

Materials Related to Public School Employees Health Insurance

Joint Meeting

SENATE INTERIM COMMITTEE ON EDUCATION
SENATE INTERIM COMMITTEE ON INSURANCE AND COMMERCE
HOUSE INTERIM COMMITTEE ON EDUCATION
and the
HOUSE INTERIM COMMITTEE ON INSURANCE AND COMMERCE

Monday, September 9, 2013
10:00 A.M.
Committee Room A, MAC Building
Little Rock, Arkansas 72201

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Historical Summary
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Bureau Brief

Memorandum

TO : House and Senate Education Committees;
House and Senate Insurance and Commerce Committees

FROM: Nell Smith, Policy Analysis and Research Section

DATE : September 9, 2013

SUBJECT : History of Public School Employees' Health Insurance

The following memo provides a timeline of events affecting the structure and funding of the Public School Employees' Health Insurance Plan. This timeline was drafted with great assistance from BLR staff members Lori Bowen, fiscal analyst, and Sarah Ganahl, legal analyst.

Pre-1995-1997 Biennium

The current method of funding and administering the public school employees' health insurance plan began with changes enacted in the 1995 legislative session. Prior to that time, the public school employees' insurance program was administered by the School Insurance Section of the Arkansas Department of Education (ADE). The General Assembly appropriated about \$45 million annually for the plan, and special language called for the State Board of Education to establish the state contribution level within the amount of funds available. The appropriation legislation also prohibited the contribution amount per public school employee from exceeding the amount authorized and expended for state employees.

1995 Session, 1995-1997 Biennium

Two changes were made during the 1995 session that affected the public school employee health insurance program, beginning with FY1997:

- 1.) The method of funding schools changed. Under the new method districts received "state equalization funding aid" beginning with the 1996-97 school year, and the funding for health insurance was distributed to school districts as part of the \$1.3 billion appropriation. Rather than funding health insurance as a separate line item appropriation for the Department of Education, the funding was provided as part of the per-student funding districts received, and **districts were then responsible for paying the health insurance contribution** for eligible employees. The appropriation for Public School Employee Health Insurance dropped from \$43 million for FY1996 to \$480,500 for FY1997. The \$480,500 appropriation that remained in 1997 was intended to pay the state contribution for the health insurance of employees in the educational cooperatives, vocational centers and the school operated by the Department of Correction, which did not receive state equalization funding aid.

2.) Act 1206 of 1995 created a **single board to administer both the state employees and public school personnel insurance programs**, known as the Arkansas State Employee/Public School Personnel Board. The measure resulted from work completed by a legislative study committee formed during the 1993 legislative session, according to *Arkansas Democrat-Gazette* articles written at the time. The State Employee-Public School Personnel Health Insurance Study Committee hired two consulting companies to examine the merits of merging the state employees' plan and the public school employees' plan. The Study Committee opted not to recommend merging the plans and instead suggested forming a single administrative body to oversee both plans, according to the newspaper articles.

One of Act 1206's stated purposes was to "enable a single board to manage the programs in a concerted effort and to work toward a common goal that the **same multiple benefit options be made available to participants under both public school and state employee current programs.**" However, according to the language in the Public School Fund appropriation bill, the State Board of Education remained responsible for setting the school district contribution rates.

1997 Session, 1997-1999 Biennium

Few legislative changes were made to the public school employees' health insurance plan or the appropriation in the 1997 session. However, the appropriation bill for FY1998 and FY1999 dropped language included in previous appropriations bills ensuring that monthly contributions per public school employee "shall not exceed" the amount authorized and expended for State Employees.

In 1998, following the announcement of steep premium increases, the State Board of Education voted to provide an **additional \$12.4 million** from Education Department reserves to districts and encouraged them to use the funding to offset rising health insurance costs. The decision to provide the additional funding was made in lieu of raising the required district contribution rate, an action that had been considered, according to *Arkansas Democrat-Gazette* articles written at the time.

Around the same time, a legislator requested an Attorney General's opinion on whether school districts were legally permitted to purchase health insurance outside the state's public school employees' health plan. In March 1999, the Arkansas Attorney General opined (99-028) that state law "in all likelihood" did not permit districts to purchase their own health insurance. The opinion noted that it would be "contrary to the legislative intent expressed under A.C.A. § 21-5-401(1)," which established the Arkansas State Employee and Public School Personnel Board. The opinion further noted, "My review of these provisions compels me to conclude that only one public school employee health insurance plan is contemplated, and that is the one designed and administered by the Board."

1999 Session, 1999-2001 Biennium

The General Assembly's 1999 public school funding appropriation bill, noted the \$12.4 million in additional funding released by the State Board of Education, and encouraged districts to raise their contribution "to a reasonable level consistent with the funding increase received by each district." The bill also changed the State Board-established district contribution level (\$114 at the time) into a *minimum* contribution level, allowing districts to provide additional contribution if they so chose.

2001 Session, 2001-2003 Biennium

Act 1745 of 2001 took the responsibility for setting the school districts' contribution level from the State Board of Education and, instead, **set the level in statute**. The 2001 legislation set the contribution level for FY2002, 2003, and 2004. Beginning in July 2001, the statutory minimum was \$114 per month. Beginning in October 2003, the level increased to \$122, and in October 2004, the level increased again to \$131. The contribution rate was not increased again until Act 517 of 2013.

2003 Sessions, 2003-2005 Biennium

Act 59 of the Second Extraordinary Session of 2003 again changed the way the state funded public schools from State Equalization Funding to State Foundation Funding. The law provided \$5,400 per student in foundation funding in addition to new categorical funding for professional development, economically disadvantaged (National School Lunch) students, English language learners and alternative learning environments. Districts were expected to use these funds and others (e.g., federal funds) to pay the monthly \$131 per employee enrolled in the health plan. The law did not specify the amount of the foundation funding or categorical funding intended to cover employee health insurance, but the adequacy study process identified **at least \$129.11 per student (ADM) of foundation funding** that was provided for this purpose.

2005 and 2006 Sessions, 2005-2007 Biennium

The 2005 Regular Session established the infusion of another **\$35 million for public school employees' health insurance**. Act 2131 increased the appropriation for Public School Employee Insurance from about \$1 million in 2004-05 to \$36.8 million in 2005-06 and \$36.9 million in 2006-07. (That appropriation included the state contribution for employees in the co-ops, vocational centers, and the Department of Correction's school.) The \$35 million, which had not been part of the Governor's proposed balanced budget, was directed to the Employee Benefits Division (EBD) through Act 1842. That legislation required ADE to pay EBD **\$61 per month for each eligible public school employee** participating in the public school employees' health insurance program. The law did not require EBD to distribute the \$61 per employee equally among all participants. The General Assembly has continued to appropriate this \$35 million every year since FY2006.

In a June 2005 order in the Lakeview lawsuit, the Arkansas Supreme Court appointed Special Masters to assess state's progress toward meeting its constitutional requirements of providing a general, suitable and efficient education system. In October 2005, the Special Masters submitted their report, in which they found the \$35 million increase in funding for teachers' health insurance to be "undoubtedly a good thing." However, they also noted "its effect upon education is indirect at best and does not excuse the failure to fund educational resources adequately."

During the First Extraordinary Session of 2006, the General Assembly passed twin measures, Acts 24 and 25, which required school districts to "provide the same employer-provided health insurance benefits for all full-time school district employees" and to "pay the same employer contribution rate for each eligible employee electing to participate in the public school employees' health insurance program."

In the final report of the 2006 Educational Adequacy Study, the House and Senate Interim Committee on Education and the Senate Interim Committee on Education referred the issue of teacher health insurance for further study. Specifically, the study was to examine the impact of removing from foundation funding the amount that funds the monthly \$131 district contribution.

2007 Session, 2007-2009 Biennium

Act 229 of 2007 again appropriated \$35 million annually to enhance the state's contribution for public school employees' health insurance premiums. Act 1420 required ADE to pay EBD *a minimum* of \$61 per month for each eligible public school employee participating in the public school employees' health insurance program, and called for the transfer of the \$35 million for that purpose. The minimum district contribution of \$131 per participating employee remained unchanged.

Act 1009 of 2007 changed the legislative intent of the State and Public School Life and Health Insurance Board. The legislative purpose of enabling a single board to set and manage policies "for the programs in a concerted effort and to work toward a common goal that multiple benefit options be made available to participants under both public school and state employee current programs" was changed to enabling a single board to "set and manage policies for the health insurance and life insurance programs of state and public school employees" and to "work in a concerted effort toward a **common goal of parity** between public school and state employee insurance programs."

With insurance premiums continuing to rise in 2008, the Legislature again examined options for more efficiently funding health insurance for public school employees. As part of the 2008 Educational Adequacy Study, the House and Senate Education Committees requested an actuarial analysis to compare:

- The cost of funding based on the number of public school employees *eligible* for insurance, instead of those actually participating.
- The cost of merging the state employees and the public school employees into one group and applying the same percentage of employee contributions for public school employees and state employees.
- The cost of providing an equal percentage contribution to state employees' and public school employees' coverage (i.e., contributing 75% of the cost of employees' coverage and 50% of the cost of coverage for dependents).

The actuarial analysis, provided by EBD's actuary Milliman, found that funding based on eligible employees, rather than participating employees, would cost \$31 million more each year than the existing configuration of the plan. Merging the two plans together and applying the same percentage of employee contributions for public school employees as state employees would cost \$107 million more than the existing plan configuration in first year (FY2010) and would increase each year to about \$216 million in additional cost by FY2015. The cost of providing a percentage contribution equal to the state employees' plan would be an additional \$104 million the first year and \$209 million by FY2015. If that contribution were equalized gradually over six plan years, it would cost an additional \$15.8 million the first year, \$47 million the second year and \$197 million more than the current plan configuration by FY2015.

The 2008 Final Report and Recommendations of the Adequacy Study Oversight Subcommittee noted that "no evidence" was presented that "the cost of health insurance premiums for public school employees will prevent Arkansas public schools from teaching the required curriculum or prevent Arkansas public school students from achieving proficiency." The Education Committees, however, recognized "the employee health insurance cost is one factor that impacts teacher recruitment and retention in Arkansas, but there has been no clear evidence that health insurance costs, alone, deprive the public school system of the teachers needed for providing a substantially equal opportunity for an adequate education."

That said, the Education Committees recommended increasing ADE's health insurance appropriation by \$63 million to be paid to EBD. This proposed funding was intended to provide \$15.8 million in FY2010 and \$47 million for FY2011 to fund the "Scenario 1B" option Milliman presented to gradually equalize the percentage contribution of public school employees' and state employees' health insurance.

The Adequacy Study report noted, however, that the recommendation "is not a determination that this amount is needed to provide educational adequacy. However, the increase in funding will help stabilize the premium costs for public school employees and begin the process of equalizing premium costs between public school employees and state employees, which will require two additional bienna to complete."

2009 and 2010 Sessions, 2009-2011 Biennium

In the 2009 Regular Session, the General Assembly appropriated another \$15 million for public school employees' health insurance for FY2010. When added to the \$35 million annual appropriation, the combined amount provided a \$50 million total contribution on top of funding made available through foundation funding and other state funding. The additional \$15 million had not been part of the Governor's proposed balance budget, and its connection to the Adequacy Study's recommended \$15.8 million is unclear.

Act 1421 of 2009 authorized up to \$15 million to be paid by ADE to EBD for public school employee health insurance contingent upon an equal amount of growth in Uniform Rate of Tax (URT) collections above originally projected levels. The URT collection growth that year was adequate to allow ADE to provide the maximum \$15 million. The General Assembly did not increase the requirement that ADE pay EBD \$61 per public school employee participating in the plan. Instead, Act 1421 required ADE to transfer the \$15 million to EBD, where the funds were to be "administered by the board for the benefit of the employee participants of the public school employees' health insurance program." The additional \$15 million has continued to be appropriated in each subsequent fiscal year through the current FY2014.

In 2010, the General Assembly conducted its first fiscal session. The \$47 million recommended by the Education Committees in the 2008 Adequacy Study was not included in the Governor's balanced budget, and the General Assembly did not appropriate or provide the funding. The General Assembly also made no additional changes to the way it funded health insurance for public school employees for FY2011, FY2012 and FY2013.

2011 and 2012 Sessions, 2011-2013 Biennium

Amid news that public school employees' health insurance premiums would again increase substantially for 2013, the House Education Committee Chairman appointed eight legislators to a subcommittee to examine the issue. The subcommittee held five meetings and discussed three proposals:

- Provide a \$10 million supplemental appropriation to the Employee Benefits Division (EBD) of the Department of Finance and Administration (DF&A) for public school employee health insurance.
- Freeze the state contribution for state employee health insurance at \$390.
- Increase the employer contribution rate for the public school employee health insurance program to \$150.

The subcommittee did not vote on a recommendation. However in a March 2013 supplement to the 2012 Final Report of the Adequacy Study, the Education Committees recommended increasing the funding

intended for public school employees' health insurance. They recommended adopting a 2% inflationary adjustment to the per-pupil foundation amount for fiscal years 2014 and 2015. **A portion of that increase (0.2%) is intended to support an increase in the minimum district contribution** for employees participating in the Public School Employees Health Insurance Plan.

2013 Session, 2013-2015 Biennium

Act 1309 of 2013 **increased the minimum monthly district contribution from \$131 per participating employee to \$150** beginning Jan. 1, 2014 and required the district contribution to increase annually thereafter. The law requires the same percentage increase as the increase in the salary and benefit component of the foundation funding.

In response to a request by the Governor, the General Assembly appropriated a total of \$10 million in **General Improvement Funds** for teacher health insurance benefits, and \$8 million in funding was provided to replenish the Public School Employee Health Insurance Catastrophic Reserves, which had become depleted. According to EBD, this \$8 million also helped avoid 2013 mid-year rate increases.

Arkansas Code Annotated 6-17-1117
Health Insurance
Public School Employees

6-17-1117. Health insurance.

Statute text

(a) Beginning on October 1, 2004, local school districts shall pay the health insurance contribution rate of ~~one hundred thirty-one dollars (\$131) per month for each eligible employee electing to participate~~ in the public school employees' health insurance program.

(b)(1)(A) The Department of Education shall pay the Employee Benefits Division of the Department of Finance and Administration ~~a minimum of sixty-one dollars (\$61.00) per month~~ for each eligible employee electing to participate in the public school employees' health insurance program administered by the State and Public School Life and Health Insurance Board.

(B) The Department of Education shall make the total contributions under subdivision (b)(1)(A) of this section by transferring ~~thirty-five million dollars (\$35,000,000)~~ to the division in eleven (11) equal monthly installments.

(2) The funds provided to the division under this subsection shall be administered by the board for the benefit of the employee participants of the public school employees' health insurance program.

(3)(A) In the event that appropriation or funding is not provided, the department shall not be responsible for the increased payments for the public school employees' health insurance program as established by this section.

(B) If funding and appropriation are provided but are inadequate for the total number of employees electing to participate in the public school employees' health insurance program, the department shall pay a proportional share on behalf of each participant.

(C) If funding and appropriation are provided and exceed the amount needed to make the minimum contribution under subdivision (b)(1)(A) of this section, the department shall pay a proportional share of the excess on behalf of each participant.

(c)(1) A school district shall:

(A) Provide the same employer-provided health insurance benefits for all full-time school district employees; and

(B) Pay the same employer contribution rate for each eligible employee electing to participate in the public school employees' health insurance program.

(2) If a school district entered into a contract with a superintendent, teacher, or other personnel prior to April 11, 2006, and the contract provides for a higher employer contribution rate than is paid for a majority of the certified personnel in the school district, then the school district may continue to pay the higher contribution rate as provided under the existing contract but not under extensions, addendums, or new contracts created after April 11, 2006, without increasing all other employees to the same rate.

(3) Any school district that entered into contracts with classified personnel prior to July 31, 2007 and the contracts provided for a higher employer contribution funding amount than is paid for certified personnel in the school district shall freeze the employer contribution funding amount for classified employees until such time as the funding amount contributed for certified personnel equals or exceeds the funding amount provided for classified employees.

History

History. Acts 1995, No. 1194, § 14; 2001, No. 1745, § 1; 2005, No. 1842, § 1; 2006 (1st Ex. Sess.), No. 24, § 1; 2006 (1st Ex. Sess.), No. 25, § 1; 2007, No. 229, § 28; 2007, No. 306, § 1; 2007, No. 1009, § 18; 2007, No. 1420, § 32.

Annotations

A.C.R.C. Notes. References to “this subchapter” in §§ 6-17-1109 — 6-17-1116 may not apply to this section which was enacted subsequently.

As enacted, this section ended:

“Furthermore, beginning with the 1996-97 fiscal year, the appropriation contained herein for Public School Employee Insurance shall be used to provide the state contribution for insurance premiums for employees of the Cooperative Education Services Areas, Vocational Centers and the school operated by the Department of Correction.”

Acts 2009, No. 1421, § 27, provided:

“PUBLIC SCHOOL RETIREE HEALTH INSURANCE. The Employee Benefits Division of the Department of Finance and Administration may use up to eleven dollars and twenty cents (\$11.20) from each contribution made under Arkansas Code § 6-17-1117 (a) to offset the cost of health insurance premiums to eligible members electing to participate in the public school employees' health insurance program as a retiree.”

Acts 2010, No. 293, § 25, provided: “PUBLIC SCHOOL RETIREE HEALTH INSURANCE. The Employee Benefits Division of the Department of Finance and Administration may use up to eleven dollars and twenty cents (\$11.20) from each contribution made under Arkansas Code § 6-17-1117(a) to offset the cost of health insurance premiums to eligible members electing to participate in the public school employees' health insurance program as a retiree.”

Acts 2011, No. 855, § 1, provided:

“Legislative findings. The General Assembly finds that:

“(1) Morbid obesity causes many medical problems and costly health complications, such as diabetes, hypertension, heart disease, and stroke;

“(2) The cost of managing the complications of morbid obesity, largely due to inadequate treatment, far outweighs the cost of expeditious, effective medical treatment;

“(3) Guidelines developed by the National Institutes of Health, the American Society for Bariatric Surgery, the American Obesity Association, and Shape Up America and embraced by the American Medical Association and the American College of Surgeons recommend that patients who are morbidly obese receive responsible, affordable medical treatment for their obesity; and

“(4) The diagnosis and treatment of morbid obesity should be a clinical decision made by a physician based on evidence-based guidelines.”

Acts 2011, No. 855, § 2, provided:

“Definitions.

“As used in this subchapter:

“(1) ‘Body mass index’ means body weight in kilograms divided by height in meters squared; and

“(2)(A) ‘Morbid obesity’ means a weight that is at least two (2) times the ideal weight for frame, age, height, and gender of an individual as determined by an examining physician.

“(B) Morbid obesity may be measured as a body mass index:

“(i) Equal to or greater than thirty-five kilograms per meter squared (35 kg/m²) with comorbidity or coexisting medical conditions such as hypertension, cardiopulmonary conditions, sleep apnea, or diabetes; or

“(ii) Greater than forty (40) kilograms per meter squared (40 kg/m²).”

Acts 2011, No. 855, § 3, provided:

“Pilot Program on coverage for morbid obesity diagnosis and treatment.

“(a)(1) A state and public school employees health benefit plan that is offered, issued, or renewed on or after January 1, 2012, shall offer coverage for the diagnosis and treatment of morbid obesity.

“(2) The coverage for morbid obesity offered under subdivision (a)(1) of this section includes without limitation coverage for bariatric surgery including:

“(A) Gastric bypass surgery;

“(B) Adjustable gastric banding surgery;

“(C) Sleeve gastrectomy surgery, and

“(D) Duodenal switch biliopancreatic diversion.

“(b) A state and public school employees health benefit plan shall offer the benefits under this section to the same extent as for other medically necessary surgical procedures under the enrollee's or insured's contract or policy with the entity.

“(c) The coverage for morbid obesity diagnosis and treatment offered under this subchapter does not diminish or limit benefits otherwise allowable under a state and public school employees health benefit plan.”

Acts 2011, No. 855, § 4, provided:

“RULES. The State and Public School Life and Health Insurance Board shall adopt rules to implement this subchapter.”

Acts 2011, No. 855, § 5, provided:

“This act shall become null and void and cease to have any effect at midnight on December 31, 2017.”

Acts 2011, No. 1175, § 25, provided: “The Employee Benefits Division of the Department of Finance and Administration may use up to eleven dollars and twenty cents (\$11.20) from each contribution made under Arkansas Code § 6-17-1117(a) to offset the cost of health insurance premiums to eligible members electing to participate in the public school employees' health insurance program as a retiree.”

Acts 2011, No. 1175, § 27, provided: “HEALTH INSURANCE.

The appropriation contained herein for Public School Employee Insurance each fiscal year shall be used to provide the state contribution for insurance premiums for employees of the Cooperative Education Services Areas, Vocational Centers, and the school operated by the Department of Correction who participate in the Arkansas Public School Life and Health Insurance Program.

“The provisions of this section shall be in effect only from July 1, 2011 through June 30, 2012.”

