

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 858

By: David and Fields of the
Senate

and

Osborn (Leslie) and Wallace
of the House

COMMITTEE SUBSTITUTE

An Act relating to school districts; amending 70 O.S.
2011, Section 5-117.5, which relates to school
district employee health insurance; prohibiting
school district boards of education from paying
certain insurance premiums for certain persons;
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. 2011, Section 5-117.5, is
amended to read as follows:

Section 5-117.5. A. The board of education of each school
district in this state shall provide a health insurance plan for the
employees of the school district. School districts may obtain
health and dental insurance coverage as provided for in the State
and Education Employees Group Insurance Act or may obtain other
health insurance coverage. Any school district that does not

1 participate in the health and dental insurance plans offered through
2 the State and Education Employees Group Insurance Act shall obtain
3 health insurance coverage for the employees which provides open
4 enrollment, and provide for the continuation of health insurance
5 coverage, including supplemental Medicare insurance coverage, for
6 those district employees who retire from said district after
7 September 30, 1991, with a vested benefit in the Teachers'
8 Retirement System of Oklahoma. A retired person who begins
9 receiving benefits from the Teachers' Retirement System of Oklahoma
10 after September 30, 1991, who retires from a school district that
11 provides other health insurance coverage, and who elects to continue
12 said health insurance coverage shall pay to the school district the
13 premium rate for the health insurance minus an amount equal to the
14 premium rate of the Medicare supplement or the amount determined
15 pursuant to subsection (4) of Section 1316.3 of Title 74 of the
16 Oklahoma Statutes, whichever is less, which shall be paid by the
17 Teachers' Retirement System of Oklahoma to the school district. The
18 school district shall remit to the health insurance coverage
19 provider the total premium due less any uncollected amounts payable
20 from retired school district employees or their qualified survivors.

21 B. A school district that participates in health insurance
22 coverage other than the health insurance plan offered by the State
23 and Education Employees Group Insurance Act shall not be required to
24 pay any portion of the premiums for the employees or the dependents

1 of the employees of said school district, except as may otherwise be
2 provided by law. Unless a school district negotiates an agreement
3 with its employees regarding health insurance pursuant to Sections
4 509.1 through 509.9 of this title, and to the extent that the
5 agreement provides for the members of the recognized bargaining
6 unit, a school district that participates in health insurance
7 coverage other than the health insurance plan offered by the State
8 and Education Employees Group Insurance Act is prohibited from
9 acquiring additional or supplemental health or dental insurance for
10 any ~~board member~~, school superintendent or any other employee which
11 is not available to all employees of said district, and said school
12 district shall not pay a greater portion of the employee or
13 dependent premium for any health or dental insurance plan or plans
14 provided by said school district on behalf of any ~~board member~~,
15 school superintendent or employee than that portion paid on behalf
16 of all participating employees of said district.

17 C. If a school district obtains health insurance coverage from
18 a source other than through the State and Education Employees Group
19 Insurance Act, the employees of the school district who would be
20 eligible to participate in the health and dental plans may require
21 the board of education of the school district to call an election to
22 allow said employees to vote as to whether the school district shall
23 participate in the health and dental insurance plans offered through
24 the State and Education Employees Group Insurance Act. Upon the

1 filing with the board of education of a petition calling for such an
2 election which is signed by no less than thirty percent (30%) of the
3 eligible employees of the school district, the board of education
4 shall call an election for the purpose of determining whether the
5 school district shall participate in the health and dental insurance
6 plans offered through the State and Education Employees Group
7 Insurance Act. The election shall be held within thirty (30) days
8 of the filing of the petition. If a majority of those eligible
9 employees voting at the election vote to participate in the health
10 and dental insurance plans offered through the State and Education
11 Employees Group Insurance Act, the board of education of the school
12 district shall apply for such participation within thirty (30) days
13 of the election.

14 D. If a school district does not have any health insurance
15 coverage of the type required by this section, that school district
16 shall immediately be enrolled in the health and dental insurance
17 plans offered through the State and Education Employees Group
18 Insurance Act.

19 E. A carrier providing health insurance coverage for employees
20 of a school district health insurance group which replaces a
21 previous carrier for such school district employees shall provide
22 coverage for each retired employee who is receiving a benefit or
23 terminates employment with a vested benefit from the Teachers'
24 Retirement System of Oklahoma and who is enrolled in the health

1 insurance group by the previous carrier at the time the previous
2 carrier providing health insurance coverage is replaced.

3 Notwithstanding any provision in this section to the contrary, any
4 person who retires pursuant to the provisions of the Teachers'
5 Retirement System of Oklahoma prior to May 1, 1993, or terminates
6 service with a vested benefit, pursuant to the provisions of the
7 Teachers' Retirement System of Oklahoma prior to May 1, 1993, may
8 continue to participate in the health and dental plans authorized by
9 the provisions of the State and Education Employees Group Insurance
10 Act.

11 F. In the event a school district ceases to exist, the assets
12 and duties of said school district are transferred to one or more
13 other school districts, said other school district or districts do
14 not agree to employ all of the former employees of the school
15 district that is ceasing to exist, and said former employees who are
16 not being reemployed have rights under federal or state law to
17 continue group insurance coverage, the school district receiving all
18 or a portion of the assets and duties of the annexing school
19 district having the largest general fund revenue for the most recent
20 preceding fiscal year for which data is available shall provide
21 group insurance coverage to said former employees not being retained
22 during the period as required by law.

23 G. Any member of a district board of education who terminates
24 service on or after July 1, 2002, who has served ten (10) or more

1 years as a district board of education member in this state, and who
2 is participating at the time of termination in a health and/or
3 dental insurance plan offered by the school district, may elect upon
4 termination of such service to continue participation in the health
5 and/or dental insurance plan that the member was participating in at
6 the time of termination. The election provided in this subsection
7 shall be made within thirty (30) days from the date of the school
8 board member's termination of service. The school board member
9 shall pay the full cost of the insurance premium for such after-
10 termination coverage at the rate and pursuant to the terms and
11 conditions of such health and/or dental plan.

12 H. A school district shall be prohibited from paying any
13 portion of the premiums for any member of a district board of
14 education. If a school board member is participating in a health
15 and/or dental insurance plan offered by the school district upon the
16 effective date of this act, the member shall assume responsibility
17 for the full cost of the insurance premium(s) upon renewal of the
18 plan.

19 SECTION 2. This act shall become effective July 1, 2017.

20 SECTION 3. It being immediately necessary for the preservation
21 of the public peace, health or safety, an emergency is hereby
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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.

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