fiscal years; updating statutory reference; making appropriations to the State Board of Education and the State Board of Career and Technology Education; authorizing certain expenditures for certain

purposes; 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 26-101, is amended to read as follows:

Section 26-101. Sections ~~3~~ 26-101 through ~~9~~ 26-105 of this ~~act~~ title shall be known and may be cited as the "Larry Dickerson Education Flexible Benefits Allowance Act".

SECTION 2. AMENDATORY 70 O.S. 2001, Section 26-102, is amended to read as follows:

Section 26-102. It is hereby declared that the purpose of the Larry Dickerson 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 3. AMENDATORY 70 O.S. 2001, Section 26-105, is amended to read as follows:

Section 26-105. A. ~~At a minimum, the~~ The flexible benefit allowance ~~may~~ shall be used by a school district employee ~~that~~ who 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.~~ Any excess flexible benefit allowance over the cost of the major medical coverage purchased by the employee who is participating in the cafeteria plan may be used to purchase any of the additional benefits offered by the school district or may be taken as taxable compensation as provided in subsection C of this section. 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 Certified personnel who choose not to participate in the school-district-sponsored cafeteria plan shall receive Sixty-nine Dollars and seventy-one cents (\$69.71) per month as taxable compensation in lieu of the flexible benefit allowance amount provided in subsection B of this section. Support personnel who choose not to participate in the school-district-sponsored cafeteria plan shall receive One Hundred Eighty-nine Dollars and sixty-nine cents (\$189.69) per month as taxable compensation in lieu of the flexible benefit allowance amount provided in subsection B of this section.

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.

1. For the fiscal year ending June 30, 2002, the flexible benefit allowance amount for certified personnel shall be no less than Sixty-nine Dollars and seventy-one cents (\$69.71) per month. For the fiscal year ending June 30, 2002, the flexible benefit allowance amount for support personnel shall be no less than One Hundred Eighty-six Dollars and sixty-nine cents (\$186.69) per month.

2. For the fiscal year ending June 30, 2003, the flexible benefit allowance amount for certified personnel shall be no less than fifty-eight percent (58%) of the premium amount for the HealthChoice (Hi) option plan for an individual offered by the State and Education Employees Group Insurance Board. For the fiscal year ending June 30, 2003, and each fiscal year thereafter, the flexible benefit allowance amount for support personnel shall be no less than one hundred percent (100%) of the premium amount for the HealthChoice (Hi) option plan for an individual offered by the State and Education Employees Group Insurance Board.

3. For the fiscal year ending June 30, 2004, and each fiscal year thereafter, the flexible benefit allowance amount for certified personnel shall be no less than eighty-three percent (83%) of the premium amount for the HealthChoice (Hi) option plan for an individual offered by the State and Education Employees Group Insurance Board.

C. 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. 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 school district employees shall 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. A ~~school~~ district board of education shall have the option of providing a flexible benefit allowance to the superintendent of ~~that~~ the 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 4. AMENDATORY 74 O.S. 2001, Section 1310.1, is amended to read as follows:

Section 1310.1 ~~1.~~ A. If a ~~school district~~ certified employee elects health care coverage under a plan offered by a school district, including a plan offered by the State and Education Employees Group Insurance Board or a self-insured plan offered by the school district, then a school district shall pay:

1. For the fiscal year ending June 30, 2002, fifty percent (50%) of the cost of the health care coverage of such employee;

2. For the fiscal year ending June 30, 2003, seventy-five percent (75%) of the cost of the health care coverage of such employee; and

3. For the fiscal year ending June 30, 2004, and each fiscal year thereafter, one hundred percent (100%) of the cost of the health care coverage of such employee.

The ~~fifty percent (50%)~~ amount the district is required to pay pursuant to paragraphs 1, 2, and 3 of this subsection shall be reduced by the flexible benefit allowance 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 5. There is hereby appropriated to the State Board of Education from monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2003, the sum of Twenty-six Million Three Hundred Sixty Thousand Two Hundred Fifty-nine Dollars (\$26,360,259.00) or so much thereof as may be necessary to make disbursements for increases in the flexible benefit allowance as provided in Section 26-105 of Title 70 of the Oklahoma Statutes as amended by Section 3 of this act for certified employees.

SECTION 6. There is hereby appropriated to the State Board of Education from monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2003, the sum of Seven Million Two Hundred Forty-five Thousand Eight Hundred Fifty-three Dollars (\$7,245,853.00) or so much thereof as may be necessary to make disbursements for increases in the flexible benefit allowance as provided in Section 26-105 of Title 70 of the Oklahoma Statutes as amended by Section 3 of this act for support employees.

SECTION 7. There is hereby appropriated to the State Board of Career and Technology Education from monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2003, the sum of One Million Six Hundred Eighty-seven Dollars (\$1,000,687.00) or so much thereof as may be necessary to make disbursements for increases in the flexible benefit allowance as provided in Section 26-105 of Title 70 of the Oklahoma Statutes as amended by Section 3 of this act for certified employees.

SECTION 8. There is hereby appropriated to the State Board of Career and Technology Education from monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2003, the sum of Three Hundred Ninety-three Thousand Two Hundred Dollars (\$393,200.00) or so much thereof as may be necessary to make disbursements for increases in the flexible benefit allowance as provided in Section 26-105 of Title 70 of the Oklahoma Statutes as amended by Section 3 of this act for support employees.

SECTION 9. This act shall become effective July 1, 2002.

SECTION 10. 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.

Passed the House of Representatives the 15th day of May, 2002.

Presiding Officer of the House
of Representatives

Passed the Senate the 17th day of April, 2002.

Presiding Officer of the Senate