

An Act

ENROLLED HOUSE
BILL NO. 3056

By: Steele, McDaniel (Jeannie),
Shelton, Walker, Hoskin,
Sherrer, Cannaday and
Nollan of the House

and

Bingman of the Senate

An Act relating to state government; amending 70 O.S. 2011, Section 26-104, which relates to the Larry Dickerson Education Flexible Benefits Allowance Act; modifying appropriation requirements; providing for allocation of certain funding by the State Board of Education under certain circumstances; modifying calculation of the appropriation amount for the flexible benefit allowance; changing certain count date; clarifying disbursement amount and process; amending 74 O.S. 2011, Section 1310.1, which relates to premiums for employees of education entities; deleting certain fiscal year payment language; allowing a school district to forward premiums to the State and Education Employees Group Insurance Board; providing an effective date; and declaring an emergency.

SUBJECT: Health benefits for education employees

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

SECTION 1. AMENDATORY 70 O.S. 2011, Section 26-104, is amended to read as follows:

Section 26-104. A. ~~The~~ Each fiscal year, the Legislature shall ~~annually~~ appropriate adequate funding to the State Board of Education and the State Board of Career and Technology Education for

the purpose of providing a flexible benefit allowance to school district employees pursuant to this act. Unless the Legislature appropriates adequate funding specifically for the purpose of providing a flexible benefit allowance to school district employees, the Oklahoma State Board of Education shall allocate from the funds appropriated to the Oklahoma State Board of Education for the support of public school activities an amount to fully fund the flexible benefit allowance, which shall occur first prior to allocating the funds for any other purpose. The amount appropriated for funding and disbursed to school districts shall be based on calculated by multiplying the number of eligible school district employees employed by a school district districts which is are participating in the health insurance plan offered by the State and Education Employees Group Insurance Board or is are self-insured as counted on May 1st in February of each year by the amount of the flexible benefit allowance credited to the eligible school employees as established in Section 26-105 of this title. Each Board shall disburse the total amount appropriated for funding the flexible benefit allowance funds in to school districts during the fiscal year. From the total amount appropriated, each Board shall disburse the appropriate amounts, based on the number of eligible school district employees employed by that school district, to each school districts district.

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

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

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

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

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

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

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

SECTION 2. AMENDATORY 74 O.S. 2011, Section 1310.1, is amended to read as follows:

Section 1310.1 A. If a certified employee elects health care coverage under a plan offered by a school district, including a plan offered by the State and Education Employees Group Insurance Board or a self-insured plan offered by the school district, then a school district shall pay ~~for the fiscal year ending June 30, 2005, and each fiscal year thereafter,~~ no less than one hundred percent (100%) of the premium amount for the HealthChoice (HI) option plan for an individual offered by the State and Education Employees Group Insurance Board.

The amount a school district is required to pay pursuant to this subsection shall be reduced by the flexible benefit allowance provided for in Section 26-105 of Title 70 of the Oklahoma Statutes.

B. The premium for education entities that participate in the health and dental insurance plans offered through the State and Education Employees Group Insurance Act shall be the same as paid by state agencies for said plans.

C. All education entities that participate in the insurance plans offered through the State and Education Employees Group

Insurance Act shall forward the appropriate premiums for each employee to the Board no later than the tenth day of each month following the month for which payment is due. Nothing shall prohibit a school district from forwarding appropriate premiums to the Board prior to the month for which payment is due.

SECTION 3. This act shall become effective July 1, 2012.

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

Passed the House of Representatives the 23rd day of May, 2012.

John T. Dineen
Presiding Officer of the House of Representatives

Passed the Senate the 25th day of May, 2012.

Byron B. Burgin
Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Governor this 25th
day of May, 20 12,
at 4:26 o'clock PM.

By: Janis B. Bygon

Approved by the Governor of the State of Oklahoma the 30th day of
May, 20 12, at 11:01 o'clock AM.

Mary Fallin
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Secretary of State this _____
30th day of May, 20 12,
at 2:27 o'clock PM.

By: Deborah R. Day