Acts 2012, No. 269, § 25, provided: “PUBLIC SCHOOL RETIREE HEALTH INSURANCE. The Employee Benefits Division of the Department of Finance and Administration may use up to eleven dollars and twenty cents (\$11.20) from each contribution made under Arkansas Code §

6-17-1117 (a) to offset the cost of health insurance premiums to eligible members electing to participate in the public school employees' health insurance program as a retiree."

Acts 2012, No. 269, § 27, provided: "HEALTH INSURANCE.

The appropriation contained herein for Public School Employee Insurance each fiscal year shall be used to provide the state contribution for insurance premiums for employees of the Cooperative Education Services Areas, Vocational Centers, and the school operated by the Department of Correction who participate in the Arkansas Public School Life and Health Insurance Program.

"The provisions of this section shall be in effect only from July 1, 2012 through June 30, 2013."

Amendments. The 2005 amendment deleted former (a) and (b); redesignated former (c) as present (a); and added present (b).

The 2006 (1st Ex. Sess.) amendment by identical acts Nos. 24 and 25 added (c).

The 2007 amendment by No. 229 deleted former (b)(3)(B) relating to transfers.

The 2007 amendment by No. 306 added (c)(3).

The 2007 amendment by No. 1009 deleted "of a public school district" following "employee" in (b)(1); redesignated former (b)(3)(A)(i) and (b)(3)(A)(ii) as present (b)(3)(A) and (b)(3)(B); and deleted former (b)(3)(B).

The 2007 amendment by No. 1420 added (b)(1)(B) and (3)(C) and made related changes; and inserted "a minimum of" in (b)(1)(A).

Act 517 of 2013
TO AMEND THE EMPLOYER
CONTRIBUTION RATE FOR THE
PUBLIC SCHOOL EMPLOYEES'
HEALTH INSURANCE PROGRAM.

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

A Bill

SENATE BILL 332

5 By: Senators J. Key, Elliott, J. English, Rapert
6 By: Representatives Lenderman, J. Edwards, Hopper, Hutchison, Lampkin, Murdock, Nickels, Ratliff, F.
7 Smith, Williams, Word
8

For An Act To Be Entitled

9
10 AN ACT TO AMEND THE EMPLOYER CONTRIBUTION RATE FOR
11 THE PUBLIC SCHOOL EMPLOYEES' HEALTH INSURANCE
12 PROGRAM; AND FOR OTHER PURPOSES.
13
14

Subtitle

15
16 TO AMEND THE EMPLOYER CONTRIBUTION RATE
17 FOR THE PUBLIC SCHOOL EMPLOYEES' HEALTH
18 INSURANCE PROGRAM.
19
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code § 6-17-1117(a), concerning the employer
24 contribution rate for the public school employees' health insurance program,
25 is amended to read as follows:

26 (a)(1) ~~Beginning on October 1, 2004, local school districts~~ Beginning
27 on January 1, 2014, a school district shall pay the health insurance
28 contribution rate of ~~one hundred thirty one dollars (\$131)~~ one hundred fifty
29 dollars (\$150) per month for each eligible employee electing to participate
30 in the public school employees' health insurance program.

31 (2) The contribution rate under this subsection (a) shall
32 increase annually by the same percentage that the legislature increases the
33 salary and benefit component of the per-student foundation funding amount
34 under § 6-20-2305.
35
36

APPROVED: 03/27/2013



Arkansas Code Annotated 21-5-401, et seq.
State and Public School
Life and Health Insurance Board

Subchapter 4— State and Public School Life and Health Insurance Board

- 21-5-401. Legislative intent.
 - 21-5-402. Members.
 - 21-5-403. Policy-making body only — Reports.
 - 21-5-404. Powers — Functions — Duties.
 - 21-5-405. Additional duties.
 - 21-5-406. Executive director — Staff.
 - 21-5-407. Definitions.
 - 21-5-408. Compensation.
 - 21-5-409. [Repealed.]
 - 21-5-410. Employees — Eligibility.
 - 21-5-411. Eligibility of certain retired employees.
 - 21-5-412. Eligibility of certain elected officers.
 - 21-5-413. [Repealed.]
 - 21-5-414. State contributions generally — Partial state contribution of employees' premiums.
 - 21-5-415. Nonpayment of premiums and failure to file reports by agency or school district.
 - 21-5-416. Annual performance audits.
 - 21-5-417. State contribution for employee receiving workers' compensation.
- Annotations

A.C.R.C. Notes. Acts 1991, No. 867, § 1, provided:

“The Governor may, by executive order, transfer the State Employees Insurance Section of the Department of Finance and Administration to the State Insurance Department at such time as he determines it to be in the best interest of the State Employees Insurance Program.”

Acts 1995, No. 1206, § 9, provided:

“The State Employees Insurance Advisory Committee created by Arkansas Code 21-5-401 is abolished effective July 1, 1995. Arkansas Code 21-5-402, 21-5-403, 21-5-404, 21-5-405, 21-5-406, 21-5-407, 21-5-408, 21-5-409 are repealed. All rights, powers and duties of that Committee are transferred to the board created under the provisions of this act. The Public School Insurance Advisory Committee created by Arkansas Code 6-17-1102 is abolished effective July 1, 1995. Arkansas Code 6-17-1101, 6-17-1103, 6-17-1104, 6-17-1105, 6-17-1106, 6-17-1107, 6-17-1108 and 6-17-1110 are repealed. All rights, powers and duties of that Committee are transferred to the board created under the provisions of this act. Any funding or contracts now in force or authorized by the 1995 Regular Session of the General Assembly shall be carried forward to the Arkansas State Employees/Public School Personnel Board until the expiration of the contracts.”

Acts 2001, No. 776, § 1, provided:

“STATE EMPLOYEE BONUS.

(a) On the effective date of this act, or as near thereto as possible, each state agency, board, commission and institution shall provide a bonus of four hundred fifty dollars (\$450.00) to each employee who meets the following conditions:

“(1) the employee is scheduled to work at least 1,000 hours per year; and

“(2) the employee must be on the agency's, board's, commission's or institution's payroll for the previous two (2) pay periods or be on leave without pay; and

“(3) the employee must participate in the State Employees Insurance program.

“(b) The funds received by the employee from this act shall not be used when determining retirement benefits for the employee.”

Acts 2011, No. 855, § 1, provided:

“Legislative Findings.

“The General Assembly finds that:

“(1) Morbid obesity causes many medical problems and costly health complications, such as diabetes, hypertension, heart disease, and stroke;

“(2) The cost of managing the complications of morbid obesity, largely due to inadequate treatment, far outweighs the cost of expeditious, effective medical treatment;

“(3) Guidelines developed by the National Institutes of Health, the American Society for Bariatric Surgery, the American Obesity Association, and Shape Up America and embraced by the American Medical Association and the American College of Surgeons recommend that patients who are morbidly obese receive responsible, affordable medical treatment for their obesity; and

“(4) The diagnosis and treatment of morbid obesity should be a clinical decision made by a physician based on evidence-based guidelines.”

Acts 2011, No. 855, § 2, provided:

“Definitions. As used in this subchapter:

“(1) ‘Body mass index’ means body weight in kilograms divided by height in meters squared; and

“(2)(A) ‘Morbid obesity’ means a weight that is at least two (2) times the ideal weight for frame, age, height, and gender of an individual as determined by an examining physician.

“(B) Morbid obesity may be measured as a body mass index:

“(i) Equal to or greater than thirty-five kilograms per meter squared (35 kg/m²) with comorbidity or coexisting medical conditions such as hypertension, cardiopulmonary conditions, sleep apnea, or diabetes; or

“(ii) Greater than forty (40) kilograms per meter squared (40 kg/m²).”

Acts 2011, No. 855, § 3, provided:

“Pilot Program on coverage for morbid obesity diagnosis and treatment.

“(a)(1) A state and public school employees health benefit plan that is offered, issued, or renewed on or after January 1, 2012, shall offer coverage for the diagnosis and treatment of morbid obesity.

“(2) The coverage for morbid obesity offered under subdivision (a)(1) of this section includes without limitation coverage for bariatric surgery including:

“(A) Gastric bypass surgery;

“(B) Adjustable gastric banding surgery;

“(C) Sleeve gastrectomy surgery, and

“(D) Duodenal switch biliopancreatic diversion.

“(b) A state and public school employees health benefit plan shall offer the benefits under this section to the same extent as for other medically necessary surgical procedures under the enrollee's or insured's contract or policy with the entity.

“(c) The coverage for morbid obesity diagnosis and treatment offered under this subchapter does not diminish or limit benefits otherwise allowable under a state and public school employees health benefit plan.”

Acts 2011, No. 855, § 4, provided: “Rules. The State and Public School Life and Health Insurance Board shall adopt rules to implement this subchapter.”

Acts 2011, No. 855, § 5, provided: “This act shall become null and void and cease to have any effect at midnight on December 31, 2017.”

Cross References. Damages adjudged against state officers and employees, payment by state, § 21-9-201 et seq.

Preambles. Acts 1977, No. 389, contained a preamble which read:

“Whereas, the General Assembly hereby finds and recognizes that there has been a dramatic increase in the medical care cost in the past few years and that this cost will continue to rise at the rate of approximately twenty percent (20%) a year for the next two years; and

“Whereas, the State Employees Insurance Committee will make a concerted effort to maintain the current cost to the State employees; and

“Whereas, the proposed legislation will provide a twenty percent (20%) increase in the State's contribution for each year of the 1977-1979 biennium; and

“Whereas, the increased contribution will not be used unless it becomes necessary to keep the plan sound;

“Now, therefore....”

Acts 1979, No. 323, contained a preamble which read:

“Whereas, the General Assembly hereby finds and recognizes that there has been a dramatic increase in the medical care cost in the past few years and that this cost will continue to rise at the rate of approximately twenty percent (20%) a year for the next two years; and

“Whereas, the State Employees Insurance Committee will make a concerted effort to maintain the current cost to the State employees; and

“Whereas, the proposed legislation will provide a twenty percent (20%) increase in the State's contribution for each year of the 1979-1981 biennium; and

“Whereas, the increased contribution will not be used unless it becomes necessary to keep the plan sound;

“Now, therefore....”

Acts 1981, No. 838, contained a preamble which read:

“Whereas, the General Assembly hereby finds and recognizes that there has been a dramatic increase in the medical care cost in the past few years and that this cost will continue to rise at the rate of approximately twenty percent (20%) a year for the next two years; and

“Whereas, the State Employees Insurance Committee will make a concerted effort to maintain the current cost to the State employees; and

“Whereas, the proposed legislation will provide a twenty percent (20%) increase in the State's contribution for each year of 1981-1983 biennium; and

“Whereas, the increased contribution will not be used unless it becomes necessary to keep the plan sound;

“Now, therefore....”

Acts 1983, No. 469, contained a preamble which read:

“Whereas, the General Assembly hereby finds and recognizes that there has been a dramatic increase in the cost of medical care in the past few years and that this cost will continue to rise for the next two years; and

“Whereas, the State Employees Insurance Advisory Committee will make a concerted effort to maintain the current cost to the State employees; and

“Whereas, the proposed legislation will provide an increase in the State's contribution for each year of 1983-1985 biennium; and

“Whereas, the increased contribution will not be used unless it becomes necessary to keep the plan sound;

“Now, therefore....”

Effective Dates. Acts 1972 (Ex. Sess.), No. 48, § 17: Feb. 18, 1972. Emergency clause provided:

“It is hereby found and determined by the Sixty-Eighth General Assembly, meeting in Extraordinary Session that the State of Arkansas does not have a life and/or disability insurance program for the State Employees, and that a program of this nature would greatly enhance the morale and well-being of the employees of the State of Arkansas. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after the date of its passage and approval.”

Acts 1973, No. 72, §§ 2, 4: July 1, 1973. Emergency clause provided: “It is hereby found and determined by the General Assembly that under Amendment No. 7 to the Arkansas Constitution, acts without an emergency clause become effective 90 days after final adjournment of the General Assembly; that due to the unusually heavy workload of the Sixty-Ninth General Assembly it may be necessary to extend the Session, as authorized in Article 5, Section 17 of the Constitution and that an extension of the Session might result in this Act not becoming effective until after July 1, 1973 unless an emergency is declared; and that it is essential that this Act go into effect on July 1, 1973. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.”

Acts 1973, No. 842, § 4: Apr. 16, 1973. Emergency clause provided: “The General Assembly finds that a change in the administrative organization of the State Employees Insurance Section is necessary to secure the more efficient functioning of the said Section. An emergency is therefore declared to exist, and this Act, being necessary for the public health, welfare, and safety, shall be effective from and after its passage and approval.”

Acts 1975, No. 156, § 2: July 1, 1975. Emergency clause provided: “It is hereby found and determined by the General Assembly that it is essential that the State of Arkansas offer and provide insurance programs that will effectively serve the needs of state employees; that such insurance programs are of great assistance in recruiting permanent personnel for the various state agencies; that under Amendment No. 7 to the Arkansas Constitution, acts without an emergency clause become effective 90 days after final adjournment of the General Assembly; that it may be necessary to extend the Session, as authorized in Article 5, Section 17 of the Constitution and that an extension of the Session might result in this Act not becoming effective

until after July 1, 1975, unless an emergency is declared; and that it is essential that this Act go into effect on July 1, 1975. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1975.”

Acts 1975, No. 575, § 4: Mar. 27, 1975. Emergency clause provided: “It is hereby found and determined by the General Assembly that there is urgent need to clarify the present law relating to the membership of the State Employees Insurance Advisory Committee; that under the present State Employees Group Insurance Law the Administrative personnel of the State Police Retirement, and Members of the Teacher Retirement System who have retired or who hereafter retire and draw benefits under said systems are not eligible to participate in the State Employees Group Insurance Plan and that the law should be revised to permit participation by such retired employees at the earliest possible date; and that this Act is designed to accomplish these worthwhile purposes and should be given effect immediately. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.”

Acts 1977, No. 389, § 3: July 1, 1977. Emergency clause provided: “It is hereby found and determined by the General Assembly that it is essential that the State of Arkansas offer and provide insurance programs that will effectively serve the needs of State employees; that such insurance programs are of great assistance in recruiting permanent personnel for the various State agencies; that under Amendment No. 7 to the Arkansas Constitution, acts without an emergency clause become effective 90 days after final adjournment of the General Assembly; that it may be necessary to extend the Session, as authorized in Article 5, Section 17 of the Constitution and that an extension of the Session might result in this Act not becoming effective until after July 1, 1977, unless an emergency is declared; and that it is essential that this Act go into effect on July 1, 1977. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1977.”

Acts 1979, No. 323, § 3: July 1, 1979. Emergency clause provided: “It is hereby found and determined by the General Assembly that it is essential that the State of Arkansas offer and provide insurance programs that will effectively serve the needs of State employees; that such insurance programs are of great assistance in recruiting permanent personnel for the various State agencies; that under Amendment No. 7 to the Arkansas Constitution, acts without an emergency clause become effective 90 days after final adjournment of the General Assembly; that it may be necessary to extend the Session, as authorized in Article 5, Section 17 of the Constitution and that an extension of the Session might result in this Act not becoming effective until after July 1, 1979, unless an emergency is declared; and that it is essential that this Act go into effect on July 1, 1979. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1979.”

Acts 1981, No. 749, § 9: July 1, 1981. Emergency clause provided: “It is hereby found and determined by the Seventy-Third General Assembly, that the immediate passage of this Act is necessary to prevent irreparable harm to the proper administration and provision of essential government programs. Therefore, an emergency is hereby declared to exist, and this Act being

necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1981.”

Acts 1981, No. 838, § 10: July 1, 1981. Emergency clause provided: “It is hereby found and determined by the General Assembly that it is essential that the State of Arkansas offer and provide insurance programs that will effectively serve the needs of State employees; that such insurance programs are of great assistance in recruiting permanent personnel for the various State agencies; that under Amendment No. 7 to the Arkansas Constitution, acts without an emergency clause become effective 90 days after final adjournment of the General Assembly; that it may be necessary to extend the Session, as authorized in Article 5, Section 17 of the Constitution and that an extension of the Session might result in this Act not becoming effective until after July 1, 1981, unless an emergency is declared; and that it is essential that this Act go into effect on July 1, 1981. Therefore, an emergency is hereby declared to exist and this Act being necessary for immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1981.”

Acts 1983, No. 423, § 7: July 1, 1983. Emergency clause provided: “It is hereby found and determined by the Seventy-Fourth General Assembly that the immediate passage of this Act is necessary to prevent irreparable harm to the proper administration and provision of essential government programs. Therefore, an emergency is hereby declared to exist, and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1983.”

Acts 1983, No. 469, § 3: July 1, 1983. Emergency clause provided: “It is hereby found and determined by the General Assembly that it is essential that the State of Arkansas offer and provide insurance programs that will effectively serve the needs of State employees; that such insurance programs are of great assistance in recruiting permanent personnel for the various State agencies; that under Amendment No. 7 to the Arkansas Constitution, acts without an emergency clause become effective 90 days after final adjournment of the General Assembly; that it may be necessary to extend the Session, as authorized in Article 5, Section 17 of the Constitution and that an extension of the Session might result in this Act not becoming effective until after July 1, 1983, unless an emergency is declared; and that it is essential that this Act go into effect on July 1, 1983. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from July 1, 1983.”

Acts 1983, No. 582, § 3: July 1, 1983. Emergency clause provided: “It is hereby found and determined by the Seventy-Fourth General Assembly that it is essential to the administration of the State Employees Insurance Program that premiums and reports be received when due from State Agencies. Therefore, an emergency is hereby declared to exist, and this Act being necessary for the immediate preservation of the public peace, health and safety, shall be in full force and effect from and after July 1, 1983.”

Acts 1985 (1st Ex. Sess.), No. 35, § 4: June 26, 1985. Emergency clause provided: “It is hereby found and determined by the General Assembly that the present laws relating to State Group Health Insurance does not specifically authorize retired instructors and administrative staff of vocational-technical schools and retired members of the Vocational-Technical Division to participate in the State group health insurance plan; that this oversight should be corrected immediately in order to avoid hardship and inequity to such personnel; that this Act is designed

to correct this undesirable situation and should be given effect immediately. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval."

Acts 1989, No. 711, § 3: Mar. 20, 1989. Emergency clause provided: "It is hereby found and determined by the Seventy-Seventh General Assembly of the State of Arkansas that the current prohibition against an agency continuing contributions to health insurance programs for employees who are leave with pay because of a work related injury is creating a severe financial hardship for employees who have been injured on the job. Therefore, in order to address this serious problem, an emergency is hereby declared to exist, and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval."

Acts 1991, No. 127, § 5: July 1, 1991. Emergency clause provided: "It is hereby found and determined by the General Assembly that the present law establishing the amount of contribution made by the State to help defray the cost of state employee's life and health insurance expires on June 30, 1991; that this Act establishes the contribution level to begin upon the expiration of the current law; and that this Act should therefore go into effect on July 1, 1991. Therefore, an emergency is hereby declared to exist and this Act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1991."

Acts 1993, No. 904, § 5: July 1, 1993. Emergency clause provided: "It is hereby found and determined by the General Assembly that the effectiveness of this act on July 1, 1993 is essential to the operation of the State Employees Insurance Plan and that in the event of an extension of the Regular Session, the delay in the effective date of this act beyond July 1, 1993 could work irreparable harm upon the proper administration of this essential governmental program. Therefore, an emergency is hereby declared to exist and this act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1993."

Acts 1995, No. 580, § 5: July 1, 1995. Emergency clause provided: "It is hereby found and determined by the General Assembly that this act increases the state's contribution to the State Employees Insurance Plan; that this act should go into effect on the first day of the next fiscal year; and that unless this emergency clause is adopted this act will not go in effect until after the beginning of the next fiscal year. Therefore an emergency is hereby declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall be in full force and effect from and after July 1, 1995."

Acts 1995, No. 1206, § 14: Apr. 11, 1995. Emergency clause provided: "It is hereby found and determined by the General Assembly that it is essential to the effective and efficient management of the state employee and the public school personnel health insurance programs that a single board be established to administer the programs and that this act is designed to accomplish this purpose and should be given effect on a specific date in order to assure a smooth transition to the single board concept. Therefore, an emergency is hereby declared to exist and this act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval."

Acts 1997, No. 183, § 8: Feb. 17, 1997. Emergency clause provided: "It is hereby found and determined by the General Assembly that Act 10 of the First Extraordinary Session of 1995 abolished the Joint Interim Committee on Insurance and Commerce and in its place established the House Interim Committee and Senate Interim Committee on Insurance and Commerce; that various sections of the Arkansas Code refer to the Joint Interim Committee on Insurance and Commerce and should be corrected to refer to the House and Senate Interim Committees on Insurance and Commerce; that this act so provides; and that this act should go into effect immediately in order to make the laws compatible as soon as possible. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall become effective on the date of its approval by the Governor. If the bill is neither approved nor vetoed by the Governor, it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto."

