

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 HOUSE BILL 2187

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8 AS INTRODUCED

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10 An Act relating to education financing; requiring
11 State Board of Education to make certain
determination by specified date; requiring State
12 Board of Equalization to subtract specified amount
from amount certified as available for appropriation;
13 requiring Director of the Office of State Finance to
deposit certain funds into School District Employees
14 Flexible Benefit Allowance Revolving Fund according
to specified schedule; amending 70 O.S. 2011, Section
15 26-104, which relates to the funding of flexible
benefit allowances for school district employees;
16 deleting appropriation requirement; modifying basis
for determining funding; creating the School District
17 Employees Flexible Benefit Allowance Revolving Fund;
making funding continuing; requiring transfer of
18 funds; making funds appropriated; stating purpose;
requiring expenditures to be on warrants; providing
for codification; and providing an effective.

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

22 SECTION 1. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 34.97 of Title 62, unless there
24 is created a duplication in numbering, reads as follows:

1 In order to ensure that the flexible benefit allowance for
2 school district employees as provided for in the Larry Dickerson
3 Education Flexible Benefits Allowance Act will be fully funded and
4 all eligible and qualifying school district employees as defined in
5 Section 26-103 of Title 70 of the Oklahoma Statutes receive the full
6 flexible benefit allowance amount as set forth in Section 26-105 of
7 Title 70 of the Oklahoma Statutes, the following procedures shall be
8 observed:

9 1. Not later than November 1, 2012, and November 1 of each
10 subsequent year, the State Board of Education and the State Board of
11 Career and Technology Education shall estimate the amount of revenue
12 they deem necessary to fully fund the flexible benefit allowance for
13 school district employees as provided for in the Larry Dickerson
14 Education Flexible Benefits Allowance Act, for the fiscal year which
15 begins the following July 1 and provide such estimate to the State
16 Board of Equalization;

17 2. At its meeting in December 2012, and December of each
18 subsequent year, held pursuant to the provisions of paragraph 1 of
19 Section 23 of Article X of the Oklahoma Constitution, the State
20 Board of Equalization shall determine the total amount of revenue
21 necessary to fully fund the flexible benefit allowance for school
22 district employees as provided for in the Larry Dickerson Education
23 Flexible Benefits Allowance Act for the fiscal year which begins the
24 following July 1 and subtract that amount from the amount it

1 certifies as available for appropriation from the General Revenue
2 Fund by the Legislature for that fiscal year; and

3 3. Notwithstanding any other provisions of law directing the
4 apportionment of revenues, beginning with the fiscal year ending
5 June 30, 2014, and for each subsequent fiscal year, the Director of
6 the Office of State Finance shall transfer on a periodic basis as
7 needed the amount of revenue subtracted pursuant to the provisions
8 of paragraph 2 of this section to be deposited to the School
9 District Employees Flexible Benefit Allowance Revolving Fund created
10 in Section 3 of this act, in lieu of being deposited to the General
11 Revenue Fund.

12 SECTION 2. AMENDATORY 70 O.S. 2011, Section 26-104, is
13 amended to read as follows:

14 Section 26-104. A. ~~The Legislature shall annually appropriate~~
15 ~~adequate funding to the State Board of Education and the State Board~~
16 ~~of Career and Technology Education for the purpose of providing~~
17 necessary to provide a flexible benefit allowance to school district
18 employees pursuant to the Larry Dickerson Education Flexible
19 Benefits Allowance Act shall be determined and set aside as outlined
20 in Section 1 of this act. The ~~funding shall be~~ State Board of
21 Education and the State Board of Career and Technology Education
22 shall estimate the amount of revenue they deem necessary to fully
23 fund the flexible benefit allowance for school district employees
24 allowed pursuant to the act based on the number of eligible school

1 district employees employed by a school district which is
2 participating in the health insurance plan offered by the State and
3 Education Employees Group Insurance Board or is self-insured as
4 counted on May 1st of each year. Each Board shall disburse the
5 flexible benefit allowance funds in appropriate amounts to school
6 districts.

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

11 C. The flexible benefit allowance amount established pursuant
12 to Section 26-105 of this title shall be credited to each eligible
13 school district employee. School district employees shall elect
14 whether to use the flexible benefit allowance to pay for coverage in
15 the health insurance plan offered by the State and Education
16 Employees Group Insurance Board or the self-insured plan offered by
17 the school district and may receive the excess flexible benefit
18 allowance as taxable compensation as provided in Section 26-105 of
19 this title.

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

1 E. Expenses included in an employee's salary adjustment
2 agreement pursuant to the cafeteria plan shall be limited to
3 expenses for:

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

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

10 F. The flexible benefit allowance amount established in Section
11 26-105 of this title shall not be included as income in computation
12 of state retirement contributions and benefits or as part of the
13 Minimum Salary Schedule for teachers established in Section 18-
14 114.12 of this title. School districts shall not consider the
15 flexible benefit allowance amount as income for eligible support
16 employees and thereby shall not reduce the salary of an eligible
17 support employee.

18 SECTION 3. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 26-105.2 of Title 70, unless
20 there is created a duplication in numbering, reads as follows:

21 There is hereby created in the State Treasury a revolving fund
22 for the State Board of Education and the State Board of Career and
23 Technology Education to be designated the "School District Employees
24 Flexible Benefit Allowance Revolving Fund". The fund shall be a

1 continuing fund, not subject to fiscal year limitations, and shall
2 consist of all monies transferred by the Director of the Office of
3 State Finance as provided for in Section 1 of this act. All monies
4 accruing to the credit of said fund are hereby appropriated and may
5 be budgeted and expended by the State Board of Education and the
6 State Board of Career and Technology Education for the purpose of
7 disbursing the flexible benefit allowance funds in appropriate
8 amounts to school districts. Expenditures from said fund shall be
9 made upon warrants issued by the State Treasurer against claims
10 filed as prescribed by law with the Director of the Office of State
11 Finance for approval and payment.

12 SECTION 4. This act shall become effective September 1, 2012.

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