

## **DFA – Management Services – Employee Benefit Division**

The Department of Finance and Administration – Employees Benefit Division (EBD) is an office within the DFA Management Services Division and is responsible for managing the group health, life and other benefit programs for active and retired state and public school employees. The operations of EBD are funded by the State Central Services Fund which is funded primarily by a deduction from general and special revenues which is by statute not to exceed a rate of 3% and a one and one-half percent service charge on cash funds not held in the State Treasury. The Employee Benefits Division is also funded with cash funds which are derived from registration fees collected from participants attending training sessions, seminars, payment of vendor fees, and other miscellaneous reimbursements and revenues.

Arkansas Code §21-5-406 as amended by Section 1 of Act 6 of the First Extraordinary Session of 2013 establishes who is responsible for selecting an Executive Director for the Employee Benefits Division and outlines the responsibilities of the Director and is provided below.

"21-5-406. Executive director — Staff.

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

(2)(A) The ~~executive director~~ Executive Director of the Employee Benefits Division of the Department of Finance and Administration shall be employed by and serve at the pleasure of the Director of the Department of Finance and Administration.

(B) However, the board may recommend the removal of the ~~executive director~~ Executive Director of the Employee Benefits Division of the Department of Finance and Administration, but removal ~~shall be~~ is subject to the approval of the Director of the Department of Finance and Administration.

(3) The ~~executive director~~ Executive Director of the Employee Benefits Division of the Department of Finance and Administration shall employ staff adequate to manage the ~~program~~ State and Public School Life and Health Insurance Program within the funds appropriated ~~therefor~~ for the program within the Department of Finance and Administration.

(b) The ~~executive director~~ Executive Director of the Employee Benefits Division of the Department of Finance and Administration shall establish internal controls for the fiscal management of the ~~health and life insurance plans~~ program.

(c)(1) The ~~executive director~~ Executive Director of the Employee Benefits Division of the Department of Finance and Administration 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~~ the program, including plan options offered under the program, 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~~ program.

(d) The ~~executive director~~ Executive Director of the Employee Benefits Division of the Department of Finance and Administration shall ~~be charged with the duty of administering the provisions of~~ administer this subchapter and the rules, ~~regulations~~, and orders of the division and the board.



(e)(1) The ~~executive director~~ Executive Director of the Employee Benefits Division of the Department of Finance and Administration may require all participating entities to appoint health insurance representatives; who ~~will be required to~~ shall adhere to the policies adopted by the board and the ~~regulations~~ rules 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 state agency or school district.

(2) The ~~executive director~~ Executive Director of the Employee Benefits Division of the Department of Finance and Administration may request the removal of a health insurance representative to ensure necessary internal controls.

(3)(A) The ~~executive director shall have~~ Executive Director of the Employee Benefits Division of the Department of Finance and Administration has the authority to supervise the implementation and day-to-day management of the ~~health insurance programs~~ program and other employee ~~benefit programs~~ benefits, plans, and individual and group policies made available to ~~state and public school employees~~ participants, if applicable.

(B) This may include, but not be limited to The authority granted under subdivision (e)(3)(A) of this section includes without limitation supervising:

- (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~~ state employees, state employee retirees, public school employees, and public school employee retirees.

(C) ~~This authority shall not include~~ The authority granted under subdivision (e)(3)(A) of this section does not include supervising the State Employees Benefit Corporation benefit plan which is in effect on July 1, 1995.

(D) In addition, the ~~executive director~~ Executive Director of the Employee Benefits Division of the Department of Finance and Administration and the board may utilize the services of ~~health care~~ healthcare consultants and actuaries if necessary as provided for through the appropriation of the division.

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

An organizational chart for the Employee Benefits Division is provided in Attachment I.

The table below reflects the authorized appropriation, actual expenditures/budget, and budgeted positions for the Employee Benefits Division for the Fiscal Years 2013, 2014 and 2015.

<b>Employee Benefits Division</b>			
	<b>FY2012-13</b>	<b>FY2013-14</b>	<b>FY2014-15*</b>
<b>Employee Benefits Division Appropriation - State Central Services Fund</b>			
Appropriation	\$3,103,637	\$3,019,404	\$2,969,953
Actual Expenditures/Budgeted	\$2,476,483	\$3,019,065	Forthcoming
<b>Miscellaneous Cash Appropriation - Cash Funds</b>			
Appropriation Allocated to EBD	\$1,311,838	\$1,198,224	**Forthcoming
Actual Expenditures/Budgeted	\$436,094	\$1,198,224	**Forthcoming
<b>Total All Appropriations</b>			
Appropriation	\$4,415,475	\$4,217,628	Forthcoming
Actual Expenditures/Budgeted	\$2,912,577	\$4,217,289	-
Budgeted positions	36	36	Forthcoming
FY - Fiscal Years begin on July 1 and end on June 30, for example, FY2012-13 is the period July 1, 2012 through June 30, 2013.			
*EBD's FY2014-15 budget has not yet been finalized.			
**EBD uses a portion of a Miscellaneous Cash Appropriation authorized for DFA - Management Services for their operating budget. The appropriation and budget amounts will be available once the FY2014-15 budget is finalized.			



The table below reflects the classifications and number of positions per classification that are reflected as being budgeted for the Employee Benefits Division as of 05/12/14.

<b>EMPLOYEE BENEFITS BUDGETED POSITIONS AS OF 5/12/14</b>		
<b>Authorized Grade</b>	<b>Authorized Title</b>	<b>No. of Positions</b>
N909	DFA EBD ADMINISTRATOR	1
	DFA ASSISTANT EBD	
C130	ADMINISTRATOR	1
	ACCOUNTING OPERATIONS	
C125	MANAGER	1
C122	OPERATIONS MANAGER	1
C122	REGISTERED NURSE SUPERVISOR	1
C121	QUALITY ASSURANCE MANAGER	1
C120	DFA EBD PROGRAM SUPERVISOR	6
C116	BUSINESS OPERATIONS SPECIALIST	2
C115	BENEFITS ANALYST	7
C114	DFA EBD BENEFITS SPECIALIST	13
	ADMINISTRATION SUPPORT	
C112	SPECIALIST	1
C109	ADMINISTRATIVE SPECIALIST II	1
	Total Budgeted Positions	36

# Employee Benefits Division Organization Chart May 13, 2014

ATTACHMENT I