Acts 1997, No. 250, § 258: Feb. 24, 1997. Emergency clause provided: "It is hereby found and determined by the General Assembly that Act 1211 of 1995 established the procedure for all state boards and commissions to follow regarding reimbursement of expenses and stipends for board members; that this act amends various sections of the Arkansas Code which are in conflict with the Act 1211 of 1995; and that until this cleanup act becomes effective conflicting laws will exist. Therefore an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall become effective on the date of its approval by the Governor. If the bill is neither approved nor vetoed by the Governor [sic], it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto."

Acts 1997, No. 843, § 5: July 1, 1997. Emergency clause provided: "It is hereby found and determined by the General Assembly of the State of Arkansas that appropriate health care insurance coverage and benefits be provided state employees and that it is essential to the effective and efficient management of the state employee and public school personnel health insurance program that maximum monthly contributions by the State of Arkansas for life and health insurance premiums are authorized for the next and subsequent bienniums. Therefore, an emergency is hereby declared to exist and this Act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 1997."

Acts 1997, No. 1354, § 51: Apr. 14, 1997. Emergency clause provided: "It is found and determined by the General Assembly of the State of Arkansas that this act affects the method of selection of alternate members of the Legislative Council and Legislative Joint Auditing Committee and that this act is immediately necessary for proper continuity and efficiency in State government. Therefore an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall become effective on the date of its approval by the Governor. If the bill is neither approved nor vetoed by the Governor, it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto."

Acts 1999, No. 1280, § 19: Apr. 9, 1999. Emergency clause provided: "It is hereby found and determined by the Eighty-second General Assembly that provisions contained in this bill be enacted into law. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall become effective on the date of its approval by the Governor. If the bill is neither approved nor vetoed by the Governor, it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto."

Acts 2001, No. 1171, § 2: Mar. 28, 2001. Emergency clause provided: "It is found and determined by the General Assembly that the State and Public School Life and Health Insurance Plan does not provide retirees on other health insurance plans with the option to return to coverage under the state's plan after retirement; that providing this option to state employees and state retirees will provide extra motivation and work incentives for Arkansas public employees; that providing this option will not cost the State and Public School Life and Health Insurance Plan since there are no associated employer costs with this coverage; and that providing this option is immediately needed for retirees who may suffer financially if insurance coverage is not extended. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall become effective on the date of its approval by the Governor. If the bill is neither approved nor vetoed by the Governor, it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto."

Acts 2001, No. 1752, § 3: Apr. 18, 2001. Emergency clause provided: "It is found and determined by the General Assembly that a person retiring from certain institutions of higher education during 2001 will experience uncertainty regarding their eligibility for group health insurance coverage; that providing immediate eligibility for health insurance benefits to those retirees is necessary for the preservation of the public peace, health and safety. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall become effective on the date of its approval by the Governor. If the bill is neither approved nor vetoed by the Governor, it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto."

Acts 2001, No. 1814, § 5: Apr. 18, 2001. Emergency clause provided: "It is found and determined by the General Assembly of the State of Arkansas that many state and public school employees participate in benefits offered through a cafeteria plan; that many state and public school employees participate in voluntary health, disability and other insurance programs; that the Employee Benefits Division of the Department of Finance and Administration is charged with the responsibility of administering these plans; that the existing law governing these plans is in need of clarification in order to allow the Employee Benefits Division to obtain bids for these programs at the lowest possible rates; that state and public school employees are in need of obtaining these programs at the lowest possible rates; and, that this act is necessary in order to achieve those objectives. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall become

effective on the date of its approval by the Governor. If the bill is neither approved nor vetoed by the Governor, it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto."

Acts 2003, No. 826, § 4: July 1, 2003. Emergency clause provided: "It is found and determined by the General Assembly of the State of Arkansas that unreimbursed expenses are being withdrawn from the State Employees Benefits Trust Fund of the State and Public School Employees Insurance Fund; that this act is needed to prevent confusion and uncertainty concerning these funds; and that this act is immediately necessary to recover costs to the State Employees Benefits Trust Fund of the State and Public School Employees Insurance Fund as required by law. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2003."

21-5-401. Legislative intent.

Statute text

It is the purpose of this subchapter to:

- (1) Create a single board to select health insurance and life insurance plan coverages for state and public school employees and retirees;
- (2) Develop self-funded health programs to enhance the ability to control premiums and utilize managed care capabilities if feasible and in the best interest of plan members; and
- (3) Enable a single board to:
 - (A) Set and manage policies for the health insurance and life insurance programs of state and public school employees;
 - (B) Work in a concerted effort toward a common goal of parity between public school and state employee insurance programs;
 - (C) Improve the quality of health care services under the programs;
 - (D) Increase participants' understanding of program features; and
 - (E) Slow the rate of growth in health care expenses under the programs.

History

History. Acts 1995, No. 1206, § 1; 1999, No. 1280, § 1; 2007, No. 1009, § 1.

Annotations

A.C.R.C. Notes. Acts 1995, No. 1206, § 9, provided, in part:

"The State Employees Insurance Advisory Committee created by Arkansas Code 21-5-401 is abolished effective July 1, 1995."

Publisher's Notes. Former § 21-5-401, concerning the State Employees Insurance Advisory Committee, was deemed to be repealed by Acts 1995, No. 1206, § 9. The former section was derived from Acts 1972 (Ex. Sess.), No. 48, § 1; A.S.A. 1947, § 12-3101.

Amendments. The 1999 amendment, in (1), substituted "set policy and select plans and coverages for" for "manage," and inserted "and life," "health care options, and utilize" and "and in the best interest of state employees and public school personnel"; and substituted "set and manage policies for" for "manage" in (3).

The 2007 amendment rewrote the section.

Case Notes

Recommendations Not Rule-Making.

Recommendations Not Rule-Making.

Recommendations by a state board as to the adoption of a mail order service and change in the reimbursement rates of a pharmacy service plan for state and public school employees did not constitute "rule-making" within § 25-15-202(8) and (9) of the Arkansas Administrative Procedure Act, § 25-15-201 et seq., and accordingly, the notice and hearing provisions therein did not have to be complied with; such recommendations were within the board's legislatively mandated duties pursuant to this section. *Ark. Pharmacist's Ass'n v. Ark. State & Pub. Sch. Life*, 352 Ark. 1, 98 S.W.3d 27 (2003).

21-5-402. Members.

Statute text

(a)(1) There is created the State and Public School Life and Health Insurance Board, composed of the following twelve (12) voting members:

- (A) A state employee who is eligible to participate in the insurance program under this subchapter to be appointed by the Governor;
- (B) A certified classroom teacher to be appointed by the Governor;
- (C) The Insurance Commissioner or his or her designee;
- (D) The Commissioner of Education or his or her designee;
- (E) The Director of the Department of Finance and Administration or his or her designee;
- (F) One (1) member who is engaged in employee benefits management or risk management in private industry to be appointed by the Governor;
- (G) Two (2) additional member positions that shall be filled by a retired teacher and by a retired state employee appointed by the Governor;
- (H) One (1) public school administrator to be appointed by the Governor;
- (I) The Executive Director of the Arkansas State Board of Pharmacy or his or her state employee pharmacist designee;
- (J) The Director of Health Facility Services of the Department of Health or his or her designee; and
- (K) One (1) member who is a licensed health care provider appointed by the Governor.

(2) However, any appointee who has a conflict of interest shall be disqualified to serve.

(b)(1) All members appointed by the Governor shall be appointed for terms of four (4) years but may be reappointed for additional terms.

(2)(A) Vacancies in the Governor-appointed positions shall be filled by appointment of the Governor for the unexpired term.

(B) Members appointed by the Governor shall serve at the will of the Governor.

(c) A chair and vice chair of the board shall be selected annually by and from the membership of the board and shall serve no more than two (2) years.

History

History. Acts 1995, No. 1206, §§ 2, 3; 1997, No. 633, § 1; 1999, No. 1280, § 2; 2003, No. 1446, § 1; 2007, No. 1009, § 2.

Annotations

A.C.R.C. Notes. As enacted by Acts 1995, No. 1206, § 2, subdivision (b)(1) began:

As enacted by Acts 1995, No. 1206, § 3, subsection (c) began:

“The initial chairman and vice chairman of the board shall be designated by the Governor for terms of one year. Subsequent...”

Publisher's Notes. Former § 21-5-402, concerning appointment and terms of committee members, was repealed by Acts 1995, No. 1206, § 9. The former section was derived from Acts 1972 (Ex. Sess.), No. 48, §§ 2, 3; 1975, No. 575, §§ 1, 2; 1981, No. 749, §§ 1, 2; 1981, No. 838, §§ 3, 4; 1983, No. 668, §§ 1, 2; A.S.A. 1947, §§ 12-3102, 12-3103; Acts 1987, No. 844, §§ 1, 2; 1991, No. 867, § 2.

Amendments. The 1999 amendment rewrote this section.

The 2003 amendment substituted “twelve (12)” for “ten (10)” in the introductory paragraph of (a)(1); made gender neutralization changes throughout (a)(1); inserted present (a)(1)(I) and (J) and redesignated former (a)(1)(I) as present (a)(1)(K); deleted “In addition, there shall be” from the beginning of present (a)(1)(K); added the subdivision designations in (b)(1) and (2); made a stylistic change in (b)(1)(A); and substituted “A chair and vice chair of the board ... two (2) years” for “A chair and a vice chair shall be selected annually from the membership of the board by the Governor, to serve one-year terms” in (c).

The 2007 amendment inserted “who is eligible to participate in the insurance program under this subchapter” in (a)(1)(A); substituted “One (1) member who is” for “Two (2) members who are” in (a)(1)(F); in (a)(1)(G), substituted “Two (2)” for “One (1)” and “positions” for “position,” deleted “alternately” following “filled,” and deleted the former second sentence; deleted former (b)(1)(A); redesignated former (b)(1)(B) as present (b)(1); and deleted “successor” preceding “members” in (b)(1).

21-5-403. Policy-making body only — Reports.

Statute text

(a) The State and Public School Life and Health Insurance Board shall be a policy-making body only.

(b) The executive director shall report upon request to the House Committee on Insurance and Commerce and the Senate Committee on Insurance and Commerce regarding the state and public school employees and retirees insurance program.

History

History. Acts 1995, No. 1206, § 8; 1997, No. 183, § 3; 1999, No. 1280, § 3; 2007, No. 1009, § 3.

Annotations

Publisher's Notes. Former § 21-5-403, concerning compensation of committee members, was repealed by Acts 1995, No. 1206, § 9. The former section was derived from Acts 1972 (Ex. Sess.), No. 48, § 5; A.S.A. 1947, § 12-3105.

Amendments. The 1999 amendment substituted "State and Public School Life and Health Insurance Board" for "board" in (a); and, in (b), deleted "board through the" preceding "executive" and substituted "upon request" for "at least quarterly."

The 2007 amendment substituted "state and public school employees and retirees" for "state employees and public school personnel" in (b).

21-5-404. Powers — Functions — Duties.

Statute text

The State and Public School Life and Health Insurance Board shall have the following powers, functions, and duties:

- (1) To explore various cost-containment measures and funding options;
- (2) To promote competition among vendors and create a systematic formula for measuring competitiveness of programs, quality-of-care delivery, portability, and accessibility to and affordability of health care;
- (3) To prepare a comprehensive analysis of the various health benefit plan options approved by the board to provide coverage to state and public school employees and retirees, including cost, quality, and access differentials among the various plans as well as any other comparisons of the plans;
- (4) To undertake studies and to take any appropriate action that the board determines will promote the financial soundness and overall well-being of the members' health insurance programs;
- (5) To establish and set penalties as allowed under § 21-5-415;
- (6)(A) To develop, with the assistance of the Office of State Procurement of the Department of Finance and Administration, bid specifications and requests for proposals and to evaluate bids and proposals.
 - (B) However, the board shall allow the office to execute all other actions relating to the purchasing procedures in contracting for consultants, third party administrators, providers, or insurance companies on behalf of the programs;
- (7) To evaluate responses to requests for proposals, select contractors for all services, and approve the award of contracts resulting from bids for all health and life insurance offerings for participants;
- (8) To perform plan design, summarize plan document approval, including, but not limited to, lifetime limitations, copayments, deductibles, and eligibility rules;
- (9) To promote increased access to various health plan options and models;
- (10)(A) To direct the office to contract with qualified vendors, as defined by the board, offering the benefit plans prescribed by the board without regard to § 19-11-228 or other statutes requiring competitive bidding.
 - (B) Each contract shall be for a term of at least one (1) year but may be made automatically renewable from term to term in the absence of notice of termination by either party;
- (11)(A) To obtain quality-of-care information from systems, networks, hospitals, and clinical providers to inform plan design, plan management, and consumer decisions.
 - (B) The board shall:

- (i) Use accepted national standards for assessment of quality-of-care information provided by systems, networks, hospitals, and clinical providers;
- (ii) Be empowered to determine the appropriate use of quality-of-care information and scope of system, network, hospital, and clinical provider accountability;
- (iii) Be empowered to request aggregate performance information for patients; and
- (iv) Be empowered to publicly report conclusions of quality-of-care assessment; and

(12) To appoint three (3) subcommittees of the board to study and research health and life plan option benefits, formulary management, quality of care provided, and the financial impact of implementing the recommendations made to the board as follows:

(A)(i) The Benefits Subcommittee shall consist of:

- (a) Three (3) board members;
- (b) Two (2) state employees; and
- (c) Two (2) school district employees.

(ii) The Benefits Subcommittee shall review, evaluate, and investigate benefits, new benefit offerings, and annual insurance rates;

(B)(i) The Drug Utilization and Evaluation Subcommittee shall consist of:

(a) Three (3) pharmacists as follows:

- (1) The Executive Director of the Arkansas State Board of Pharmacy or his or her pharmacist designee;
- (2) The Dean of the University of Arkansas for Medical Sciences College of Pharmacy or his or her pharmacist designee; and
- (3) A pharmacist selected by the Arkansas Pharmacists Association;

(b) Four (4) physicians as follows:

- (1) The Dean of the University of Arkansas for Medical Sciences College of Medicine or his or her physician designee;
- (2) The Associate Medical Director of the University of Arkansas for Medical Sciences Medical Center or his or her physician designee;
- (3) The Medical Director of the Arkansas Poison & Drug Information Center or his or her physician designee; and
- (4) A physician selected by the Arkansas Medical Society;

(c) One (1) registered nurse who is the Dean of the University of Arkansas for Medical Sciences College of Nursing or his or her registered nurse designee; and

(d) One (1) state employee and one (1) public school employee appointed by the board, each of whom shall have expertise in accounting, finance, auditing, or insurance.

(ii) The Drug Utilization and Evaluation Subcommittee shall review drugs for formulary management and evaluate the financial impact of its recommendations; and (C)(i) The Quality of Care Subcommittee shall consist of:

- (a) Three (3) board members;
- (b) Two (2) state employees;
- (c) Two (2) school district employees;

- Care;
 - (d) One (1) representative from the Arkansas Foundation for Medical
- Improvement;
 - (e) One (1) representative from the Arkansas Pharmacists Association;
 - (f) One (1) representative from the Arkansas Center for Health
- Association; and
 - (g) One (1) representative from the Arkansas Medical Association;
 - (h) One (1) representative from the Arkansas Osteopathic Medical

(i) One (1) representative from the Arkansas Hospital Association.

(ii) The Quality of Care Subcommittee may review and recommend quality performance indicators for use, recommend baseline performance goals, recommend alignment of financial incentives to improve performance, and track improvements in delivery of care.

History

History. Acts 1995, No. 1206, § 4; 1999, No. 1280, § 4; 2003, No. 1446, § 2; 2005, No. 1308, § 1; 2005, No. 1937, § 1; 2007, No. 1009, § 4.

Annotations

A.C.R.C. Notes. Acts 2005, No. 1308, § 1 amended this section to specifically repeal the provisions of the section regarding the Fiscal Subcommittee of the State and Public School Life and Health Insurance Board.

Publisher's Notes. The former § 21-5-404, concerning prohibited activities of committee members, was repealed by Acts 1995, No. 1206, § 9. The former section was derived from Acts 1972 (Ex. Sess.), No. 48, § 4; A.S.A. 1947, § 12-3104; Acts 1991, No. 867, § 3.

Amendments. The 1999 amendment rewrote this section.

The 2003 amendment added (10).

The 2005 amendment by 1308, in (10) [now (11)], substituted "two (2)" for "three (3)" and deleted "by the formulary management committee" following "recommendations made"; inserted "which" in (A)(i); rewrote (B)(i); added (B)(i)(d); inserted "and evaluate the financial impact of its recommendations" in (B)(ii); and deleted former (10)(C) and made a related change.

The 2005 amendment by 1937 inserted present (10); redesignated former (10) as (11); in present (11), inserted "quality of care provided" and deleted "by the formulary management committee" following "recommendations made"; and added (C).

The 2007 amendment, in (3), inserted "and retirees" and deleted "as will enable the state and school employees to make a well-informed choice of plans"; substituted "members" for "state employee and public school personnel" in (4); added (5) and redesignated the remaining subsections accordingly; deleted "of the various plans" following "participants" in (7); in (10)(A), deleted "all" preceding "qualified" and deleted "health" preceding "benefit"; deleted "uniform" preceding "term" in (10)(B); and made related and stylistic changes.

21-5-405. Additional duties.

Statute text

(a) The State and Public School Life and Health Insurance Board and the executive director shall take a risk management approach in designing the state and public school employees and retirees benefit programs. The board shall ensure that the state and public school employees and retirees benefit programs are maintained on an actuarially sound basis as determined by actuarial standards established by the board.

(b) In addition to the objectives stated in § 21-5-404, the board shall:

- (1) Develop uniform standards of vendor plan funding;
- (2) Promote increased access to various plan options and health care models;
- (3) Promote access to those vendors who will enhance plan options availability in rural

Arkansas and in bordering states;

(4)(A) Utilize the combined purchasing power of the state employee and public school personnel programs to foster competition among vendors and providers for the programs.

(B) Any state agency or school district that accepts state funds intended to partially defray the cost of health and life insurance for the employees of the state and public schools shall:

(i) Use those funds only for the state and public school employees health benefit plans sponsored by the board; and

(ii) Agree to rules of participation as stated in the policies adopted by the board and as defined in the regulations and procedures issued by the Executive Director of the Employee Benefits Division of the Department of Finance and Administration, including, but not limited to, timely eligibility reporting, prepayment of insurance premiums, actuarial adjustment for new enrollees, and any other requirements deemed necessary by the board;

(5) Assure guaranteed issue; and

(6) Ensure an annual enrollment period.

(c) Benefit plan vendors are required to provide detailed information in order to justify rate increases or inadequate performance reporting as defined by the board.

History

History. Acts 1995, No. 1206, § 5; 1997, No. 1295, § 1; 1999, No. 1280, § 5; 2007, No. 1009, § 5. Annotations

Publisher's Notes. Former § 21-5-405, concerning committee officers and proceedings, was repealed by Acts 1995, No. 1206, § 9. The former section was derived from Acts 1972 (Ex. Sess.), No. 48, § 7; 1981, No. 749, § 3; 1981, No. 838, § 5; 1983, No. 423, § 1; A.S.A. 1947, § 12-3107; Acts 1991, No. 867, § 4; 1992 (1st Ex. Sess.), No. 27, § 1; 1992 (1st Ex. Sess.), No. 28, § 1. Amendments. The 1999 amendment rewrote this section.

The 2007 amendment substituted "state and public school employees and retirees" for "state employee and public school personnel health" twice in (a); deleted "so as to avoid windfall profits resulting from fully insured nondividend paying funding arrangements" following "funding" in (b)(1); in (b)(3), deleted "managed care by giving preferential treatment, if required, to" preceding "those" and added "and in bordering states"; rewrote (b)(4)(B); deleted "of all plans" following "issue" in (b)(5); deleted "under all plans" following "period" in (b)(6); and added (c).

21-5-406. Executive director — Staff.

Statute text

(a)(1) The State and Public School Life and Health Insurance Board shall choose an executive director with the approval of the Director of the Department of Finance and Administration.

(2) The executive director shall be employed by and serve at the pleasure of the Director of the Department of Finance and Administration. However, the board may recommend the removal of the executive director, but removal shall be subject to the approval of the Director of the Department of Finance and Administration.

(3) The executive director shall employ staff adequate to manage the program within the funds appropriated therefor within the Department of Finance and Administration.

(b) The executive director shall establish internal controls for the fiscal management of the health and life insurance plans.

(c)(1) The executive director and his or her staff shall be located in the Employee Benefits Division of the Department of Finance and Administration.

(2) Premiums collected from employers, participating employees, and retirees for health and life insurance plans shall be collected one (1) month in advance and shall be used solely to pay medical claims, premiums, and direct administrative expenses of the health and life insurance programs.

(d) The executive director shall be charged with the duty of administering the provisions of this subchapter and the rules, regulations, and orders of the division and the board.

