

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1769

By: Kerbs of the House

and

Pederson of the Senate

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10 COMMITTEE SUBSTITUTE

11 An Act relating to insurance; amending 70 O.S. 2021,
12 Section 26-105, as amended by Section 3, Chapter 245,
13 O.S.L. 2024 (70 O.S. Supp. 2024, Section 26-105),
14 which relates to purchase of benefits by school
15 district employees; clarifying type of plan for
16 annual election; modifying enrollment period for
17 benefits; allowing enrollment for additional benefits
18 in certain circumstances; and providing an effective
19 date.

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

21 SECTION 1. AMENDATORY 70 O.S. 2021, Section 26-105, as
22 amended by Section 3, Chapter 245, O.S.L. 2024 (70 O.S. Supp. 2024,
23 Section 26-105), is amended to read as follows:

24 Section 26-105. A. The flexible benefit allowance shall be
used by a school district employee who is participating in the
cafeteria plan to purchase major medical health care plan coverage

1 offered by the school district through a cafeteria plan. Any excess
2 flexible benefit allowance over the cost of the major medical
3 coverage purchased by the employee who is participating in the
4 cafeteria plan may be used to purchase any of the additional
5 benefits offered by the school district or may be taken as taxable
6 compensation as provided in subsection C of this section. Certified
7 personnel who choose not to participate in the school-district-
8 sponsored cafeteria plan shall receive Sixty-nine Dollars and
9 seventy-one cents (\$69.71) per month as taxable compensation in lieu
10 of the flexible benefit allowance amount provided in subsection B of
11 this section. Support personnel who choose not to participate in
12 the school-district-sponsored cafeteria plan shall receive One
13 Hundred Eighty-nine Dollars and sixty-nine cents (\$189.69) per month
14 as taxable compensation in lieu of the flexible benefit allowance
15 amount provided in subsection B of this section.

16 B. Each eligible school district employee shall be credited
17 annually with a specified amount as a flexible benefit allowance
18 which shall be available for the purchase of benefits. The amount
19 of the flexible benefit allowance credited to each eligible school
20 district employee shall be communicated to the employee prior to the
21 enrollment period for each plan year.

22 1. For the fiscal year ending June 30, 2002, the flexible
23 benefit allowance amount for certified personnel shall be no less
24 than Sixty-nine Dollars and seventy-one cents (\$69.71) per month.

1 For the fiscal year ending June 30, 2002, the flexible benefit
2 allowance amount for support personnel shall be no less than One
3 Hundred Eighty-nine Dollars and sixty-nine cents (\$189.69) per
4 month.

5 2. For the fiscal year ending June 30, 2004, the flexible
6 benefit allowance amount for certified personnel shall be no less
7 than fifty-eight percent (58%) of the premium amount for the
8 HealthChoice (Hi) option plan for an individual offered by the
9 Oklahoma Employees Insurance and Benefits Board. For the fiscal
10 year ending June 30, 2003, and each fiscal year thereafter, the
11 flexible benefit allowance amount for support personnel shall be no
12 less than one hundred percent (100%) of the premium amount for the
13 HealthChoice (Hi) option plan for an individual offered by the
14 Oklahoma Employees Insurance and Benefits Board.

15 3. For the fiscal year ending June 30, 2005, and each fiscal
16 year thereafter, the flexible benefit allowance amount for certified
17 personnel shall be no less than one hundred percent (100%) of the
18 premium amount for the HealthChoice (Hi) option plan for an
19 individual offered by the Oklahoma Employees Insurance and Benefits
20 Board.

21 C. If a school district employee who is participating in the
22 cafeteria plan elects benefits whose sum total is less than the
23 flexible benefit allowance, the employee shall receive any excess
24 flexible benefit allowance as taxable compensation. Such taxable

1 compensation shall be paid in substantially equal amounts each pay
2 period over the plan year. Except as otherwise provided for in
3 subsection D of this section, on termination during a plan year, a
4 participating school district employee shall have no right to
5 receive any taxable cash compensation allocated to the portion of
6 the plan year after the termination of the employee.

7 D. In cases where the employee of a school district fulfills
8 the terms of their contract and terminates employment for the
9 subsequent year, the employee shall be entitled to the flexible
10 benefit allowance for the remainder of the current benefit term.
11 For purposes of this subsection, "benefit term" shall mean the
12 twelve-month period after the initiation of benefits for the
13 position held by the employee.

14 E. Each school district employee shall make an annual election
15 of major medical health care plan benefits under the cafeteria plan
16 during an enrollment period to be held ~~prior to the beginning of~~
17 ~~each plan year~~ beginning November 1 and running until December 15.
18 The enrollment period dates will be ~~determined annually and will be~~
19 announced by the school district, ~~providing the enrollment period~~
20 ~~shall end no later than thirty (30) days before the beginning of the~~
21 ~~plan year.~~ Each school district employee shall make an irrevocable
22 advance election for the plan year or the remainder of the plan year
23 pursuant to procedures the school district shall prescribe.
24 Notwithstanding, the enrollment period as set forth in this section

1 shall only apply to an employee's enrollment in the school
2 district's major medical health care plan, and shall not preclude
3 the enrollment of employees in additional benefits offered by the
4 district on such dates as determined appropriate by the district.

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

19 SECTION 2. This act shall become effective November 1, 2025.
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21 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION OVERSIGHT, dated
22 03/04/2025 - DO PASS, As Amended and Coauthored.
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