

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 SENATE BILL 1494

By: Paxton

6 AS INTRODUCED

7 An Act relating to school district employees;  
8 amending 70 O.S. 2021, Section 26-104, as amended by  
9 Section 2, Chapter 245, O.S.L. 2024 (70 O.S. Supp.  
10 2025, Section 26-104), which relates to the flexible  
11 benefit allowance for school district employees;  
12 requiring appropriation of adequate funding to the  
13 State Board of Education for flexible benefit  
14 allowances for employees of certain school districts;  
15 requiring appropriation of adequate funding to the  
16 Board for certain flexible benefit allowances for  
17 employees of certain school districts; clarifying  
18 disbursement of certain funds; updating statutory  
19 language; updating statutory references; providing an  
20 effective date; and declaring an emergency.

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

22 SECTION 1. AMENDATORY 70 O.S. 2021, Section 26-104, as  
23 amended by Section 2, Chapter 245, O.S.L. 2024 (70 O.S. Supp. 2025,  
24 Section 26-104), is amended to read as follows:

25 Section 26-104. A. 1. Each fiscal year, the Legislature shall  
26 appropriate adequate funding to the ~~State Board of Education and the~~  
27 State Board of Career and Technology Education for the purpose of  
28 providing a flexible benefit allowance to technology center school  
29 district employees pursuant to this ~~act~~ section.

1       2. Each fiscal year, the Legislature shall appropriate adequate  
2 funding to the State Board of Education for the purpose of providing  
3 full funding to support a flexible benefit allowance to school  
4 district employees employed by school districts that provide in-  
5 person classroom instruction for a minimum of one hundred seventy  
6 (170) days or the equivalent number of hours, not including in-  
7 person classroom instruction time used for professional development  
8 or parent-teacher conferences.

9       3. Each fiscal year, the Legislature shall appropriate adequate  
10 funding to the State Board of Education for the purpose of providing  
11 a flexible benefit allowance that shall not be less than the Plan  
12 Year 2026 benefit allowance amount to school district employees  
13 employed by school districts that provide in-person classroom  
14 instruction for fewer than one hundred seventy (170) days or the  
15 equivalent number of hours, not including in-person classroom  
16 instruction time used for professional development or parent-teacher  
17 conferences.

18       4. Unless the Legislature appropriates adequate funding  
19 specifically for the purpose of providing a flexible benefit  
20 allowance to school district employees, the ~~Oklahoma~~ State Board of  
21 Education shall allocate from the funds appropriated to the ~~Oklahoma~~  
22 State Board of Education for the support of public school activities  
23 an amount to fully fund the flexible benefit allowance, which shall  
24 occur first prior to allocating the funds for any other purpose.

1 The amount appropriated for funding and disbursed to school  
2 districts shall be calculated by multiplying the number of eligible  
3 school district employees employed by school districts which are  
4 participating in the health insurance plan offered by the Oklahoma  
5 Employees Insurance and Benefits Board or are self-insured as  
6 counted in February of each year by the amount of the flexible  
7 benefit allowance credited to the eligible school employees as  
8 established in Section 26-105 of this title.

9       Each 5. The State Board of Education and the State Board of  
10 Career and Technology Education shall disburse the total amount  
11 appropriated for funding the flexible benefit allowance to school  
12 districts during the fiscal year. From the total amount  
13 appropriated, each Board shall disburse the appropriate amounts,  
14 based on the number of eligible ~~school district~~ employees employed  
15 by ~~that~~ each school district or technology center school district,  
16 to each ~~school~~ district.

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

21       C. The flexible benefit allowance amount established pursuant  
22 to Section 26-105 of this title shall be credited to each eligible  
23 school district employee. School district employees shall elect  
24 whether to use the flexible benefit allowance to pay for coverage in

1 the health insurance plan offered by the Oklahoma Employees  
2 Insurance and Benefits Board or the self-insured plan offered by the  
3 school district and may receive the excess flexible benefit  
4 allowance as taxable compensation as provided in Section 26-105 of  
5 this title.

6 D. The administrator of the cafeteria plan shall maintain a  
7 separate account for each participating school district employee.  
8 School districts shall forward the school district employee flexible  
9 benefit allowance amounts to the administrator for elected purchases  
10 of cafeteria plan benefits.

11 E. Expenses included in an employee's salary adjustment  
12 agreement pursuant to the cafeteria plan shall be limited to  
13 expenses for:

14 1. Premiums for any health insurance, health maintenance  
15 organization, life insurance, long term disability insurance, dental  
16 insurance, or high deductible health benefit plan offered to  
17 employees and their dependents; and

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

20 F. The flexible benefit allowance amount established in Section  
21 26-105 of this title shall not be included as income in computation  
22 of state retirement contributions and benefits or as part of the  
23 ~~Minimum Salary Schedule~~ minimum salary schedule for teachers  
24 established in Section ~~18-114.12~~ 18-114.15 of this title. School

1 districts shall not consider the flexible benefit allowance amount  
2 as income for eligible support employees and ~~thereby~~ shall not  
3 reduce the salary of an eligible support employee.

4 SECTION 2. This act shall become effective July 1, 2026.

5 SECTION 3. It being immediately necessary for the preservation  
6 of the public peace, health, or safety, an emergency is hereby  
7 declared to exist, by reason whereof this act shall take effect and  
8 be in full force from and after its passage and approval.

9  
10 60-2-2227 EB 1/9/2026 1:21:05 PM

11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24