

CS for EHB 1968

THE STATE SENATE
Monday, April 8, 2002

Committee Substitute for
ENGROSSED
House Bill No. 1968

6 COMMITTEE SUBSTITUTE FOR ENGROSSED HOUSE BILL NO. 1968 - By: CORN,
7 ADAIR, ASKINS, BALKMAN, BENSON, BLACKBURN, BONNY, BRADDOCK, COX,
8 DEUTSCHENDORF, DUNEGAN, EASLEY, EDDINS, ERVIN, ERWIN, FIELDS,
9 GILBERT, HEFNER, HILLIARD, HUTCHISON, INGMIRE, KIRBY, LEIST,
10 LINDLEY, McCARTER, MASS, MILLER (Doug), MILLER (Ray), MITCHELL,
11 NANCE, NATIONS, O'NEAL, PAULK, PLUNK, POPE (Clay), POPE (Tim), RICE,
12 ROACH, ROAN, ROSS, SMITH (Dale), STAGGS, STITES, SWEEDEN, TAYLOR,
13 TOURE, TURNER, WALKER, WELLS, WILSON, TYLER, PETTIGREW and NEWPORT
14 of the House and DICKERSON and CRUTCHFIELD of the Senate.

15 [schools - Larry Dickerson Education Flexible Benefits
16 Allowance Act - effective date -
17 emergency]

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

19 SECTION 1. AMENDATORY 70 O.S. 2001, Section 26-101, is
20 amended to read as follows:

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

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

26 Section 26-102. It is hereby declared that the purpose of the
27 Larry Dickerson Education Flexible Benefits Allowance Act is:

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

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

9 SECTION 3. AMENDATORY 70 O.S. 2001, Section 26-105, is
10 amended to read as follows:

11 Section 26-105. A. At a minimum, the flexible benefit
12 allowance may be used by a school district employee that is
13 participating in the cafeteria plan to purchase major medical health
14 care plan coverage offered by the school district through a
15 cafeteria plan, or the excess flexible benefit allowance may be used
16 to purchase any of the additional benefits offered by the school
17 district. ~~A school district employee that is not participating in~~
18 ~~the school district sponsored cafeteria plan, may elect to receive~~
19 ~~the flexible benefit allowance as taxable compensation~~ Certified
20 personnel that choose not to participate in the school district
21 sponsored cafeteria plan may elect to receive Sixty-nine Dollars and
22 seventy-one cents (\$69.71) per month as taxable compensation in lieu
23 of the flexible benefit allowance amount provided in subsection B of

1 this section. Support personnel that choose not to participate in
2 the school district sponsored cafeteria plan may elect to receive
3 One Hundred Eighty-nine Dollars and sixty-nine cents (\$189.69) per
4 month as taxable compensation in lieu of the flexible benefit
5 allowance amount provided in subsection B of this section.

6 B. Each eligible school district employee shall be credited
7 annually with a specified amount as a flexible benefit allowance
8 which shall be available for the purchase of benefits. The amount
9 of the flexible benefit allowance credited to each eligible school
10 district employee shall be communicated to the employee prior to the
11 enrollment period for each plan year.

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

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

1 benefit allowance amount for support personnel shall be no less than
2 one hundred percent (100%) of the premium amount for the
3 Healthchoice (Hi) option plan for an individual offered by the State
4 and Education Employees Group Insurance Board.

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

10 C. If a school district employee who is participating in the
11 cafeteria plan elects benefits whose sum total is less than the
12 flexible benefit allowance, the employee shall receive any excess
13 flexible benefit allowance as taxable compensation. Such taxable
14 compensation shall be paid in substantially equal amounts each pay
15 period over the plan year. On termination during a plan year, a
16 participating school district employee shall have no right to
17 receive any such taxable cash compensation allocated to the portion
18 of the plan year after the termination of the employee.

19 D. Each school district employee shall make an annual election
20 of benefits under the plan during an enrollment period to be held
21 prior to the beginning of each plan year. The enrollment period
22 dates will be determined annually and will be announced by the
23 school district, providing the enrollment period shall end no later

1 than thirty (30) days before the beginning of the plan year. Each
2 such school district employee shall make an irrevocable advance
3 election for the plan year or the remainder thereof pursuant to such
4 procedures as the school district shall prescribe.

5 E. The school district shall prescribe the forms that school
6 district employees shall be required to use in making their
7 elections, and may prescribe deadlines and other procedures for
8 filing the elections.

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

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

18 SECTION 4. AMENDATORY 74 O.S. 2001, Section 1310.1, is
19 amended to read as follows:

20 Section 1310.1 ~~1-~~ A. If a school district employee elects
21 health care coverage under a plan offered by a school district, then
22 a school district shall pay:

1 1. For the fiscal year ending June 30, 2002, fifty percent
2 (50%) of the cost of the health care coverage of such employee;

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

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

9 The ~~fifty percent (50%) amount~~ percentage specified shall be
10 reduced by the flexible benefit allowance provided for in Section 7
11 26-105 of this act Title 70 of the Oklahoma Statutes.

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

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

21 SECTION 5. This act shall become effective July 1, 2002.

22 SECTION 6. It being immediately necessary for the preservation
23 of the public peace, health and safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.
3 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS, dated 4-3-02 - DO
4 PASS, As Amended.