(e)(1) The executive director may require all participating entities to appoint health insurance representatives, who will be required to adhere to the policies adopted by the board and the regulations and procedures issued by the Executive Director of the Employee Benefits Division of the Department of Finance and Administration in managing the enrollment and premium payment processes of the agency or school district.

(2) The executive director may request the removal of a representative to ensure necessary internal controls.

(3)(A) The executive director shall have the authority to supervise the implementation and day-to-day management of the health insurance programs and other employee benefit programs, plans, and individual and group policies made available to state and public school employees, if applicable.

(B) This may include, but not be limited to:

(i) Life insurance coverage;

(ii) Accident coverage;

(iii) Dental coverage;

(iv) Disability benefit programs;

(v) Optional retirement programs;

(vi) Deferred compensation;

(vii) Cafeteria plans; and

(viii) Such other benefit plans, benefit programs, and individual and group benefit coverage that are offered from time to time to members.

(C) This authority shall not include the State Employee Benefit Corporation benefit plan which is in effect on July 1, 1995.

(D) In addition, the executive director and the board may utilize the services of health care consultants and actuaries if necessary as provided for through the appropriation of the division.

(E) The Arkansas State Police Employee Health Plan shall be exempt from any mandatory participation required by this section.

History

History. Acts 1995, No. 1206, §§ 7, 8; 1999, No. 1280, § 6; 2001, No. 1814, §§ 1, 4; 2007, No. 1009, § 6.

Annotations

Publisher's Notes. Former § 21-5-406, concerning committee powers and duties, was repealed by Acts 1995, No. 1206, § 9. The former section was derived from Acts 1972 (Ex. Sess.), No. 48, § 9; 1973, No. 842, § 3; 1975, No. 576, §§ 1, 2; 1981, No. 749, § 5; 1981, No. 838, § 7; 1983, No. 423, §§ 2, 3; A.S.A. 1947, §§ 12-3109, 12-3109.1; Acts 1992 (1st Ex. Sess.), No. 27, § 2; 1992 (1st Ex. Sess.), No. 28, § 2.

Amendments. The 1999 amendment rewrote this section.

The 2001 amendment redesignated former (a) as (a)(1) through (a)(3); inserted "or her" in (b)(1); deleted "of the Department of Finance and Administration" following "Division" in (c)(1) and (d); and added (e).

The 2007 amendment added (b); inserted "shall be collected one (1) month in advance and" in (c)(2); added (e); substituted "state and public school employees, if applicable" for "public school employees and state employees" in (e)(3)(A); substituted "coverage" for "coverages" in (e)(3)(B)(i) through (e)(3)(B)(iii); and substituted "members" for "public school employees and state employees" in (e)(3)(B)(viii).

Case Notes

Cited: Ark. Pharmacist's Ass'n v. Ark. State & Pub. Sch. Life, 352 Ark. 1, 98 S.W.3d 27 (2003).

21-5-407. Definitions.

Statute text

As used in this subchapter:

(1) "Aggregate performance information" means a report or other means of communication about the measurement of accomplishment of the execution of certain tasks, achievement of certain results, or occurrence of certain events related to all patients or to a class or group of patients identifiable by certain criteria;

(2)(A) "Alternate retirement plan retiree" means a retiree in an alternate retirement plan as defined in § 24-7-801 of a certain institution whose employer does not contribute to the State or Public School Health Insurance Plan during his or her active employment.

(B) Further, an "alternate retirement plan", for the purposes of this section, is a defined contribution plan allowed under the Internal Revenue Service regulations and allowed but not created by Arkansas state law;

(3) "Dependent" means any member of an employee's or retiree's family who meets the eligibility for coverage under the health benefit plans approved by the State and Public School Life and Health Insurance Board;

- (4) "Dual eligibility" means simultaneous participation as an employee, dependent, or retiree in the multiple programs offered by the Employee Benefits Division;
- (5) "Eligible inactive retiree" means a former member of the General Assembly or a state-elected constitutional officer who has served a sufficient number of years of credited service to be eligible for retirement benefits but who has not yet reached retirement age. Eligible inactive retirees who enroll in the plan must pay the entire premium cost as set by the board;
- (6) "Employee" means a state employee or a public school district employee;
- (7) "Health insurance representative" means an individual appointed by a participating entity to act as an agent for the Employee Benefits Division of the Department of Finance and Administration;
- (8) "Ineligible inactive retiree" means a terminated employee who has worked a sufficient number of years to be considered vested but who has not yet reached the age to qualify to receive a retirement benefit;
- (9) "Internal Revenue Service" means the United States Government agency responsible for tax collection and tax law enforcement;
- (10) "Member" means any enrolled state or public school employee, retiree, or covered dependent;
- (11) "Participating entity" means an organization authorized to participate in a plan offered under this subchapter;
- (12) "Participating institution" means any two-year or four-year college that is participating in a plan offered under this subchapter;
- (13) "Prepayment" means collection of medical or life insurance premiums or both medical and life insurance premiums from the employee and employer one (1) month in advance;
- (14) "Qualifying event" means a change in an employee's personal life that may impact his or her eligibility or a dependent's eligibility for benefits, as defined by Internal Revenue Service guidelines;
- (15) "Quality-of-care information" means the contents of medical records, member claims, patient surveys, pharmacy data, lab data, and other records of or reports about systems, networks, hospitals, and clinical providers to be gathered for assessment of the quality and costs of health care provided by systems, networks, hospitals, and clinical providers;
- (16) "Quality performance indicator" means a specific inquiry or standard that, when applied to quality-of-care information, reveals a quantifiable measure of success or failure in system, network, hospital, or clinical provider care;
- (17) "Retiree" means a retired employee who is eligible under the provisions of § 21-5-411;
- (18) "State" means the State of Arkansas; and
- (19) "Vendor" means:
- (A) A corporation, partnership, or other organization licensed to do business and in good standing with the State of Arkansas; and
 - (B) A corporation, partnership, or other organization licensed to do business and in good standing with the State of Arkansas that is lawfully engaged in administering employer-

or employee-funded benefit plans for employer groups in consideration of an administration fee payable to the vendor.

History

History. Acts 1995, No. 1206, § 7; 1999, No. 1280, § 7; 2005, No. 1937, § 2; 2007, No. 1009, § 7; 2009, No. 252, § 2.

Annotations

A.C.R.C. Notes. Acts 1999, No. 1280, § 7 changed the catchline of this section from “Authorized to accept funds and employ staff” to “Definitions” and repealed language concerning the authority of the Arkansas State Employee and Public School Personnel Board to apply for and accept grant funds, employ staff, and make purchases.

Publisher's Notes. Former § 21-5-407, concerning the supervisor of the State Employees Insurance Section, was repealed by Acts 1995, No. 1206, § 9. The former section was derived from Acts 1972 (Ex. Sess.), No. 48, §§ 6, 8; 1973, No. 842, §§ 1, 2; 1981, No. 749, § 4; 1981, No. 838, § 6; A.S.A. 1947, §§ 12-3106, 12-3108.

Amendments. The 1999 amendment rewrote this section.

The 2005 amendment inserted present (1), (5), and (6), and redesignated the remaining subsections accordingly.

The 2007 amendment added (2), (4), (5), (7) through (9), and (11) through (14) and redesignated the remaining subsections accordingly; rewrote (10); inserted “and costs” in (15); substituted “and in good standing with” for “in” in (19); and substituted “employer or employee funded benefit” for “employer funded health benefit” in (19)(B).

The 2009 amendment redesignated (2) as (2)(A) and (B); in (2)(A), inserted “in an alternate retirement plan as defined in § 24-7-801” following “a retiree,” deleted “as defined in § 24-7-801” from the end, and made minor stylistic changes.

21-5-408. Compensation.

Statute text

State and Public School Life and Health Insurance Board members may receive from the Department of Finance and Administration expense reimbursement as authorized by law and stipends in accordance with § 25-16-901 et seq.

History

History. Acts 1995, No. 1206, § 6; 1997, No. 250, § 213; 1997, No. 1354, § 39; 1999, No. 1280, § 8.

Annotations

Publisher's Notes. Former § 21-5-408, concerning cooperation among agencies, was repealed by Acts 1995, No. 1206, § 9. The former section was derived from Acts 1972 (Ex. Sess.), No. 48, § 14; A.S.A. 1947, § 12-3114.

Amendments. The 1999 amendment rewrote this section.

21-5-409. [Repealed.]

Annotations

Publisher's Notes. This section, concerning procedure for selecting policies, was repealed by Acts 1995, No. 1206, § 9. The section was derived from Acts 1972 (Ex. Sess.), No. 48, § 11; 1973, No. 574, § 1; 1981, No. 749, § 6; 1981, No. 838, § 8; A.S.A. 1947, §§ 12-3111, 12-3111.1.

21-5-410. Employees — Eligibility.

Statute text

(a) Eligible employees shall include:

(1) All actively employed, eligible employees of participating agencies, boards, commissions, institutions, and constitutional offices;

(2) Members of the General Assembly;

(3) Elected constitutional officers;

(4) Appointed or elected board and commission members who are on a full-time salaried basis; and

(5)(A) Those state contract employees hired by the Arkansas National Guard on a full-time basis in accordance with the provisions of 10 U.S.C. § 2304.

(B) Membership of the contract employees of the Arkansas National Guard is conditioned upon the United States Government contributing the employer's share to the Employee Benefits Division of the Department of Finance and Administration.

(b) Membership of a state employee is conditioned upon the employee being in a budgeted state employee position or a position authorized by the General Assembly.

(c) An employee is one whose actual performance of duty requires one thousand (1,000) or more working hours per year.

(d) If a participating institution discontinues its participation in the group health and life insurance program instituted pursuant to the provisions of this subchapter, then the institution may not re-participate in the program for two (2) years after the institution's final date of participation in the program unless the Executive Director of the Employee Benefits Division of the Department of Finance and Administration gives his or her consent to an earlier date.

(e) Members are not allowed dual eligibility in either the state insurance plan or the public school insurance plan.

(f) The Arkansas State Police Employee Health Plan shall be exempt from any mandatory participation required by this section.

History

History. Acts 1972 (Ex. Sess.), No. 48, § 13; 1975, No. 575, § 3; 1977, No. 206, § 1; 1983, No. 423, § 4; 1985 (1st Ex. Sess.), No. 35, § 1; A.S.A. 1947, § 12-3113; Acts 2001, No. 1814, §§ 2, 4; 2007, No. 1009, § 8; 2009, No. 252, § 3.

Annotations

Amendments. The 2001 amendment substituted "Employees — Eligibility" for "Eligibility of employees generally" in the section head; redesignated former (a) as present (a)(1) through (a)(5); added (c); redesignated former (c) as present (d); and added (e) and (f).

The 2007 amendment, in (a)(1), substituted "eligible" for "permanent" and deleted "eligible" preceding "participating"; redesignated former (a)(5) as present (a)(5)(A); redesignated former (b) as (a)(5)(B) and redesignated the remaining subsections accordingly; substituted "Employee Benefits Division of the Department of Finance and Administration" for "State Employees Insurance Section of the Department of Finance Administration" in (a)(5)(B); substituted "Employees" for "Permanent employees are those whose employment is not seasonal or temporary and" in (c); in (d), inserted "and life" and substituted "two (2) years" for "one (1) year"; and added (e).

The 2009 amendment substituted "An employee is one" for "Employees" in (c).

21-5-411. Eligibility of certain retired employees.

Statute text

(a)(1) State and public school employees shall be allowed to continue coverage and, if qualified, to participate in the group health insurance program instituted pursuant to the provisions of this subchapter and other laws enacted to implement the program who are:

(A) Participating members of:

- (i) The Arkansas Public Employees' Retirement System, including the members of the legislative division and the contract personnel of the Arkansas National Guard;
- (ii) The Arkansas Teacher Retirement System;
- (iii) The Arkansas State Highway Employees' Retirement System;
- (iv) The Arkansas Judicial Retirement System; or
- (v) An alternate retirement plan of a qualifying institution under § 24-7-801; and

(B) Retired and drawing benefits under the systems.

(2)(A)(i) If members of these retirement systems receive retirement benefits, thereby becoming active retirees, the active retirees shall elect to enroll in the health benefit program sponsored by the State and Public School Life and Health Insurance Board.

(ii) The election to enroll in the retiree insurance program shall be made within thirty-one (31) days of the member's becoming an active retiree and shall be made in writing to the Employee Benefits Division of the Department of Finance and Administration on forms required by the Employee Benefits Division.

(B)(i) To be eligible to continue coverage or to qualify for coverage after electing to decline participation, the member must have been covered on the last day of the member's employment.

(ii) If a retiree declines coverage at the time of retirement due to other employer-sponsored group health insurance coverage, the retiree may make a one-time election to return to the retiree insurance program with proof of continued insurance coverage if the retiree experiences a qualifying event.

(C)(i) Except as provided in subdivision (a)(2)(C)(ii) of this section, an active retiree's failure to make an election during the thirty-one-day election period or an active retiree's election to decline participation in the health program is final.

(ii) If an active retiree declining coverage specifies in writing and provides a letter of creditable employer group coverage to show that the reason for the declination is

because the active retiree has coverage through another employer group health plan and the active retiree's coverage is subsequently terminated because of a loss of eligibility, as defined by Internal Revenue Service regulations, and provides information from the former insurance company of the loss of eligibility, then the active retiree and any dependents shall qualify for coverage in the health benefit program under this subsection upon payment of the appropriate premium as established by the board, provided the active retiree applies for coverage within thirty (30) days of the loss of eligibility. Loss of coverage is defined by Internal Revenue Service and Health Insurance Portability and Accountability Act (HIPPA) guidelines for special enrollment periods.

(3)(A) Notwithstanding any other provision to the contrary in this section, an employee with ten (10) or more years of creditable service under the terms of a retirement plan listed in this section shall qualify for continuation of health insurance coverage offered by the board if that employee is separated from employment because of the expiration of a fixed period of employment.

(B)(i) An employee qualifying for continuation of coverage under this subsection shall be considered an "inactive retiree" and shall have thirty-one (31) days from the effective date of termination to elect to continue health insurance coverage under this section by notifying the Employee Benefits Division.

(ii) The election shall be made in writing on forms required by the Employee Benefits Division.

(C)(i) Except as provided in subdivision (a)(3)(C)(ii) of this section, an inactive retiree's failure to make an election during the thirty-one-day election period or an inactive retiree's election to decline participation in the health program is final.

(ii) If an inactive retiree as defined in § 21-5-407 declining coverage specifies in writing that the reason for the declination is because the inactive retiree has coverage through another group health plan and the inactive retiree's coverage is subsequently terminated because of a loss of eligibility, then the inactive retiree and any dependents shall qualify for coverage in a board-sponsored health benefit program upon payment of the appropriate premium as established by the board, provided the inactive retiree applies for coverage within thirty-one (31) days of the loss of eligibility.

(D) An eligible inactive retiree shall be reclassified as an "active retiree" upon electing to receive a retirement benefit by a retirement system listed within this section and shall be charged the premium rate appropriate for his or her rating category as an active retiree.

(4)(A) As used in this subsection, "loss of eligibility" means a loss of coverage as a result of a legal separation, divorce, death of the insured, termination of employment, or a reduction in the number of hours of employment.

(B) "Loss of eligibility" shall not include a loss of coverage from a failure to pay premiums on a timely basis, voluntary termination of coverage, or a termination of coverage for cause, such as making a fraudulent claim.

(b)(1) Persons who draw retirement benefits under the Arkansas Public Employees' Retirement System, the Arkansas Teacher Retirement System, or the Arkansas State Highway Employees' Retirement System, and retired contract employees of the Arkansas National Guard who wish

to participate in the group insurance program provided for in this subchapter shall pay the retiree amount of the premium or the cost of the policy issued to the retired participant.

(2) The retiree portion of the premium or cost shall be deducted from the retirement benefit checks of the retired participants. If the retirement benefit is not large enough for the premium deduction, the premium shall be paid by monthly bank draft on a designated date prescribed by the Employee Benefits Division.

(c) Members of the Arkansas Public Employees' Retirement System and the Arkansas State Highway Employees' Retirement System who retire before January 2, 1988, under the provisions of the Incentives for Early Retirement Act, §§ 24-4-732, 24-5-122, and 24-6-102, shall not have to pay the full amount of the premium and shall pay a portion of the cost of the policy as set forth by the Incentives for Early Retirement Act, §§ 24-4-732, 24-5-122, and 24-6-102.

(d) Any future change in coverage other than cancellation shall be extended only to newly acquired dependents, except that if an active or inactive retiree declined dependent coverage at the time of election to be an active or inactive retiree and specified in writing that the reason for the declination was that the dependent had other coverage, and if subsequently the dependent involuntarily loses such coverage, except for fraud or voluntary cessation of premium payment while the active or inactive retiree is covered by the plan, then the dependent may be added within thirty-one (31) days of the involuntary termination to the active or inactive retiree's health insurance coverage for payment of the appropriate premium as established by the board.

(e) If a retiree dies and has covered dependents at the time of death, the dependents have the right to continue coverage under the plan. Dependent children may be covered until marriage or until the maximum age limit for a dependent child has been reached. A surviving spouse may continue coverage under the plan. If a surviving spouse or dependent declines coverage or cancels existing coverage, then the surviving spouse or dependent has no further privileges under the plan.

History

History. Acts 1972 (Ex. Sess.), No. 48, § 13; 1975, No. 575, § 3; 1977, No. 206, § 1; 1983, No. 423, § 4; 1985 (1st Ex. Sess.), No. 35, § 1; A.S.A. 1947, § 12-3113; Acts 1987, No. 514, § 1; 1997, No. 1295, § 2; 1999, No. 1280, § 9; 2001, No. 1171, § 1; 2001, No. 1752, §§ 1, 2; 2007, No. 1009, § 9.

Annotations

Amendments. The 1999 amendment rewrote this section.

The 2001 amendment by Nos. 1171 and 1752 rewrote (a); in (c), added "technical institutes ... and the Arkansas Rehabilitation Services," and substituted "five (5)" for "ten (10)"; in (e), added "and specified in writing that the reason for the declination was that the"; and made stylistic changes.

The 2007 amendment rewrote the section.

21-5-412. Eligibility of certain elected officers.

Statute text

(a) Members of the General Assembly and the state-elected constitutional officers who have served a sufficient number of years of credited service to be eligible for retirement benefits upon attainment of retirement age, but who have not yet reached retirement age, shall be eligible to continue to participate in state employees, life and health programs upon leaving elective service.

(b)(1) Any person who is leaving the General Assembly or any state-elected constitutional officer who wishes to participate in the state employee's life and disability program provided for in this subchapter shall be offered continuation of coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985.

(2)(A) An employee with ten (10) or more years of creditable service under the terms of a retirement plan listed in this section shall qualify for continuation of health insurance coverage offered by the board if that employee is separated from employment because of the expiration of a fixed period of employment.

(B)(i) An elected officer qualifying for continuation of coverage under this subsection shall be considered an "eligible inactive retiree" and shall have thirty-one (31) days from the effective date of termination to elect to continue health insurance coverage under this section by notifying the Employee Benefits Division of the Department of Finance and Administration in writing on forms required by the Employee Benefits Division.

(ii) The eligible inactive retiree shall pay the full amount of the insurance premium.

(C)(i) Except as provided in subdivision (b)(3)(C)(ii) of this section, an eligible inactive retiree's failure to make an election during the thirty-one day election period or an eligible inactive retiree's election to decline participation in the health program is final.

(ii) An eligible inactive retiree who declined coverage and any dependents of the eligible inactive retiree shall qualify for coverage in the board-sponsored health benefit program upon payment of the appropriate premium as established by the board, provided the eligible inactive retiree applied for coverage within thirty-one (31) days of the loss of eligibility if:

(a) The eligible inactive retiree who declined coverage specifies in writing that the reason for the declination is because the eligible inactive retiree has coverage through another group health plan;

(b) The eligible inactive retiree's coverage is subsequently terminated because of a loss of eligibility; and

(c) The eligible inactive retiree provides information from the former insurance company confirming the loss of coverage.

(D)(i) An inactive retiree shall be charged the Consolidated Omnibus Budget Reconciliation Act of 1985 premium determined by the board to be actuarially sound with administrative fees deemed appropriate.

(ii) An eligible inactive retiree shall be reclassified as an active retiree upon electing to receive a retirement benefit by a retirement system listed within this section and shall be charged the premium rate appropriate for his or her rating category as an active retiree.

History

History. Acts 1972 (Ex. Sess.), No. 48, § 13; 1975, No. 575, § 3; 1977, No. 206, § 1; 1983, No. 423, § 4; 1985 (1st Ex. Sess.), No. 35, § 1; A.S.A. 1947, § 12-3113; Acts 2007, No. 1009, § 10.

Amendments. The 2007 amendment, in (a), substituted “health” for “disability” and made a minor stylistic change; deleted former (b) and redesignated the remaining subsections accordingly; substituted “be offered continuation of coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA)” for “pay the full amount of the premium or cost of the policy issued to the participant, including the amount which the state is otherwise authorized to pay” in (b)(1); and rewrote (b)(2).

