

1 State of Arkansas
2 85th General Assembly
3 First Extraordinary Session, 2006
4

Call Item 13

A Bill

HOUSE BILL 1028

5 By: Representative Sumpter
6
7

For An Act To Be Entitled

9 AN ACT TO TRANSFER TO THE DEPARTMENT OF EDUCATION
10 THE SCHOOL DISTRICTS' EMPLOYER CONTRIBUTION
11 OBLIGATIONS FOR THE PUBLIC SCHOOL EMPLOYEES'
12 HEALTH INSURANCE PROGRAM; AND FOR OTHER PURPOSES.
13

Subtitle

15 AN ACT TO TRANSFER TO THE DEPARTMENT OF
16 EDUCATION THE SCHOOL DISTRICTS' MONTHLY
17 EMPLOYER CONTRIBUTION OBLIGATIONS FOR
18 THE PUBLIC SCHOOL EMPLOYEES' HEALTH
19 INSURANCE PROGRAM.
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21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 6-17-1117 is amended to read as follows:
25 6-17-1117. Health insurance.

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

30 ~~(b)(1) The Department of Education shall pay the Employee Benefits~~
31 ~~Division of the Department of Finance and Administration sixty one dollars~~
32 ~~(\$61.00) per month for each eligible employee of a public school district~~
33 ~~electing to participate in the public school employees' health insurance~~
34 ~~program administered by the State and Public School Life and Health Insurance~~
35 ~~Board.~~

36 ~~(2) The funds provided to the division under this subsection~~



1 shall be administered by the board for the benefit of the employee
2 participants of the public school employee's health insurance program.

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

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

11 (B) Notwithstanding the special language provision in the
12 department's appropriation act granting transfer authority or any other law
13 to the contrary, appropriation and funding provided for the purposes of this
14 section shall not be transferred by the department for any other purpose.

15 (a)(1) The Department of Education shall pay the Employee Benefits
16 Division of the Department of Finance and Administration two hundred and
17 thirty-five dollars (\$235) per month for each eligible employee of a public
18 school district electing to participate in the public school employees'
19 health insurance program administered by the State and Public School Life and
20 Health Insurance Board.

21 (2) The funds provided to the division under this subsection
22 shall be administered by the board for the benefit of the employee
23 participants of the public school employees' health insurance program as
24 follows:

25 (A) No less than one hundred thirty-one dollars (\$131) per
26 month shall be allocated to the employee-only premiums for each eligible
27 employee participating in the public school employees' health insurance
28 program; and

29 (B) Any remaining funds shall be administered by the board
30 as necessary for the benefit of the plan participants.

31 (b)(1) If funding and appropriation are inadequate for the total
32 number of employees electing to participate in the public school employees'
33 health insurance program, the department shall transfer other resources
34 available in the Public School Fund as may be necessary to fund the amounts
35 provided under this section.

36 (2) Notwithstanding the special language provision in the

1 Department of Education's appropriation act granting transfer authority or
 2 any other law to the contrary, appropriation and funding provided for the
 3 purposes of this section shall not be transferred by the department for any
 4 other purpose.

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6 SECTION 2. Arkansas Code § 6-20-2305(a), concerning foundation funding
 7 for a public school district, is amended to read as follows:

8 (a)(1) For each school year, a each school district shall receive
 9 state foundation funding aid computed as the difference between the
 10 foundation funding amount pursuant to subdivision (a)(2) of this section and
 11 the sum of ninety-eight percent (98%) of the uniform rate of tax multiplied
 12 by the property assessment of the school district plus seventy-five percent
 13 (75%) of miscellaneous funds of the school district.

14 (2)(A) For the 2005-2006 school year, the foundation funding
 15 amount is equal to ~~five thousand four hundred dollars (\$5,400)~~ five thousand
 16 four hundred eighty-eight dollars (\$5,488) multiplied by the district's
 17 average daily membership ~~of~~ for the previous school year.

18 (B) For the 2006-2007 school year, the foundation funding
 19 amount is equal to five thousand four hundred ninety-seven dollars (\$5,497)
 20 multiplied by the district's average daily membership ~~of~~ for the previous
 21 school year.

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23 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
 24 General Assembly of the State of Arkansas that the Arkansas Supreme Court
 25 declared the public school funding system to be inadequate and that the
 26 public schools are operating under a constitutional infirmity which must be
 27 corrected immediately; that to correct the constitutional infirmity and to
 28 ensure adequate funding for public education the General Assembly must have
 29 transfer requirements for teacher health insurance from the school districts;
 30 and that this act is necessary to allow the Department of Education
 31 sufficient time to make all necessary rules, adjustments, calculations, and
 32 reports that will be necessary prior facilitate the transfer. Therefore, an
 33 emergency is declared to exist and this act being necessary for the
 34 preservation of the public peace, health, and safety shall become effective
 35 on:

36 (1) The date of its approval by the Governor;

1 (2) If the bill is neither approved nor vetoed by the Governor,
2 the expiration of the period of time during which the Governor may veto the
3 bill; or

4 (3) If the bill is vetoed by the Governor and the veto is
5 overridden, the date the last house overrides the veto.

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