

STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

SUBCOMMITTEE RECOMMENDATION

FOR ENGROSSED

SENATE BILL NO. 786

By: Jolly of the Senate

and

Martin of the House

SUBCOMMITTEE RECOMMENDATION

[ school funding - State Aid portions - distribution  
- funding for the flexible benefit allowance -  
codification - ~~effective date~~ -  
emergency ]

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

SECTION 1. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 18-103.2 of Title 70, unless  
there is created a duplication in numbering, reads as follows:

A. Beginning with the 2015-2016 school year, and each school  
year thereafter, each school district shall receive a portion of  
state-appropriated funds, exclusive of funds appropriated for  
financial support of schools, as follows:

1           1. Funding for the purpose of providing a flexible benefit  
2 allowance to school district employees pursuant to Section 26-104 of  
3 Title 70 of the Oklahoma Statutes;

4           2. Funding for the purpose of providing a bonus to teachers who  
5 attain National Board certification pursuant to Section 6-204.2 of  
6 Title 70 of the Oklahoma Statutes;

7           3. Funding for the purpose of providing a bonus to school  
8 psychologists and speech-language pathologists or audiologists  
9 pursuant to Section 6-206 of Title 70 of the Oklahoma Statutes;

10           4. Funding for the purpose of providing professional  
11 development programs for certified teachers and administrators of  
12 the district pursuant to Section 6-194 of Title 70 of the Oklahoma  
13 Statutes;

14           5. Funding for the purpose of purchasing textbooks pursuant to  
15 Section 16-114a of Title 70 of the Oklahoma Statutes;

16           6. Funding to implement the components of the Oklahoma Teacher  
17 and Leader Effectiveness Evaluation System pursuant to Section 6-  
18 101.10 of Title 70 of the Oklahoma Statutes;

19           7. Funding for alternative education pursuant to Section  
20 1210.568 of Title 70 of the Oklahoma Statutes;

21           8. Funding for Reading Sufficiency Act remediation pursuant to  
22 Section 1210.508D of Title 70 of the Oklahoma Statutes;

1 9. Funding for Achieving Classroom Excellence Act of 2005  
2 remediation or intervention pursuant to Section 1210.526 of Title 70  
3 of the Oklahoma Statutes;

4 10. Funding for the development and implementation of programs  
5 of parent education pursuant to Section 10-105.3 of Title 70 of the  
6 Oklahoma Statutes;

7 11. Funding for Oklahoma Advanced Placement Incentive Program  
8 awards pursuant to Section 1210.703 of Title 70 of the Oklahoma  
9 Statutes;

10 12. Funding for the School Lunch Matching and School Lunch  
11 Programs pursuant to Section 3-119 of Title 70 of the Oklahoma  
12 Statutes; and

13 13. Funding for the purpose of providing financial support to  
14 charter schools from the Charter Schools Incentive Fund pursuant to  
15 Section 3-144 of Title 70 of the Oklahoma Statutes.

16 B. The allocations provided for in subsection A of this section  
17 shall be distributed by the State Board of Education as provided by  
18 law.

19 C. The State Board of Education shall promulgate rules  
20 necessary to implement the provisions of this section.

21 SECTION 2. AMENDATORY 70 O.S. 2011, Section 26-104, as  
22 amended by Section 1, Chapter 321, O.S.L. 2012 (70 O.S. Supp. 2014,  
23 Section 26-104), is amended to read as follows:  
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1 Section 26-104. A. Each fiscal year, the Legislature shall  
2 appropriate adequate funding to the State Board of Education and the  
3 State Board of Career and Technology Education for the purpose of  
4 providing a flexible benefit allowance to school district employees  
5 pursuant to this act. Unless the Legislature appropriates adequate  
6 funding specifically for the purpose of providing a flexible benefit  
7 allowance to school district employees, the Oklahoma State Board of  
8 Education shall allocate from the funds appropriated to the Oklahoma  
9 State Board of Education for the ~~support of public school activities~~  
10 financial support of public schools an amount to fully fund the  
11 flexible benefit allowance, which shall occur first prior to  
12 allocating the funds for any other purpose. The amount appropriated  
13 for funding and disbursed to school districts shall be calculated by  
14 multiplying the number of eligible school district employees  
15 employed by school districts which are participating in the health  
16 insurance plan offered by the State and Education Employees Group  
17 Insurance Board or are self-insured as counted in February of each  
18 year by the amount of the flexible benefit allowance credited to the  
19 eligible school employees as established in Section 26-105 of this  
20 title. Each Board shall disburse the total amount appropriated for  
21 funding the flexible benefit allowance to school districts during  
22 the fiscal year. From the total amount appropriated, each Board  
23 shall disburse the appropriate amounts, based on the number of  
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1 eligible school district employees employed by that school district,  
2 to each school district.

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

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

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

21 E. Expenses included in an employee's salary adjustment  
22 agreement pursuant to the cafeteria plan shall be limited to  
23 expenses for:  
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1 1. Premiums for any health insurance, health maintenance  
2 organization, life insurance, long term disability insurance, dental  
3 insurance or high deductible health benefit plan offered to  
4 employees and their dependents; and

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

7 F. The flexible benefit allowance amount established in Section  
8 26-105 of this title shall not be included as income in computation  
9 of state retirement contributions and benefits or as part of the  
10 Minimum Salary Schedule for teachers established in Section ~~18-~~  
11 ~~114.12~~ 18-114.14 of this title. School districts shall not consider  
12 the flexible benefit allowance amount as income for eligible support  
13 employees and thereby shall not reduce the salary of an eligible  
14 support employee.

15 ~~SECTION 3. This act shall become effective July 1, 2015.~~

16 ~~SECTION 4. It being immediately necessary for the preservation~~  
17 ~~of the public peace, health and safety, an emergency is hereby~~  
18 ~~declared to exist, by reason whereof this act shall take effect and~~  
19 ~~be in full force from and after its passage and approval.~~

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21 55-1-7254 AM 03/30/15  
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