U.S. Code. The Consolidated Omnibus Budget Reconciliation Act of 1985, referred to in (b)(1) and (b)(2)(D)(i), is Pub. L. No. 99-272 and is compiled throughout the United States Code.

21-5-413. [Repealed.]

Annotations

Publisher's Notes. This section, concerning employer contributions, was repealed by Acts 2007, No. 1009, § 11. The section was derived from Acts 1972 (Ex. Sess.), No. 48, § 12; A.S.A. 1947, § 12-3112.

21-5-414. State contributions generally — Partial state contribution of employees' premiums.

Statute text

(a) The Department of Finance and Administration shall seek the advice of the Legislative Council and the House Committee on Insurance and Commerce and the Senate Committee on Insurance and Commerce before additional contributions can be made.

(b)(1) The State of Arkansas, on behalf of agencies participating in the plans adopted by the state, is authorized to make a monthly contribution equal to the number of budgeted state employee positions multiplied by the monthly contribution authorized by the Chief Fiscal Officer of the State, ~~not to exceed four hundred twenty-five dollars (\$425) monthly for each state employee budgeted position~~ into a fund designated for state employee health benefits, to partially defray the cost of life and health insurance for employees of the state participating in the plan sponsored by the State and Public School Life and Health Insurance Board.

(2) The department may make a monthly contribution to partially defray the cost of health insurance for state employee retirees, utilizing funds made available for that purpose, not to exceed the amount authorized by the Chief Fiscal Officer of the State.

History

History. Acts 1973, No. 72, § 1; 1975, No. 156, § 1; 1977, No. 389, § 1; 1979, No. 323, § 1; 1981, No. 838, §§ 1, 2; 1983, No. 469, §§ 1, 2; 1985, No. 615, § 1; A.S.A. 1947, §§ 12-3115, 12-3115.1; Acts 1987, No. 743, § 1; 1989, No. 21, § 1; 1991, No. 127, § 1; 1991, No. 867, § 5; 1993, No. 904, § 1; 1995, No. 580, § 1; 1995, No. 1206, § 10; 1997, No. 183, § 4; 1997, No. 843, § 1; 1999, No. 1280, § 10; 2001, No. 185, § 1; 2007, No. 1009, § 12.

Annotations

Amendments. The 1999 amendment substituted "Department of Finance and Administration" for "Arkansas State Employee and Public School Personnel Board" in (a); and rewrote (b). The 2001 amendment redesignated former (b) as present (b)(1) and (b)(2); in (b)(1), substituted "multiplied by" for "times," "three hundred fifty dollars (\$350)" for "two hundred seventy-five dollars (\$275)," and "State and Public School Life and Health Insurance Board" for "board"; and, in (b)(2), substituted "department" for "Department of Finance and Administration" and "for that purpose" for "for such purpose." The 2007 amendment, in (b)(1), substituted "four hundred twenty-five dollars (\$425)" for "three hundred fifty dollars (\$350)" and made minor stylistic changes.

21-5-415. Nonpayment of premiums and failure to file reports by agency or school district.
Statute text

(a)(1) If any participating agency or school district does not remit insurance premiums and required monthly reports to the Employee Benefits Division of the Department of Finance and Administration by the last calendar day of each billing month, the division shall impose a penalty of two dollars (\$2.00) per insured member or one hundred dollars (\$100), whichever is greater.

(2) Penalties will be assessed and invoiced based on the actual number of members included on the monthly billing report that is past due. Invoices will be processed at the beginning of the month following the infraction.

(3) Penalties shall be payable to the Employee Benefits Division and must be received by the division no later than the last calendar day of the month following invoicing.

(4) If payment is not received by the division by the due date, the following collection methods may be used:

(A)(i) The Chief Fiscal Officer of the State may cause the amount sought to be transferred to the division from:

(a) Funds the agency or school district has on deposit with the Treasurer of State; or

(b) Any funds the agency or school district is due from the state.

(ii) If a transfer must be made, a transfer penalty of twenty dollars (\$20.00) per transfer shall be assessed each agency or school district fund and included in the transfer;

(B) The agency director or school district superintendent may be required to appear before the State and Public School Life and Health Insurance Board to report the reasons for nonpayment or incorrect reporting; and

(C) The Chief Fiscal Officer of the State may use his or her powers outlined in § 19-4-301 et seq. to aid in collection.

(5) Nonpayment of premiums could also result in a lapse of health and life insurance coverage for employees of the school district, agency, or the agency assuming responsibility for paying health and life claims for its employees.

(b)(1) If any participating agency or school district fails to follow established policy and procedures set by the executive director, including but not limited to notifying the division of an insured's leave without pay, family medical leave, or military leave status or if any participating agency or school district provides incorrect benefit information or processes unauthorized benefit changes, including system entries that result in unreimbursed expenses to the State Employees Benefits Trust Fund or Public School Employees Insurance Trust Fund, the division shall have the right to:

(A) Require the agency to pay the total amount of the insured's premium; and

(B) Impose a penalty of fifty dollars (\$50.00) per insured.

(2) Penalties will be assessed and invoiced based on the actual number of violations. Invoices will be processed at the beginning of the month following discovery of the infraction.

(3) Penalties shall be payable to the Employee Benefits Division and must be received by the last calendar day of the month following invoicing.

(4) The Chief Fiscal Officer of the State may cause the amount sought to be transferred from:

(A) Funds the agency or school district has on deposit with the Treasurer of State; or

(B) Any funds the agency or school district is due from the state.

(5) If a transfer is made, a transfer penalty of twenty dollars (\$20.00) per transfer shall be assessed each agency or school district fund and included in the transfer.

(c) The division may correct any error regarding an insured's benefits according to existing documentation without authorization or prior notification to the agency or school district.

History

History. Acts 1972 (Ex. Sess.), No. 48, § 8; 1973, No. 842, § 2; 1981, No. 749, § 4; 1981, No. 838, § 6; 1983, No. 582, § 1; A.S.A. 1947, § 12-3108; Acts 1997, No. 1295, § 3; 2003, No. 826, § 2; 2007, No. 1009, § 13.

Annotations

Amendments. The 2003 amendment added the subdivision designations in (a); rewrote present (a)(1), (b)(1) and (d)(1); inserted "per insured" in (d)(2); rewrote (e); and added (f) and (g). The 2007 amendment rewrote the section.

21-5-416. Annual performance audits.

Statute text

The Legislative Joint Auditing Committee shall annually conduct a performance audit of the entity administering claims and of the Employee Benefits Division of the Department of Finance and Administration.

History

History. Acts 1981, No. 749, § 7; 1981, No. 838, § 9; A.S.A. 1947, § 12-3109.2; Acts 2003, No. 826, § 3.

Annotations

Amendments. The 2003 amendment substituted "Employee Benefits Division" for "State Employees Insurance Section."

21-5-417. State contribution for employee receiving workers' compensation.

Statute text

Notwithstanding any other provisions of the law, a state agency shall remit the employer's contribution to the Employee Benefits Division of the Department of Finance and Administration for state employees when the employee is in a leave-without-pay status because of a work-related injury and is receiving benefits from workers' compensation.

History

History. Acts 1989, No. 711, § 1; 2007, No. 1009, § 14.

Annotations

Amendments. The 2007 amendment substituted "shall remit the employer's contribution to the Employee Benefits Division" for "may remit the employer's contribution to a health insurance program," deleted "provided that the employee is in a leave without pay status" following "status," and made related changes.

Membership and Duties
State and Public School
Life and Health Insurance Board

DFA Arkansas Department of Finance and Administration

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EBD Home

Board Meeting Minutes

Board Members

ARBenefits

Home > Offices > Employee Benefits Division

Share |

State and Public School Life and Health Insurance Board

Act 48 of 1972 (Extraordinary Session), as amended, established the State Employee's Insurance, as an Office of the Arkansas State Government, for the purpose of providing health and life insurance benefits to employees of the State of Arkansas. This Act also provided for a ten (10) member State Employees Insurance Advisory Committee to establish policies for the management of the insurance programs. Act 1206 of 1995 abolished the State Employees Advisory Committee and the Public School Insurance Advisory Committee (established by Act 834 of 1977) effective July 1, 1995. This Act transferred all rights, powers and duties of the Board, known after the passage of the Act as the State and Public School Health and Life Insurance Board, consisting of ten (10) members. Act 1446 of 2003 added two (2) ex officio members, bringing total voting membership to twelve (12).

The Acts referenced above outline specific qualifications for the people that serve on the board. The 2011-2012 board consists of the following members in the following positions:

- A state employee to be appointed by the Governor - Katrina Burnett;
- A certified classroom teacher to be appointed by the Governor - Kelly Chaney;
- The Insurance Commissioner or his or her designee - Bob Alexander;
- The Director of the Department of Education or his or her designee - J. Mark White;
- The Director of the Department of Finance and Administration or his or her designee - Carla Wooley;
- One (1) member who is engaged in employee benefits management or risk management in private industry to be appointed by the Governor - Dr. Andrew Kumpuris;
- One (1) additional member position which shall be filled alternately by a retired teacher and by a retired state employee appointed by the Governor. This position shall first be filled by a retired teacher for a term of four (4) years, then by a retired state employee for a term of four (4) years, and four-year terms thereafter shall be alternated between a retired teacher and a retired state employee - Janis Harrison; Lloyd W Black;
- One (1) public school administrator to be appointed by the Governor - Shawn Cook;
- The Executive Director of the Arkansas State Board of Pharmacy or his or her state employee pharmacist designee - John Kirtley;
- The Director of Health Facility Services of the Department of Health or his or her designee - Renee' Mallory;
- One (1) member who is a licensed health care provider appointed by the Governor - Dr. Joe Thompson;



Katrina Burnett
(Department of Information Systems, DIS)



Kelly Chaney
(Teacher, Cabot High School)



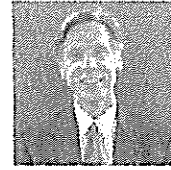
Bob Alexander
(State Insurance Board)



J. Mark White
(Staff Attorney, Dept. of Education)



Janis Harrison
 (Retired State Employee from the Dept. of Finance and Administration)



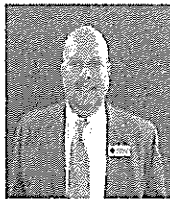
Andrew Kumpuris, MD
 (Cardiovascular Disease and Internal Medicine - Heart Clinic Hospital)



Carla Wooley
 (Department of Finance and Administration - Office of Administrative Services)



Lloyd W Black
 (Retired Public School employee and Legislative Chair/AR Retired Teachers Association)



Shawn Cook
 (Superintendent, Lakeside School District)



John Kirtley
Vice Chairman of the Board
 (Assistant Director of the Arkansas State Board of Pharmacy)



Chair of the Board
Renee Mallory
 (Service Unit Leader, Health Systems in Statewide Services)



Dr. Joe Thompson, MD, M.P.H., of (UAMS)
 Arkansas Surgeon General
 Director of the Arkansas Center for Health Improvement (ACHI)

The board was established to set policy and to select plans and coverages for the state and public school personnel health insurance, life insurance and self-funded medical programs, as to enhance the ability to control premiums, expand health care options, and utilize managed care capabilities where feasible and in the best interest of state and public school employees. They are also to propose future goals and measures to address the common objectives of both groups, including improving quality of health care services under the program, increasing participants' understanding of the program features, and slowing the rate of growth in health care expenses under the program. The board meets monthly and has established several sub-committees to propose, investigate and review policy or plan changes and to make recommendations to the board.

Act 1309 of 2013

AN ACT FOR THE DEPARTMENT OF
EDUCATION - GRANTS AND AID TO
LOCAL SCHOOL DISTRICTS
APPROPRIATION FOR THE 2013-
2014 FISCAL YEAR.

1 State of Arkansas *As Engrossed: S2/14/13 S3/12/13 S3/25/13 S4/1/13 S4/5/13 S4/8/13 S4/11/13*

2 89th General Assembly

A Bill

3 Regular Session, 2013

SENATE BILL 233

4

5 By: Joint Budget Committee

6

7

For An Act To Be Entitled

8

AN ACT TO MAKE AN APPROPRIATION FOR GRANTS AND AID TO
9 LOCAL SCHOOL DISTRICTS AND SPECIAL PROGRAMS FOR THE
10 DEPARTMENT OF EDUCATION FOR THE FISCAL YEAR ENDING
11 JUNE 30, 2014; AND FOR OTHER PURPOSES.

12

13

14

Subtitle

15

AN ACT FOR THE DEPARTMENT OF EDUCATION -
16 GRANTS AND AID TO LOCAL SCHOOL DISTRICTS
17 APPROPRIATION FOR THE 2013-2014 FISCAL
18 YEAR.

19

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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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SECTION 1. APPROPRIATION. There is hereby appropriated, to the Department of Education, to be payable from the Department of Education Public School Fund Account, for grants and aid to local school districts and special programs of the Department of Education for the fiscal year ending June 30, 2014, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2013-2014</u>
(01) 98% URT ACTUAL COLLECTION ADJUSTMENT	\$34,500,000
(02) ADDITIONAL PUBLIC SCHOOL EMPLOYEE HEALTH INSURANCE	15,000,000
(03) ADVANCED PLACEMENT INCENTIVE	825,000
(04) ALTERNATIVE LEARNING	23,318,012
(05) ARKANSAS EASTER SEALS	193,113



1	(06)	ASSESSMENT/END OF COURSE TESTING	24,223,861
2	(07)	AT RISK	1,688,530
3	(08)	BETTER CHANCE PROGRAM	111,000,000
4	(09)	BONDED DEBT ASSISTANCE	28,455,384
5	(10)	CONSOLIDATION INCENTIVE	3,760,200
6	(11)	CONTENT STANDARDS	161,000
7	(12)	CONTENTS STANDARDS CURRICULUM	
8		FRAMEWORKS	50,000
9	(13)	COOP EDUCATION TECH CENTERS	1,200,000
10	(14)	COORDINATED SCHOOL HEALTH	2,000,000
11	(15)	COURT ORDERED DESEGREGATION	69,814,372
12	(16)	CRIMINAL BACKGROUND CHECKS	25,000
13	(17)	DECLINING ENROLLMENT	13,963,389
14	(18)	DEPT OF CORRECTION	6,220,892
15	(19)	DISTANCE LEARNING	4,760,000
16	(20)	DISTANCE LEARNING OPERATIONS	7,575,000
17	(21)	DISTRESSED SCHOOL DISTRICT SUPPORT	50,000
18	(22)	EARLY CHILDHOOD SPECIAL EDUCATION	16,897,920
19	(23)	ECONOMIC EDUCATION	350,000
20	(24)	EDUCATION SERVICE COOPERATIVES	6,129,270
21	(25)	ENGLISH LANGUAGE LEARNERS	13,075,049
22	(26)	GENERAL FACILITIES FUNDING	8,100,000
23	(27)	GIFTED & TALENTED	1,335,381
24	(28)	GRANTS TO SCHOOL DISTRICTS	67,856
25	(29)	HOME SCHOOL TESTING	250,000
26	(30)	HUMAN DEVELOPMENT CENTER EDUCATION	
27		AID	526,150
28	(31)	INTERVENTION BLOCK GRANTS	302,000
29	(32)	ISOLATED FUNDING	7,896,000
30	(33)	LEADERSHIP ACADEMY-MASTER PRINCIPAL	500,000
31	(34)	MASTER PRINCIPAL BONUS	200,000
32	(35)	NATIONAL BOARD OF PROF TEACHING	
33		STANDARDS	13,516,160
34	(36)	NATIONAL SCHOOL LUNCH	200,253,906
35	(37)	NON-TRADITIONAL LICENSURE	50,000
36	(38)	PROFESSIONAL DEVELOPMENT FUNDING	24,692,402

1	(39)	PUBLIC SCHOOL EMPLOYEE INSURANCE	37,273,600
2	(40)	RESIDENTIAL CENTERS/JUVENILE	
3		DETENTION	16,345,087
4	(41)	SCHOOL FACILITY JOINT USE SUPPORT	500,000
5	(42)	SCHOOL FOOD SERVICES	1,650,000
6	(43)	SCHOOL FOOD-LEGISLATIVE AUDIT	75,000
7	(44)	SCHOOL FUNDING CONTINGENCY	25,000,000
8	(45)	SCHOOL WORKER DEFENSE	390,000
9	(46)	SERIOUS OFFENDER	1,716,859
10	(47)	SMART START/SMART STEP	10,666,303
11	(48)	SPECIAL EDUCATION SERVICES	2,802,527
12	(49)	SPECIAL EDUCATION-CATASTROPHIC	12,900,000
13	(50)	SPECIAL NEEDS ISOLATED FUNDING	3,000,000
14	(51)	STATE FOUNDATION FUNDING	1,923,089,661
15	(52)	STUDENT GROWTH	28,500,000
16	(53)	SUPPLEMENTAL MILLAGE	10,000,000
17	(54)	SURPLUS COMMODITIES	1,349,810
18	(55)	TEACHER LICENSING/MENTORING	5,008,758
19	(56)	TEACHER OF THE YEAR	100,000
20	(57)	TEACHER RECRUITMENT	2,100,000
21	(58)	TEACHER RETIREMENT MATCHING	10,102,189
22	(59)	TECHNOLOGY GRANTS	3,602,678
23	(60)	TECHNOLOGY IMPROVEMENTS	500,000
24	(61)	WORKER'S COMPENSATION	450,000
25	(62)	<i>YOUTH SHELTERS</i>	<i>165,000</i>
26	(63)	<i>SCHOOL, CAMPUS AND CHILD SAFETY AND</i>	
27		<i>ACTIVE SHOOTER/SAFE SCHOOLS INITIATIVES</i>	<i>691,500</i>
28	(64)	<i>REG. COMMUNITY ALTERNATIVE LEARNING</i>	
29		<i>ENVIRONMENT CENTER-TRANSPORTATION</i>	<i>70,000</i>
30	(65)	<i>REG. COMMUNITY ALTERNATIVE LEARNING</i>	
31		<i>ENVIRONMENT CENTER-TRUANCY OFFICERS</i>	<u><i>275,000</i></u>
32		<i>TOTAL AMOUNT APPROPRIATED</i>	<u><i>\$2,741,249,819</i></u>

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34 SECTION 2. REGULAR SALARIES - ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK.

35 There is hereby established for the Department of Education - Arkansas Public

36 School Computer Network for the 2013-2014 fiscal year, the following maximum

1 number of regular employees.

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Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2013-2014
(1)	N047N	ADE APSCN DIRECTOR	1	GRADE N908
(2)	G012C	ADE ASSISTANT TO COMMISSIONER	2	GRADE C129
(3)	G050C	ADE APSCN DIVISION MANAGER	2	GRADE C126
(4)	D037C	ADE APSCN APPLICATIONS MANAGER	5	GRADE C124
(5)	D038C	SENIOR SOFTWARE SUPPORT ANALYST	2	GRADE C123
(6)	D050C	SECURITY ANALYST	1	GRADE C122
(7)	D044C	SYSTEMS ANALYST	1	GRADE C122
(8)	D055C	ADE APSCN FIELD ANALYST	25	GRADE C121
(9)	C020C	STUDENT APPLICATIONS SPECIALIST	5	GRADE C116
(10)	A091C	FISCAL SUPPORT ANALYST	1	GRADE C115
(11)	D077C	HELP DESK SPECIALIST	2	GRADE C115
(12)	C056C	ADMINISTRATIVE SPECIALIST III	1	GRADE C112
MAX. NO. OF EMPLOYEES			48	

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SECTION 3. APPROPRIATION - ARKANSAS PUBLIC SCHOOL COMPUTER NETWORK.

There is hereby appropriated, to the Department of Education, to be payable from the Department of Education Public School Fund Account, for personal services and operating expenses of the Department of Education - Arkansas Public School Computer Network for the fiscal year ending June 30, 2014, the following:

ITEM NO.	FISCAL YEAR 2013-2014
(01) REGULAR SALARIES	\$2,328,377
(02) PERSONAL SERVICES MATCHING	791,477
(03) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	19,245,839
(B) CONF. & TRAVEL	7,250
(C) PROF. FEES	0
(D) CAP. OUTLAY	200,000

1	(E) DATA PROC.	0
2	(04) DATA ACCESS IMPLEMENTATION	<u>300,000</u>
3	TOTAL AMOUNT APPROPRIATED	<u>\$22,872,943</u>

4
 5 SECTION 4. REGULAR SALARIES - OFFICE OF EDUCATION RENEWAL ZONES. There
 6 is hereby established for the Department of Education - Office of Education
 7 Renewal Zones for the 2013-2014 fiscal year, the following maximum number of
 8 regular employees.

11		Maximum	Maximum Annual
12	Item Class	No. of	Salary Rate
13	No. Code Title	Employees	Fiscal Year
			2013-2014
14	(1) E007C ADE OERZ DIRECTOR	1	GRADE C126
15	(2) E020C ADE OERZ TECHNICAL ASSIST SPECIALIST	3	GRADE C122
16	(3) C056C ADMINISTRATIVE SPECIALIST III	<u>1</u>	GRADE C112
17	MAX. NO. OF EMPLOYEES	5	

18
 19 SECTION 5. APPROPRIATION - OFFICE OF EDUCATION RENEWAL ZONES. There is
 20 hereby appropriated, to the Department of Education, to be payable from the
 21 Department of Education Public School Fund Account, for personal services,
 22 operating expenses and grants by the Department of Education - Office of
 23 Education Renewal Zones for the fiscal year ending June 30, 2014, the
 24 following:

26	ITEM	FISCAL YEAR
27	NO.	2013-2014
28	(01) REGULAR SALARIES	\$259,688
29	(02) PERSONAL SERVICES MATCHING	86,535
30	(03) MAINT. & GEN. OPERATION	
31	(A) OPER. EXPENSE	91,800
32	(B) CONF. & TRAVEL	13,000
33	(C) PROF. FEES	306,900
34	(D) CAP. OUTLAY	0
35	(E) DATA PROC.	0
36	(04) EDUCATIONAL RENEWAL ZONE GRANTS	<u>717,450</u>

1 TOTAL AMOUNT APPROPRIATED \$1,475,373

2

3 SECTION 6. APPROPRIATION - TECHNOLOGY DEVELOPMENT AND RESEARCH GRANTS.

4 There is hereby appropriated, to the Department of Education, to be payable
5 from the Department of Education Public School Fund Account, for grants to
6 the Arkansas Science and Technology Authority for technology development and
7 research grants by the Department of Education for the fiscal year ending
8 June 30, 2014, the following:

9

10 ITEM	FISCAL YEAR
11 NO.	2013-2014
12 (01) TECHNOLOGY DEVELOPMENT AND RESEARCH GRANTS	<u>\$3,000,000</u>

13

14 SECTION 7. APPROPRIATION - SCHOOL RECOGNITION PROGRAM. There is hereby
15 appropriated, to the Department of Education, to be payable from the
16 Department of Education Public School Fund Account, for the payment of
17 financial awards to public schools through the Arkansas School Recognition
18 Program for the fiscal year ending June 30, 2014, the following:

19

20 ITEM	FISCAL YEAR
21 NO.	2013-2014
22 (01) ARKANSAS SCHOOL RECOGNITION PROGRAM	<u>\$ 10,000,000</u>

23

24 SECTION 8. APPROPRIATION - INTERNATIONAL BACCALAUREATE PROGRAM. There
25 is hereby appropriated, to the Department of Education, to be payable from
26 the Department of Education Public School Fund Account, for grants and aid to
27 local school districts for the International Baccalaureate Program by the
28 Department of Education for the fiscal year ending June 30, 2014, the sum of
29 \$75,000.

30

31 SECTION 9. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
32 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. MANDATORY
33 FUNDING PROVISION. The Department of Education shall expend or have
34 committed for expenditure funds in the Department of Education Public School
35 Fund Account in the amount of seventy-five thousand dollars (\$75,000) to
36 provide funding for grants and aid to local school districts for the

1 International Baccalaureate Program as appropriated herein.

2 The provisions of this section shall be in effect only from July 1,
3 2013 through June 30, 2014.

4
5 SECTION 10. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
6 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. FUND
7 ALLOCATION. The appropriation for the Isolated Funding line item in Section 1
8 of this Act may be fully funded. Any funding and appropriation for Isolated
9 Funding that is not utilized shall be transferred to the appropriation for
10 Special Needs Isolated Funding in Section 1 of this Act and shall be used
11 there for fully funding each subsection (c) through (f) of Arkansas Code
12 §6-20-604 on a pro rata basis until the available funds are exhausted. Pro
13 rata basis is defined as providing each district qualifying for additional
14 funding under subsections (c) through (f) a proportionate share based on how
15 each district's additional funding amount bears to the total additional
16 funding amounts for all qualifying districts. If any funding and
17 appropriation remains after funding each subsection (c) through (f) of
18 Arkansas Code §6-20-604 the remaining balance shall be used to fund the
19 provisions of Arkansas Code §6-20-604 (h) on an equal basis until the
20 available funds are exhausted.

21 The provisions of this section shall be in effect only from July 1, ~~2012~~
22 2013 through June 30, ~~2013~~ 2014.

23
24 SECTION 11. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
25 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. GRANTS TO
26 SCHOOL DISTRICTS. For the purposes of distributing the Grants To School
27 Districts appropriation in Section 1 of this Act, "school district" means a
28 school district which contracts with a school district in an adjoining state
29 for the education of some of the pupils within the Arkansas school district
30 because the portion of the school district wherein such pupils live is
31 completely separated from the remainder of the school district by a reservoir
32 covering at least 12,000 acres at normal water level, and where to attend
33 school in their own district, the pupils of said portion would be required to
34 travel or to be transported a distance (measured by the nearest highway or
35 road route) of more than 35 miles round trip and pass through another school
36 district or districts. The Department of Education shall distribute the

1 monies appropriated for Grants to School Districts in Section 1 of this Act
2 to such school districts as reimbursement for expenses incurred in educating
3 the pupils residing in the separated portion of the school district. The
4 payments are to be limited to the amount of available appropriation. Such
5 school districts shall file a request for reimbursement with the Department
6 of Education and provide the Department of Education with such documentation
7 as is deemed necessary.

8 The provisions of this section shall be in effect only from July 1, ~~2012~~
9 2013 through June 30, ~~2013~~ 2014.

10

11 SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
12 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. SPECIAL
13 EDUCATION SERVICES. The funds appropriated in the line item "Special
14 Education Services" in Section 1 of this Act shall be used to provide
15 extended year summer programs for handicapped students in need of such
16 services, to provide special education services to foster children who are
17 wards of the State, and to provide funds for the payment of salaries of
18 special education supervisors. The Department of Education shall distribute
19 such funds in the manner necessary to carry out the intent of this Section.

20 The provisions of this section shall be in effect only from July 1, ~~2012~~
21 2013 through June 30, ~~2013~~ 2014.

22

23 SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
24 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

25 DESEGREGATION EXPENSES. (A) For the fiscal year ending June 30, and for each
26 fiscal year thereafter, the Department of Education shall from time to time
27 as needed, certify to the State Treasurer and the Chief Fiscal Officer of the
28 State, the amount of funds disbursed or approved to be disbursed by the
29 Department of Education for desegregation expenses under any "Desegregation
30 Settlement Agreement". Upon the receipt of such certification, the State
31 Treasurer, after making those deductions as set out in Arkansas Code 19-5-
32 202(b)(2)(B), shall also deduct from the net general revenues the amount
33 certified and transfer this amount to the Department of Education Public
34 School Fund Account there to be used exclusively for payment of or
35 reimbursement for expenses incurred from the Department of Education Public
36 School Fund Account under any "Desegregation Settlement Agreement".

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SECTION 14. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. CONSOLIDATION INCENTIVE. The appropriation contained herein for Consolidation Incentive shall be allocated in accordance with rules and regulations established by the State Board of Education.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 15. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. RESIDENTIAL CENTERS/JUVENILE DETENTION. The funds appropriated herein for Residential Centers/Juvenile Detention shall be allocated in accordance with rules and regulations established by the State Board of Education.

The provisions of this section shall be in effect only from July 1, ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

SECTION 16. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TRANSFER AUTHORITY. The Commissioner of the Department of Education, with the approval of the Chief Fiscal Officer of the State and after approval by the Arkansas Legislative Council or Joint Budget Committee, is hereby authorized to request necessary appropriation transfers and any other budget related adjustments necessary within the Department of Education. Provided, however, that the Department of Education shall be limited to submitting no more than two transfer requests during any fiscal year.

Determining the maximum number of employees and the maximum amount of appropriation and general revenue funding for a state agency each fiscal year is the prerogative of the General Assembly. This is usually accomplished by delineating such maximums in the appropriation act(s) for a state agency and the general revenue allocations authorized for each fund and fund account by amendment to the Revenue Stabilization law. Further, the General Assembly has determined that the Department of Education may operate more efficiently if some flexibility is provided to the Commissioner of the Department of Education authorizing broad powers under the Transfer Authority provision herein. Therefore, it is both necessary and appropriate that the General

1 Assembly maintain oversight by requiring prior approval of the Legislative
2 Council or Joint Budget Committee as provided by this section. The
3 requirement of approval by the Legislative Council or Joint Budget Committee
4 is not a severable part of this section. If the requirement of approval by
5 the Legislative Council or Joint Budget Committee is ruled unconstitutional
6 by a court jurisdiction, this entire section is void.

7 The provisions of this section shall be in effect only from July 1, ~~2012~~
8 2013 through June 30, ~~2013~~ 2014.

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10 SECTION 17. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
11 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. AETN
12 DOCUMENTED QUIZ BOWL COSTS. Of the total amount of appropriation and funds
13 authorized herein to the Department of Education for the Quiz Bowl each
14 fiscal year, an amount not to exceed forty thousand dollars (\$40,000) each
15 fiscal year may be made available to the Department of Education -
16 Educational Television Division for its documented costs associated with the
17 Quiz Bowl.

18 The provisions of this section shall be in effect only from July 1, ~~2012~~
19 2013 through June 30, ~~2013~~ 2014.

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21 SECTION 18. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
22 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
23 INTERVENTION BLOCK GRANTS FUNDING RESTRICTION. The Department of Education
24 shall make available from the Intervention Block Grants appropriation
25 authorized by this Act, one hundred thousand dollars (\$100,000) each fiscal
26 year for the annual expenses of the Quiz Bowl, thirteen thousand five hundred
27 dollars (\$13,500) each fiscal year for Creativity in Arkansas, Inc. for
28 grants up to \$1,000 each for students and chaperones, thirteen thousand five
29 hundred dollars (\$13,500) each fiscal year for Destination Imagination, one
30 hundred thousand dollars (\$100,000) each fiscal year for the State History
31 Day Competition, and seventy-five thousand dollars (\$75,000) each fiscal year
32 for a grant to the Arkansas Science Fair Association for grants to regional
33 and the state science fairs. The Department of Education shall allocate
34 General Revenue funding totaling no less than three hundred two thousand
35 dollars (\$302,000) each fiscal year from the Department of Education Public
36 School Fund Account to support the annual expenses of the Quiz Bowl, the

1 Creativity in Arkansas, Inc. for grants up to \$1,000 each for students and
2 chaperones, Destination Imagination, the State History Day Competition, and
3 the Arkansas Science Fair Association for grants to regional and state
4 science fairs. The Department shall either expend or have committed for
5 expenditure the monies allocated for the Quiz Bowl, Creativity in Arkansas,
6 Inc., Destination Imagination, the State History Day Competition, and
7 Arkansas Science Fair Association grants as authorized herein in order to
8 fulfill the provisions of this section.

9 The provisions of this section shall be in effect only from July 1, ~~2012~~
10 2013 through June 30, ~~2013~~ 2014.

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12 SECTION 19. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
13 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. EAST
14 FUNDING PROVISION. Of the total amount appropriated for Technology Grants
15 each fiscal year, an amount of not less than two million dollars (\$2,000,000)
16 or eighteen percent (18%), whichever is greater each fiscal year, shall be
17 awarded through a grant or professional services contract for EAST
18 infrastructure, personnel, and operating expenses. The EAST infrastructure
19 grant or contract for personal services and operating expenses shall be
20 awarded to an entity that has personnel or experience, or both, in
21 implementing the EAST Initiative.

22 The provisions of this section shall be in effect only from July 1, ~~2012~~
23 2013 through June 30, ~~2013~~ 2014.

24

25 SECTION 20 SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
26 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. CENTER
27 FOR QUALITY TEACHING AND LEARNING FUNDING PROVISION. Of the total
28 appropriation authorized by this Act for Technology Grants the Department of
29 Education shall make available one hundred eighty-seven thousand five hundred
30 seventy-five dollars (\$187,575) each fiscal year for Center for Quality
31 Teaching and Learning initiatives to teach students computer repair in a
32 hands-on environment. The Department of Education shall allocate General
33 Revenue funding totaling no less than one hundred eighty-seven thousand five
34 hundred seventy-five dollars (\$187,575) each fiscal year from the Department
35 of Education Public School Fund Account to support the Center for Quality
36 Teaching and Learning. The Department shall either expend or have committed

1 for expenditure the monies allocated for the Center for Quality Teaching and
2 Learning in order to fulfill the provisions of this section.

3 The provisions of this section shall be in effect only from July 1,
4 ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

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6 SECTION 21. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
7 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
8 DISTRESSED SCHOOL DISTRICT SUPPORT. The funds appropriated in the line item
9 "Distressed School District Support" in Section 1 of this Act may be used for
10 technical assistance offered by the Department of Education to school
11 districts in academic distress that can include, but is not limited to,
12 teacher specialists, principal specialists, and other personnel assigned by
13 the department. These funds may also be used for alternative research-based
14 technical assistance or programs. Criteria for selecting and approving
15 alternative research-based technical assistance or programs are to be
16 promulgated as a rule by the State Board of Education, provided that
17 alternative staffing and/or compensation programs for teachers shall be
18 approved by at least a majority of the teachers in the school, schools, or
19 school district participating in the program.

20 The provisions of this section shall be in effect only from July 1, ~~2012~~
21 2013 through June 30, ~~2013~~ 2014.

22
23 SECTION 22. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
24 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
25 PROFESSIONAL DEVELOPMENT. Of the total amount appropriated for Professional
26 Development Funding, four million dollars (\$4,000,000) may be authorized by
27 the Commissioner of the Department of Education to be used by the Department
28 of Education to develop and implement statewide professional development
29 support systems for teachers that will benefit student achievement.

30 The provisions of this section shall be in effect only from July 1, ~~2012~~
31 2013 through June 30, ~~2013~~ 2014.

32
33 SECTION 23. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
34 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
35 RETIREMENT MATCHING. Beginning with the 1996-97 school year, Local School
36 Districts shall pay the teacher retirement employer contribution rate for any

1 eligible employee in accordance with rules and regulations established by the
2 Teacher Retirement Board of Directors. The appropriation contained herein for
3 Teacher Retirement Matching each fiscal year shall be used to provide the
4 employer matching for employees of the Cooperative Education Services Areas,
5 Vocational Centers, Arkansas Easter Seals and the school operated by the
6 Department of Correction.

7 The provisions of this section shall be in effect only from July 1, ~~2012~~
8 2013 through June 30, ~~2013~~ 2014.

9
10 SECTION 24. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
11 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. OPEN-
12 ENROLLMENT VIRTUAL CHARTER SCHOOL PROVISIONS.

13 (a) Regardless of any provision of law to the contrary, no school
14 district shall receive state funding for the ~~2012-2013~~ 2013-2014 school year
15 for those students who are included in the district's average daily
16 membership for the previous school year but who are attending any open-
17 enrollment charter school that uses internet, long-distance, or virtual
18 technology as the primary method of teaching.

19 (b) As of school year 2012-13, the State Board of Education has
20 approved a maximum enrollment of 500 for the open-enrollment public virtual
21 charter school.

22 (c) Beginning in school year 2013-14 and thereafter, for an
23 open-enrollment public charter granted to a virtual school, the school shall
24 be allowed to enroll an eligible student in any grade, kindergarten through
25 grade twelve (12), up to a total school enrollment of three thousand (3,000)
26 students.

27 (d) Students that become enrolled in the two thousand five hundred
28 (2,500) additional slots authorized by subsection (c) of this Section must be
29 enrolled in an Arkansas public school for the first three quarters of the
30 prior school year.

31 (e) The provisions of this section shall be in effect only from July 1,
32 ~~2012~~ 2013 through June 30, ~~2013~~ 2014.

33
34 SECTION 25. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
35 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. BETTER
36 CHANCE PROGRAM ADMINISTRATIVE FEES. The Department of Education is hereby

1 authorized to expend a maximum of two percent (2%) of available funds for
2 administration of the Better Chance Program. Up to 1.8% of available funds
3 shall be used to administer the program and to monitor program grantees to
4 ensure compliance with programmatic standards. Prior to the utilization of
5 the remaining 0.2% of available funds, the Department of Education shall seek
6 prior review and approval of the Arkansas Legislative Council or Joint Budget
7 Committee by providing a written request to include the following: a) the
8 Department's reason(s) for the use of the funds and b) the amount of funds
9 that will be expended. The Department may contract with the Division of Child
10 Care and Early Childhood Education to administer the program.

11 Determining the maximum number of employees and the maximum amount of
12 appropriation and general revenue funding for a state agency each fiscal year
13 is the prerogative of the General Assembly. This is usually accomplished by
14 delineating such maximums in the appropriation act(s) for a state agency and
15 the general revenue allocations authorized for each fund and fund account by
16 amendment to the Revenue Stabilization law. Therefore, it is both necessary
17 and appropriate that the General Assembly maintain oversight by requiring
18 prior approval of the Legislative Council or Joint Budget Committee as
19 provided by this section. The requirement of approval by the Legislative
20 Council or Joint Budget Committee is not a severable part of this section.
21 If the requirement of approval by the Legislative Council or Joint Budget
22 Committee is ruled unconstitutional by a court of competent jurisdiction,
23 this entire section is void.

24 The provisions of this section shall be in effect only from July 1, ~~2012~~
25 2013 through June 30, ~~2013~~ 2014.

26

27 SECTION 26. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
28 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. AVERAGE
29 TEACHER SALARY. The Arkansas Department of Education is requested to
30 calculate Average Teacher Salary in the Department's Annual Statistical
31 Report to not include extra duty funds. Specifically, the Department is
32 requested to calculate the Average Teacher Salary amount using the National
33 Education Association definitions for Average Salary for Classroom Teachers.
34 The Arkansas Department of Education shall submit this data annually to the
35 National Education Association in accordance with that organization's
36 deadlines for submission for their report "Rankings and Estimates" which

1 includes state-by-state teacher salary comparisons.

2

3 SECTION 27. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
4 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. CARRY
5 FORWARD. Any unexpended balance of monies allocated for the Arkansas Better
6 Chance for School Success Program remaining on June 30, ~~2013~~ 2014, in the
7 Department of Education Public School Fund Account shall be designated and
8 retained for the Arkansas Better Chance for School Success Program.

9 Any carry forward of unexpended balance of funding as authorized herein,
10 may be carried forward under the following conditions:

11 (1) Prior to June 30, ~~2013~~ 2014 the Agency shall by written statement set
12 forth its reason(s) for the need to carry forward said funding to the
13 Department of Finance and Administration Office of Budget;

14 (2) The Department of Finance and Administration Office of Budget shall
15 report to the Arkansas Legislative Council all amounts carried forward by the
16 September Arkansas Legislative Council or Joint Budget Committee meeting
17 which report shall include the name of the Agency, Board, Commission or
18 Institution and the amount of the funding carried forward, the program name
19 or line item, the funding source of that appropriation and a copy of the
20 written request set forth in (1) above;

21 (3) Each Agency, Board, Commission or Institution shall provide a written
22 report to the Arkansas Legislative Council or Joint Budget Committee
23 containing all information set forth in item (2) above, along with a written
24 statement as to the current status of the project, contract, purpose etc. for
25 which the carry forward was originally requested no later than thirty (30)
26 days prior to the time the Agency, Board, Commission or Institution presents
27 its budget request to the Arkansas Legislative Council/Joint Budget
28 Committee; and

29 (4) Thereupon, the Department of Finance and Administration shall include
30 all information obtained in item (3) above in the budget manuals and/or a
31 statement of non-compliance by the Agency, Board, Commission or Institution.

32 The provisions of this section shall be in effect only from July 1, ~~2012~~
33 2013 through June 30, ~~2013~~ 2014.

34

35 SECTION 28. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
36 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. PUBLIC

1 SCHOOL RETIREE HEALTH INSURANCE. The Employee Benefits Division of the
2 Department of Finance and Administration may use up to eleven dollars and
3 twenty cents (\$11.20) from each contribution made under Arkansas Code
4 §6-17-1117 (a) to offset the cost of health insurance premiums to eligible
5 members electing to participate in the public school employees' health
6 insurance program as a retiree.

7
8 SECTION 29. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
9 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
10 ARKANSAS/STRIVE PROGRAM TRANSFER. The Chief Fiscal Officer of the State
11 shall transfer on his books and those of the State Treasurer and the State
12 Auditor, the sum of two hundred thousand dollars (\$200,000) during each
13 fiscal year from the Department of Education Public School Fund Account to
14 the University of Arkansas at Little Rock Fund, specifically to provide
15 funding for the Arkansas/STRIVE Program. The total amount of funds
16 transferred each fiscal year pursuant to this section shall not be subject to
17 any indirect costs by the University of Arkansas at Little Rock.

18 The provisions of this section shall be in effect only from July 1, ~~2012~~
19 2013 through June 30, ~~2013~~ 2014.

20
21 SECTION 30. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
22 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. HEALTH
23 INSURANCE. The appropriation contained herein for Public School Employee
24 Insurance each fiscal year shall be used to provide the state contribution
25 for insurance premiums for employees of the Cooperative Education Services
26 Areas, Vocational Centers, and the school operated by the Department of
27 Correction who participate in the Arkansas Public School Life and Health
28 Insurance Program.

29 The provisions of this section shall be in effect only from July 1, ~~2012~~
30 2013 through June 30, ~~2013~~ 2014.

31
32 SECTION 31. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
33 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
34 ALTERNATIVE LEARNING ENVIRONMENT. The Department of Education may provide
35 funding for Alternative Learning Environment Programs in excess of the
36 regulatory limitation of six (6) hours per day for those programs that

1 operate more than twelve hours per day, in a proportionate manner and upon
2 special request to the Department of Education.

3 The provisions of this section shall be in effect only from July 1, ~~2012~~
4 2013 through June 30, ~~2013~~ 2014.

5
6 SECTION 32. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
7 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. STATE
8 FUND RESTRICTIONS. No state funds shall be used for abortion referral in
9 public schools, or for abortion services. Funds shall be expended in
10 accordance with Arkansas Code Annotated §6-18-703.

11 The provisions of this section shall be in effect only from July 1, ~~2012~~
12 2013 through June 30, ~~2013~~ 2014.

13
14 SECTION 33. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
15 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
16 ADDITIONAL PUBLIC SCHOOL EMPLOYEE HEALTH INSURANCE FUNDING PROVISION.
17 Effective for the plan year beginning October 1, ~~2012~~ 2013, if ninety-eight
18 percent (98%) of the uniform rate of tax used in the calculation of State
19 Foundation Funding Aid for fiscal year ~~2012-2013~~ 2013-2014 exceeds nine
20 hundred twenty million seven hundred thirty-one thousand eight hundred
21 nineteen dollars (\$920,731,819), the Department of Education shall pay up to
22 fifteen million dollars (\$15,000,000) of the total increase over the nine
23 hundred twenty million seven hundred thirty-one thousand eight hundred
24 nineteen dollars (\$920,731,819) to the Employee Benefits Division of the
25 Department of Finance and Administration in additional health insurance
26 contributions for eligible employees electing to participate in the public
27 school employees' health insurance program administered by the State and
28 Public School Life and Health Insurance Board.

29 The Department of Education shall make the contributions by transferring
30 funds to the division in quarterly installments. Funds provided by the
31 Department of Education to the division under this section shall be
32 administered by the board for the benefit of the employee participants of the
33 public school employees' health insurance program

34 The provisions of this section shall be in effect only from July 1, ~~2012~~
35 2013 through June 30, ~~2013~~ 2014.

36

1 *SECTION 34. Section 1 of Uncodified Act 269 of 2012, is amended to read*
 2 *as follows:*

3

4 *SECTION 1. APPROPRIATION. There is hereby appropriated, to the*
 5 *Department of Education, to be payable from the Department of Education*
 6 *Public School Fund Account, for grants and aid to local school districts and*
 7 *special programs of the Department of Education for the fiscal year ending*
 8 *June 30, 2013, the following:*

9

10	<i>ITEM</i>	<i>FISCAL YEAR</i>
11	<i>NO.</i>	<i>2012-2013</i>
12	<i>(01) 98% URT ACTUAL COLLECTION ADJUSTMENT</i>	<i>\$34,500,000</i>
13	<i>(02) ADDITIONAL PUBLIC SCHOOL EMPLOYEE HEALTH INSURANCE</i>	<i>15,000,000</i>
14	<i>(03) ADVANCED PLACEMENT INCENTIVE</i>	<i>825,000</i>
15	<i>(04) ALTERNATIVE LEARNING</i>	<i>21,775,797</i>
16	<i>(05) ALTERNATIVE PAY</i>	<i>807,907</i>
17	<i>(06) ARKANSAS EASTER SEALS</i>	<i>193,113</i>
18	<i>(07) ASSESSMENT/END OF COURSE TESTING</i>	<i>24,375,349</i>
19	<i>(08) AT RISK</i>	<i>1,688,530</i>
20	<i>(09) BETTER CHANCE PROGRAM</i>	<i>111,000,000</i>
21	<i>(10) BONDED DEBT ASSISTANCE</i>	<i>28,455,384</i>
22	<i>(11) CONSOLIDATION INCENTIVE</i>	<i>9,415,127</i>
23	<i>(12) CONTENT STANDARDS</i>	<i>161,000</i>
24	<i>(13) CONTENTS STANDARDS CURRICULUM FRAMEWORKS</i>	<i>50,000</i>
25	<i>(14) COOP EDUCATION TECH CENTERS</i>	<i>1,200,000</i>
26	<i>(15) COORDINATED SCHOOL HEALTH</i>	<i>2,000,000</i>
27	<i>(16) COURT ORDERED DESEGREGATION</i>	<i>69,814,372</i>
28	<i>(17) CRIMINAL BACKGROUND CHECKS</i>	<i>25,000</i>
29	<i>(18) DECLINING ENROLLMENT</i>	<i>13,963,389</i>
30	<i>(19) DEPARTMENT OF CORRECTION</i>	<i>6,024,799</i>
31	<i>(20) DISTANCE LEARNING</i>	<i>4,760,000</i>
32	<i>(21) DISTANCE LEARNING OPERATIONS</i>	<i>7,575,000</i>
33	<i>(22) DISTRESSED SCHOOL DISTRICT SUPPORT</i>	<i>50,000</i>
34	<i>(23) EARLY CHILDHOOD SPECIAL EDUCATION</i>	<i>16,897,920</i>
35	<i>(24) ECONOMIC EDUCATION</i>	<i>350,000</i>
36	<i>(25) EDUCATION SERVICE COOPERATIVES</i>	<i>6,129,270</i>

1	(26) ENGLISH LANGUAGE LEARNERS	12,162,924
2	(27) GENERAL FACILITIES FUNDING	8,100,000
3	(28) GIFTED & TALENTED	1,335,381
4	(29) GRANTS TO SCHOOL DISTRICTS	67,856
5	(30) HOME SCHOOL TESTING	250,000
6	(31) HUMAN DEVELOPMENT CENTER EDUCATION AID	526,150
7	(32) INTERVENTION BLOCK GRANTS	302,000
8	(33) ISOLATED FUNDING	7,896,000
9	(34) LEADERSHIP ACADEMY-MASTER PRINCIPAL	500,000
10	(35) MASTER PRINCIPAL BONUS	90,000
11	(36) NATIONAL BOARD OF PROF TEACHING STANDARDS	12,016,160
12	(37) NATIONAL SCHOOL LUNCH	187,235,597
13	(38) NON-TRADITIONAL LICENSURE	50,000
14	(39) PROFESSIONAL DEVELOPMENT FUNDING	24,244,209
15	(40) PUBLIC SCHOOL EMPLOYEE INSURANCE	37,273,600
16	(41) RESIDENTIAL CENTERS/JUVENILE DETENTION	16,345,087
17	(42) SCHOOL FACILITY JOINT USE SUPPORT	500,000
18	(43) SCHOOL FOOD SERVICES	1,650,000
19	(44) SCHOOL FOOD-LEGISLATIVE AUDIT	75,000
20	(45) SCHOOL FUNDING CONTINGENCY	25,000,000
21	(46) SCHOOL WORKER DEFENSE	390,000
22	(47) SERIOUS OFFENDER	1,716,859
23	(48) SMART START/SMART STEP	10,666,303
24	(49) SPECIAL EDUCATION SERVICES	4,145,285
25	(50) SPECIAL EDUCATION-CATASTROPHIC	11,000,000
26	(51) SPECIAL NEEDS ISOLATED FUNDING	3,000,000
27	(52) STATE FOUNDATION FUNDING	1,904,969,759
28	(53) SUPPLEMENTAL TRANSPORTATION	500,000
29	(54) STUDENT GROWTH	28,500,000
30	(55) SUPPLEMENTAL MILLAGE	10,000,000
31	(56) SURPLUS COMMODITIES	780,000
32	(57) TEACHER LICENSING/MENTORING	5,008,758
33	(58) TEACHER OF THE YEAR	100,000
34	(59) TEACHER RECRUITMENT	2,100,000
35	(60) TEACHER RETIREMENT MATCHING	6,655,000
36	(61) TECHNOLOGY GRANTS	3,602,678

1	(62) TECHNOLOGY IMPROVEMENTS	500,000
2	(63) WORKER'S COMPENSATION	450,000
3	(64) YOUTH SHELTERS	165,000
4	(65) STUDENT SUCCESS RESEARCH DATA PILOT PROGRAM	<u>200,000</u>
5	TOTAL AMOUNT APPROPRIATED	<u>\$2,706,606,563</u> <u>\$2,707,106,563</u>
6		

7 SECTION 35. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
8 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. Section
9 32 of Uncodified Act 269 of 2012, is hereby amended to read as follows:

10
11 ~~SECTION 32. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS~~
12 ~~CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.~~
13 ~~SUPPLEMENTAL TRANSPORTATION. The Department of Education shall budget,~~
14 ~~allocate and commit for expenditure five hundred thousand dollars (\$500,000)~~
15 ~~for the appropriation made herein for "Supplemental Transportation". The~~
16 ~~Department shall use such funding to address extraordinary transportation~~
17 ~~needs of public school districts. The State Board of Education shall~~
18 ~~promulgate such rules and regulations as may be necessary to implement this~~
19 ~~provision, which shall be reviewed by the House and Senate Interim Committees~~
20 ~~on Education.~~

21
22 SECTION 36. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
23 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. ARKANSAS
24 GOVERNOR'S SCHOOL FUNDING The Department of Education shall allocate, budget
25 and commit for expenditure two hundred fifty thousand dollars (\$250,000), in
26 addition to funds already being provided for the Arkansas Governor's School,
27 to fund the appropriation authorized from general revenue for the Gifted and
28 Talented program as appropriated in Section 1 herein. With this additional
29 funding the duration of the Arkansas Governor's School shall be extended from
30 four (4) weeks to six (6) weeks.

31 The provisions of this section shall be in effect only from July 1, ~~2012~~
32 2013 through June 30, ~~2013~~ 2014.

33
34 SECTION 37. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS
35 CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. ISOLATED
36 FUNDING - SPECIAL PROVISIONS. When the Department of Education uses a new

1 methodology or technology to recalculate square miles to determine student
2 transportation distance, density ratio, total area, or bus route miles for
3 the purpose of determining the amount of isolated funding a school district
4 receives under Ark. Code Ann. § 6-20-601 et seq., the school district shall
5 receive an amount of isolated funding that is not less than the amount of
6 isolated funding the school district would have received based on the school
7 district's square miles calculated in the prior school year; provided that
8 the school district remains eligible for isolated funding under § 6-20-601 et
9 seq.

10 *The provisions of this section shall be in effect only from July 1,*
11 *2012 through June 30, 2014.*

12
13 SECTION 38. COMPLIANCE WITH OTHER LAWS. Disbursement of funds
14 authorized by this act shall be limited to the appropriation for such agency
15 and funds made available by law for the support of such appropriations; and
16 the restrictions of the State Procurement Law, the General Accounting and
17 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
18 Procedures and Restrictions Act, or their successors, and other fiscal
19 control laws of this State, where applicable, and regulations promulgated by
20 the Department of Finance and Administration, as authorized by law, shall be
21 strictly complied with in disbursement of said funds.

22
23 SECTION 39. LEGISLATIVE INTENT. It is the intent of the General
24 Assembly that any funds disbursed under the authority of the appropriations
25 contained in this act shall be in compliance with the stated reasons for
26 which this act was adopted, as evidenced by the Agency Requests, Executive
27 Recommendations and Legislative Recommendations contained in the budget
28 manuals prepared by the Department of Finance and Administration, letters, or
29 summarized oral testimony in the official minutes of the Arkansas Legislative
30 Council or Joint Budget Committee which relate to its passage and adoption.

31
32 *SECTION 40. EMERGENCY CLAUSE. It is found and determined by the General*
33 *Assembly, that the Constitution of the State of Arkansas prohibits the*
34 *appropriation of funds for more than a one (1) year period; that the*
35 *effectiveness of this Act on July 1, 2013 is essential to the operation of*
36 *the agency for which the appropriations in this Act are provided; with the*

1 exception that SECTIONS 34, 35 and 37 in this Act shall be in full force and
2 effect from and after the date of its passage and approval, and that in the
3 event of an extension of the legislative session, the delay in the effective
4 date of this Act beyond July 1, 2013 could work irreparable harm upon the
5 proper administration and provision of essential governmental programs, with
6 the exception that SECTIONS 34, 35 and 37 in this Act shall be in full force
7 and effect from and after the date of its passage and approval. Therefore, an
8 emergency is hereby declared to exist and this Act being necessary for the
9 immediate preservation of the public peace, health and safety shall be in
10 full force and effect from and after July 1, 2013; with the exception that
11 SECTIONS 34, 35 and 37 in this Act shall be in full force and effect from and
12 after the date of its passage and approval.

13
14 /s/Joint Budget Committee

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17 APPROVED: 04/18/2013
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School District Health Insurance
Employee Match Amounts
Fiscal Year 2012 and Fiscal Year 2013

Arkansas Department of Education
Arkansas Public School Computer Network
Health Insurance Match Amount
District & Charter Health Ins. Benefit

LEA	DISTRICT	Fiscal Year 2012	Fiscal Year 2013
		Employee Health Ins District Match Amt	Employee Health Ins District Match Amt
6040700	ACADEMICS PLUS SCHOOL DISTRICT	131.00	131.00
1701000	ALMA SCHOOL DISTRICT	180.00	180.00
0501000	ALPENA SCHOOL DISTRICT	144.00	144.00
1520000	Arch Ford Educational Service	131.00	131.00
3520000	ARK. RIVER EDUC. SERVICE CNTR.	131.00	131.00
6091000	ARK. SCHOOL FOR THE BLIND	0.00	0.00
6092000	ARK. SCHOOL FOR THE DEAF	131.00	131.00
1002000	ARKADELPHIA SCHOOL DISTRICT	131.00	131.00
6043700	ARKANSAS VIRTUAL ACADEMY	150.00	150.00
4701000	ARMOREL SCHOOL DISTRICT	141.85	141.85
4101000	ASHDOWN SCHOOL DISTRICT	160.00	160.00
5801000	ATKINS SCHOOL DISTRICT	149.00	149.00
7401000	AUGUSTA SCHOOL DISTRICT	131.00	131.00
7301000	BALD KNOB SCHOOL DISTRICT	131.00	131.00
5401000	BARTON-LEXA SCHOOL DISTRICT	131.00	131.00
3201000	BATESVILLE SCHOOL DISTRICT	161.52	161.52
6301000	BAUXITE SCHOOL DISTRICT	173.04	173.04
1601000	BAY SCHOOL DISTRICT	131.00	131.00
5201000	BEARDEN SCHOOL DISTRICT	131.00	131.00
7302000	BEEBE SCHOOL DISTRICT	140.00	131.00
0440700	BENTON COUNTY SCHOOL OF ARTS	131.00	131.00
6302000	BENTON SCHOOL DISTRICT	229.76	229.76
0401000	BENTONVILLE SCHOOL DISTRICT	150.00	150.00
0502000	BERGMAN SCHOOL DISTRICT	144.00	144.00
0801000	BERRYVILLE SCHOOL DISTRICT	140.50	140.50
3001000	BISMARCK SCHOOL DISTRICT	131.00	131.00
2901000	BLEVINS SCHOOL DISTRICT	145.00	131.00
4702000	BLYTHEVILLE SCHOOL DISTRICT	131.00	131.00
4201000	BOONEVILLE SCHOOL DISTRICT	150.00	150.00
7303000	BRADFORD SCHOOL DISTRICT	131.00	131.00
3701000	BRADLEY SCHOOL DISTRICT	131.00	131.00
4801000	BRINKLEY SCHOOL DISTRICT	131.00	131.00
1603000	BROOKLAND SCHOOL DISTRICT	150.00	150.00
6303000	BRYANT SCHOOL DISTRICT	150.00	150.00

LEA	DISTRICT	Employee Health Ins District Match Amt	Employee Health Ins District Match Amt
1605000	BUFFALO IS. CENTRAL SCH. DIST.	131.00	131.00
4304000	CABOT SCHOOL DISTRICT	131.00	131.00
4901000	CADDO HILLS SCHOOL DISTRICT	131.00	131.00
3301000	CALICO ROCK SCHOOL DISTRICT	164.00	164.00
5204000	CAMDEN FAIRVIEW SCHOOL DIST.	131.00	131.00
4303000	CARLISLE SCHOOL DISTRICT	131.00	131.00
6802000	CAVE CITY SCHOOL DISTRICT	144.00	144.00
3212000	CEDAR RIDGE SCHOOL DISTRICT	150.00	150.00
1702000	CEDARVILLE SCHOOL DISTRICT	281.00	281.00
5502000	CENTERPOINT SCHOOL DISTRICT	135.00	135.00
2402000	CHARLESTON SCHOOL DISTRICT	131.00	131.00
4802000	CLARENDON SCHOOL DISTRICT	150.00	150.00
3601000	CLARKSVILLE SCHOOL DISTRICT	170.00	170.00
1305000	CLEVELAND COUNTY SCHOOL DIST.	160.00	160.00
7102000	CLINTON SCHOOL DISTRICT	139.00	139.00
1201000	CONCORD SCHOOL DISTRICT	144.00	144.00
2301000	CONWAY SCHOOL DISTRICT	131.00	131.00
1101000	CORNING SCHOOL DISTRICT	144.00	144.00
5707000	COSSATOT RIVER SCHOOL DIST	154.00	154.00
0302000	COTTER SCHOOL DISTRICT	152.00	152.00
2403000	COUNTY LINE SCHOOL DISTRICT	131.00	131.00
6044700	COVENANTKEEPERS CHARTER SCHOOL	131.00	131.00
1901000	CROSS COUNTY SCHOOL DISTRICT	131.00	131.00
0201000	CROSSETT SCHOOL DISTRICT	171.00	171.00
5620000	CROWLEY'S RIDGE EDUCATION COOP	131.00	131.00
2601000	CUTTER-MORNING STAR SCH. DIST.	135.00	135.00
7503000	DANVILLE SCHOOL DISTRICT	131.00	131.00
7504000	DARDANELLE SCHOOL DISTRICT	131.00	131.00
1020000	DAWSON EDUCATION SERVICE CO-OP	131.00	131.00
0402000	DECATUR SCHOOL DISTRICT	131.00	131.00
5106000	DEER/MT. JUDEA SCHOOL DISTRICT	131.00	131.00
6701000	DEQUEEN SCHOOL DISTRICT	157.00	157.00
6720000	DEQUEEN/MENA EDUC. CO-OP	131.00	131.00
0901000	DERMOTT SCHOOL DISTRICT	131.00	131.00
5901000	DES ARC SCHOOL DISTRICT	167.00	167.00
0101000	DEWITT SCHOOL DISTRICT	131.00	131.00
3102000	DIERKS SCHOOL DISTRICT	150.00	150.00
6094000	DIV OF YOUTH SERVS SCHOOL SYST	0.00	0.00
3502000	DOLLARWAY SCHOOL DISTRICT	160.00	160.00
5802000	DOVER SCHOOL DISTRICT	164.00	164.00

LEA	DISTRICT	Employee Health Ins District Match Amt	Employee Health Ins District Match Amt
6042700	DREAMLAND ACADEMY	131.00	0.00
2202000	DREW CENTRAL SCHOOL DISTRICT	171.00	171.00
2104000	DUMAS SCHOOL DISTRICT	144.00	144.00
1802000	EARLE SCHOOL DISTRICT	131.00	131.00
5301000	EAST END SCHOOL DISTRICT	131.00	131.00
5608000	EAST POINSETT CO. SCHOOL DIST.	140.00	140.00
7001000	EL DORADO SCHOOL DISTRICT	176.75	176.75
7201000	ELKINS SCHOOL DISTRICT	140.00	140.00
1408000	EMERSON-TAYLOR SCHOOL DISTRICT	131.00	131.00
4302000	ENGLAND SCHOOL DISTRICT	131.00	131.00
6045700	ESTEM ELEMENTARY PUBLIC CHARTE	263.00	263.00
6047700	ESTEM HIGH SCHOOL	263.00	263.00
6046700	ESTEM MIDDLE PUBLIC CHARTER	263.00	263.00
0802000	EUREKA SPRINGS SCHOOL DISTRICT	216.00	216.00
7202000	FARMINGTON SCHOOL DISTRICT	150.00	150.00
7203000	FAYETTEVILLE SCHOOL DISTRICT	131.00	131.00
4501000	FLIPPIN SCHOOL DISTRICT	131.00	131.00
2002000	FORDYCE SCHOOL DISTRICT	131.00	131.00
4102000	FOREMAN SCHOOL DISTRICT	156.00	156.00
6201000	FORREST CITY SCHOOL DISTRICT	131.00	131.00
6601000	FORT SMITH SCHOOL DISTRICT	244.78	244.78
4603000	FOUKE SCHOOL DISTRICT	139.00	139.00
2602000	FOUNTAIN LAKE SCHOOL DISTRICT	131.00	131.00
4602000	GENOA CENTRAL SCHOOL DISTRICT	134.00	134.00
0403000	GENTRY SCHOOL DISTRICT	131.00	131.00
3002000	GLEN ROSE SCHOOL DISTRICT	150.00	150.00
4708000	GOSNELL SCHOOL DISTRICT	131.00	131.00
0404000	GRAVETTE SCHOOL DISTRICT	150.00	150.00
5420000	GREAT RIVERS EDUC. SERV. CO-OP	11.00	11.00
0803000	GREEN FOREST SCHOOL DISTRICT	180.00	180.00
2303000	GREENBRIER SCHOOL DISTRICT	131.00	131.00
2807000	GREENE CO. TECH SCHOOL DIST.	131.00	131.00
7204000	GREENLAND SCHOOL DISTRICT	131.00	131.00
6602000	GREENWOOD SCHOOL DISTRICT	131.00	131.00
1003000	GURDON SCHOOL DISTRICT	131.00	131.00
2304000	GUY-PERKINS SCHOOL DISTRICT	131.00	131.00
7240700	HAAS HALL ACADEMY	131.00	131.00
6603000	HACKETT SCHOOL DISTRICT	131.00	131.00
0203000	HAMBURG SCHOOL DISTRICT	131.00	131.00
0701000	HAMPTON SCHOOL DISTRICT	131.00	131.00
5205000	HARMONY GROVE SCH DIST(OUACHIT	170.00	170.00

LEA	DISTRICT	Employee Health Ins District Match Amt	Employee Health Ins District Match Amt
6304000	HARMONY GROVE SCH DIST(SALINE)	131.00	131.00
5602000	HARRISBURG SCHOOL DISTRICT	131.00	131.00
0503000	HARRISON SCHOOL DISTRICT	138.00	138.00
6604000	HARTFORD SCHOOL DISTRICT	131.00	131.00
5903000	HAZEN SCHOOL DISTRICT	150.00	150.00
1202000	HEBER SPRINGS SCHOOL DISTRICT	131.00	131.00
5803000	HECTOR SCHOOL DISTRICT	144.00	144.00
5403000	HELENA/ W.HELENA SCHOOL DIST.	167.00	167.00
0601000	HERMITAGE SCHOOL DISTRICT	131.00	131.00
6804000	HIGHLAND SCHOOL DISTRICT	131.00	131.00
3809000	HILLCREST SCHOOL DISTRICT	131.00	131.00
2903000	HOPE SCHOOL DISTRICT	150.00	150.00
6703000	HORATIO SCHOOL DISTRICT	153.00	153.00
2603000	HOT SPRINGS SCHOOL DISTRICT	131.00	131.00
3804000	HOXIE SCHOOL DISTRICT	131.00	131.00
6202000	HUGHES SCHOOL DISTRICT	131.00	131.00
4401000	HUNTSVILLE SCHOOL DISTRICT	131.00	131.00
3840700	IMBODEN CHARTER SCHOOL DIST	131.00	131.00
3306000	IZARD CO. CONS. SCHOOL DIST.	181.00	181.00
3405000	JACKSON CO. SCHOOL DISTRICT	131.00	131.00
6050700	JACKSONVILLE LIGHTHOUSE CHARTE	250.00	250.00
5102000	JASPER SCHOOL DISTRICT	131.00	131.00
2604000	JESSIEVILLE SCHOOL DISTRICT	131.00	131.00
1608000	JONESBORO SCHOOL DISTRICT	142.00	142.00
7003000	JUNCTION CITY SCHOOL DISTRICT	200.00	200.00
5440700	KIPP DELTA PUBLIC SCHOOLS	131.00	131.00
5503000	KIRBY SCHOOL DISTRICT	131.00	131.00
3704000	LAFAYETTE COUNTY SCHOOL DISTRI	131.00	131.00
2605000	LAKE HAMILTON SCHOOL DISTRICT	161.00	161.00
0903000	LAKESIDE SCHOOL DIST(CHICOT)	160.00	160.00
2606000	LAKESIDE SCHOOL DIST(GARLAND)	145.00	145.00
3604000	LAMAR SCHOOL DISTRICT	150.00	150.00
6605000	LAVACA SCHOOL DISTRICT	131.00	131.00
3810000	LAWRENCE COUNTY SCHOOL DISTRIC	131.00	131.00
0506000	LEAD HILL SCHOOL DISTRICT	131.00	131.00
3904000	LEE COUNTY SCHOOL DISTRICT	250.00	131.00
7205000	LINCOLN SCHOOL DISTRICT	131.00	131.00
6041700	LISA ACADEMY	131.00	131.00
6048700	LISA ACADEMY NORTH	131.00	131.00
6049700	LITTLE ROCK PREPARATORY ACADEM	221.00	288.56
6001000	LITTLE ROCK SCHOOL DISTRICT	301.44	318.96

LEA	DISTRICT	Employee Health Ins District Match Amt	Employee Health Ins District Match Amt
7601000	LITTLE ROCK SD - MAGNET	301.44	318.96
4301000	LONOKE SCHOOL DISTRICT	131.00	131.00
4202000	MAGAZINE SCHOOL DISTRICT	131.00	131.00
3003000	MAGNET COVE SCHOOL DIST.	131.00	131.00
1402000	MAGNOLIA SCHOOL DISTRICT	131.00	131.00
3004000	MALVERN SCHOOL DISTRICT	131.00	131.00
2501000	MAMMOTH SPRING SCHOOL DISTRICT	131.00	131.00
4712000	MANILA SCHOOL DISTRICT	144.00	144.00
6606000	MANSFIELD SCHOOL DISTRICT	131.00	131.00
1804000	MARION SCHOOL DISTRICT	131.00	131.00
5604000	MARKED TREE SCHOOL DISTRICT	136.00	136.00
2803000	MARMADUKE SCHOOL DISTRICT	150.00	150.00
5404000	MARVELL-ELAINE SCHOOL DISTRICT	131.00	131.00
2305000	MAYFLOWER SCHOOL DISTRICT	131.00	131.00
6102000	MAYNARD SCHOOL DISTRICT	131.00	131.00
7403000	MCCRORY SCHOOL DISTRICT	131.00	131.00
2105000	MCGEHEE SCHOOL DISTRICT	131.00	131.00
3302000	MELBOURNE SCHOOL DISTRICT	131.00	131.00
5703000	MENA SCHOOL DISTRICT	199.00	199.00
3211000	MIDLAND SCHOOL DISTRICT	131.00	131.00
3104000	MINERAL SPRINGS SCHOOL DIST.	161.00	161.00
2203000	MONTICELLO SCHOOL DISTRICT	175.00	175.00
4902000	MOUNT IDA SCHOOL DISTRICT	131.00	131.00
0303000	MOUNTAIN HOME SCHOOL DISTRICT	230.00	230.00
2607000	MOUNTAIN PINE SCHOOL DISTRICT	131.00	131.00
6901000	MOUNTAIN VIEW SCHOOL DISTRICT	181.00	181.00
1703000	MOUNTAINBURG SCHOOL DISTRICT	131.00	131.00
2306000	MT. VERNON/ENOLA SCHOOL DIST.	131.00	131.00
1704000	MULBERRY SCHOOL DISTRICT	131.00	131.00
6002000	N. LITTLE ROCK SCHOOL DISTRICT	264.78	264.78
3105000	NASHVILLE SCHOOL DISTRICT	140.00	140.00
1503000	NEMO VISTA SCHOOL DISTRICT	131.00	131.00
1611000	NETTLETON SCHOOL DISTRICT	131.00	131.00
5008000	NEVADA SCHOOL DISTRICT	165.00	165.00
3403000	NEWPORT SCHOOL DISTRICT	144.00	144.00
0304000	NORFORK SCHOOL DISTRICT	164.00	164.00
7006000	NORPHLET SCHOOL DISTRICT	131.00	131.00
3320000	NORTH CENTRAL ARK. EDUC CO-OP	161.00	161.00
3820000	NORTHEAST ARK. EDUC. CO-OP	131.00	131.00
7221000	NORTHWEST ARK. EDUCATION CO-OP	131.00	131.00
0504000	OMAHA SCHOOL DISTRICT	131.00	131.00

LEA	DISTRICT	Employee Health Ins District Match Amt	Employee Health Ins District Match Amt
4713000	OSCEOLA SCHOOL DISTRICT	158.00	158.00
5706000	OUACHITA RIVER SCHOOL DISTRICT	150.00	150.00
3005000	OUACHITA SCHOOL DISTRICT	131.00	131.00
6505000	OZARK MOUNTAIN SCHOOL DISTRICT	136.00	136.00
2404000	OZARK SCHOOL DISTRICT	150.00	150.00
0520000	OZARK UNLITD RESOURCE CO-OP	131.00	131.00
6205000	PALESTINE-WHEATLEY SCH. DIST.	160.00	160.00
7309000	PANGBURN SCHOOL DISTRICT	131.00	131.00
2808000	PARAGOULD SCHOOL DISTRICT	134.00	134.00
4203000	PARIS SCHOOL DISTRICT	150.00	150.00
7007000	PARKERS CHAPEL SCHOOL DIST.	263.69	263.69
0407000	PEA RIDGE SCHOOL DISTRICT	148.32	148.32
5303000	PERRYVILLE SCHOOL DISTRICT	131.00	131.00
1104000	PIGGOTT SCHOOL DISTRICT	154.00	154.00
3541700	PINE BLUFF LIGHTHOUSE ACADEMY	250.00	250.00
3505000	PINE BLUFF SCHOOL DISTRICT	200.00	200.00
6103000	POCAHONTAS SCHOOL DISTRICT	151.00	151.00
5804000	POTTSVILLE SCHOOL DISTRICT	166.00	166.00
2703000	POYEN SCHOOL DISTRICT	172.00	172.00
7206000	PRAIRIE GROVE SCHOOL DISTRICT	140.00	140.00
5006000	PRESCOTT SCHOOL DISTRICT	131.00	131.00
6003000	PULASKI CO. SPEC. SCHOOL DIST.	156.00	156.00
1203000	QUITMAN SCHOOL DISTRICT	131.00	131.00
1106000	RECTOR SCHOOL DISTRICT	170.00	170.00
1613000	RIVERSIDE SCHOOL DISTRICT	131.00	131.00
7307000	RIVERVIEW SCHOOL DISTRICT	178.00	178.00
0405000	ROGERS SCHOOL DISTRICT	140.00	140.00
7310000	ROSE BUD SCHOOL DISTRICT	131.00	131.00
5805000	RUSSELLVILLE SCHOOL DISTRICT	197.00	197.00
2502000	SALEM SCHOOL DISTRICT	151.00	151.00
4204000	SCRANTON SCHOOL DISTRICT	131.00	131.00
6502000	SEARCY COUNTY SCHOOL DISTRICT	150.00	150.00
7311000	SEARCY SCHOOL DISTRICT	131.00	131.00
2705000	SHERIDAN SCHOOL DISTRICT	182.00	182.00
7104000	SHIRLEY SCHOOL DISTRICT	131.00	131.00
6052700	SIATECH LITTLE ROCK CHARTER	416.67	416.67
0406000	SILOAM SPRINGS SCHOOL DISTRICT	150.00	150.00
3806000	SLOAN-HENDRIX SCHOOL DIST.	131.00	131.00
7008000	SMACKOVER SCHOOL DISTRICT	200.00	200.00
1507000	SO. CONWAY CO. SCHOOL DISTRICT	134.00	134.00
4706000	SO. MISS. COUNTY SCHOOL DIST.	131.00	131.00

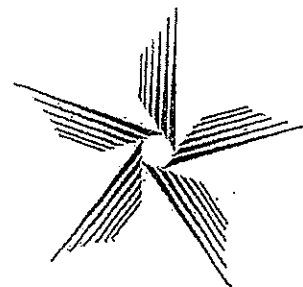
LEA	DISTRICT	Employee Health Ins District Match Amt	Employee Health Ins District Match Amt
5220000	SOUTH CENTRAL SERVICE CO-OP	50.00	50.00
5504000	SOUTH PIKE COUNTY SCHOOL DIST	131.00	131.00
7105000	SOUTH SIDE SCH DIST(VANBUREN)	131.00	131.00
2220000	Southeast Arkansas Educational	150.00	150.00
3209000	SOUTHSIDE SCH DIST(INDEPENDENC	181.00	181.00
2920000	SOUTHWEST ARK. CO-OP	50.00	50.00
2906000	SPRING HILL SCHOOL DISTRICT	231.00	231.00
7207000	SPRINGDALE SCHOOL DISTRICT	152.00	152.00
4003000	STAR CITY SCHOOL DISTRICT	150.00	150.00
5206000	STEPHENS SCHOOL DISTRICT	149.44	149.44
7009000	STRONG-HUTTIG SCHOOL DISTRICT	131.00	131.00
0104000	STUTTGART SCHOOL DISTRICT	168.00	168.00
4605000	TEXARKANA SCHOOL DISTRICT	150.00	150.00
5605000	TRUMANN SCHOOL DISTRICT	131.00	131.00
7510000	TWO RIVERS SCHOOL DISTRICT	139.00	139.00
0505000	VALLEY SPRINGS SCHOOL DISTRICT	131.00	131.00
1612000	VALLEY VIEW SCHOOL DISTRICT	131.00	131.00
1705000	VAN BUREN SCHOOL DISTRICT	131.00	131.00
2307000	VILONIA SCHOOL DISTRICT	131.00	131.00
2503000	VIOLA SCHOOL DISTRICT	150.00	150.00
6401000	WALDRON SCHOOL DISTRICT	131.00	131.00
0602000	WARREN SCHOOL DISTRICT	150.00	150.00
3509000	WATSON CHAPEL SCHOOL DISTRICT	225.00	225.00
7208000	WEST FORK SCHOOL DISTRICT	160.00	131.00
1803000	WEST MEMPHIS SCHOOL DISTRICT	131.00	131.00
1204000	WEST SIDE SCHOOL DIST(CLEBURNE	131.00	131.00
2420000	WESTERN ARKANSAS CO-OP	131.00	131.00
7509000	WESTERN YELL CO. SCHOOL DIST.	131.00	131.00
1602000	WESTSIDE CONS. SCH DIST(CRAIGH	131.00	131.00
3606000	WESTSIDE SCHOOL DIST(JOHNSON)	136.00	136.00
7304000	WHITE CO. CENTRAL SCHOOL DIST.	131.00	131.00
3510000	WHITE HALL SCHOOL DISTRICT	150.00	150.00
7320000	WILBUR D. MILLS EDUC. CO-OP	131.00	131.00
1505000	WONDERVIEW SCHOOL DISTRICT	131.00	131.00
1304000	WOODLAWN SCHOOL DISTRICT	140.00	140.00
1905000	WYNNE SCHOOL DISTRICT	142.00	142.00
4502000	YELLVILLE-SUMMIT SCHOOL DIST.	151.00	151.00

EBD - *The Buzz*

Spring 2013

UNDERSTANDING HOW
RATES ARE SET

The Buzz



Spring 2013

Employee Benefits Division

Understanding how rates are set

One of the most frequently asked questions to Employee Benefits Division is “why is there a difference in premiums between state employees and public school employees?”

This one question has been around for years, and just recently led to special legislative subcommittee meetings to address the topic. EBD would like to take the opportunity to explain the rating process so you will have a better understanding how rates are set.

Each year, the State and Public School Life and Health Insurance Board, which oversees the ARBenefits Plan, approve premiums for the upcoming plan year. This process takes place over several months leading up to the meeting in September where rates are set. The meetings are open to the public, so any member of the plan may attend.

The rates are ultimately set by the board. However, EBD and our actuaries work on the rates throughout the year, crunching numbers and watching our data closely to allow us to come up with a rate that is as accurate as possible for the coming year. Essentially, this process requires the ability to see into the future, using the past as a guide.

The rates that are set by the board are known as “base premium.” This is the amount that it costs to insure a member (or a member and spouse, or a member and family) for a month. If you are familiar with EBD-produced rate sheets available at www.ARBenefits.org, the left column is the base premium. It

is the ACTUAL cost to insure the member prior to any contributions.

In the last rating process, the amount of base premium necessary to insure a state employee versus a public school employee for the employee-only Gold Plan was only separated by a few dollars. As recently as 2011, it was actually less expensive at the base level to insure a public school employee on the plan than it was a state employee. It is a cyclical process based on claims from year to year, and the cost of insuring an average educator is really no different than the cost of insuring an average state employee.

It is correct to say that state employees (ASE) pay less in premium out-of-pocket than public school employees (PSE). This is because the respective employers of these two separate groups contribute at a different level. We often hear from many in the public school employee group that they are also “state employees”. According to an opinion from the Attorney General, this is not true. The school district is the employer because the school district hires and terminates employment, determines salary and controls its own budget. Salary is based on a scale created by the school district (which can vary from district to district). The amount of money a PSE member pays out-of-pocket for health insurance is determined by the school district, and not EBD.

State Law ACA § 6-17-1117 requires local school districts to contribute a minimum of \$131 toward the cost of insurance for each eligible employee on the

plan. Currently, about 50 percent of the school districts in Arkansas contribute at the minimum level of \$131. However, the other 50 percent contribute at a level higher than \$131. The more money a school district contributes, the less the employee must pay out-of-pocket. The decision of how much to contribute lies entirely on the school district.

In contrast, the State of Arkansas, as the employer, provides \$390 per budgeted position to employees and retirees of state agencies. This amount of contribution is at a significantly higher level than the minimum amount required by law for school contribution, and thus provides a larger pool of funding to “buy down” the state employee rate.

So, with this background information in place, the difference in the out-of-pocket amount for premium for an Arkansas State Employee versus Public School Employee is entirely based on the amount of contribution given to each group by the respective employer, adhering to Arkansas State Law.

Also, please keep in mind that there are two other plan options beside the Gold Plan, which is the most expensive plan and has some of the richest benefits around. The Silver and Bronze Plans provide coverage at a lower premium because of some increased cost-sharing with the member (mainly the addition of deductibles).

Important Prescription
Drug Plan information
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Monthly Premiums
Public School Employees - Active
2014 Plan Year

Monthly Premiums for Public School Active Employees

2014 Plan Year Rates - Effective January 1, 2014 - December 31, 2014

	Base Monthly Premium	State and Plan Contribution	School District Contribution	Total Monthly Employee Cost
Employee Only				
Gold	\$566.72	\$75.34	\$150.00	\$341.38
Silver	\$426.54	\$37.76	\$150.00	\$238.78
Bronze	\$267.66	\$67.82	\$150.00	\$49.84
Employee & Spouse				
Gold	\$1,360.06	\$0.00	\$150.00	\$1,210.06
Silver	\$1,009.82	\$0.00	\$150.00	\$859.82
Bronze	\$600.98	\$81.18	\$150.00	\$369.80
Employee & Child(ren)				
Gold	\$1,048.24	\$30.44	\$150.00	\$867.80
Silver	\$779.76	\$25.16	\$150.00	\$604.60
Bronze	\$468.20	\$152.48	\$150.00	\$165.72
Employee & Family				
Gold	\$1,841.60	\$153.34	\$150.00	\$1,538.26
Silver	\$1,363.04	\$140.96	\$150.00	\$1,072.08
Bronze	\$801.52	\$277.98	\$150.00	\$373.54

Monthly Premiums
Arkansas State Employees - Active
2014 Plan Year

Monthly Premiums for Arkansas State Active Employees

2014 Plan Year Rates - Effective January 1, 2014 - December 31, 2014

	Base Monthly Premium	State Contribution	Plan Contribution	Total Monthly Employee Cost	Per-Payroll Deduction Amount - 24 payroll
Employee Only					
Gold	\$470.98	\$320.14	\$54.16	\$96.68	\$48.34
Silver	\$322.42	\$259.70	\$0.00	\$62.72	\$31.36
Bronze	\$193.26	\$193.26	\$0.00	\$0.00	\$0.00
Employee & Spouse					
Gold	\$1,063.12	\$591.77	\$100.11	\$371.24	\$185.62
Silver	\$718.00	\$432.80	\$0.00	\$285.20	\$142.60
Bronze	\$409.12	\$331.16	\$0.00	\$77.96	\$38.98
Employee & Child(ren)					
Gold	\$759.98	\$482.82	\$81.68	\$195.48	\$97.74
Silver	\$515.48	\$372.70	\$0.00	\$142.78	\$71.39
Bronze	\$298.60	\$270.50	\$0.00	\$28.10	\$14.05
Employee & Family					
Gold	\$1,352.11	\$794.17	\$134.34	\$423.60	\$211.80
Silver	\$911.06	\$583.38	\$0.00	\$327.68	\$163.84
Bronze	\$514.48	\$421.40	\$0.00	\$93.08	\$46.54

State Contribution is funded by legislation
Plan Contribution is funded by ASE Trust Fund as Claims Reserve Allocation

