

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H2/28/07

A Bill

HOUSE BILL 1519

5 By: Representative Pickett
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For An Act To Be Entitled

9 AN ACT TO MAKE STATE CONTRIBUTIONS AVAILABLE FOR
10 THE PUBLIC SCHOOL EMPLOYEES' HEALTH INSURANCE
11 PROGRAM; TO REMOVE THE ALLOCATION FOR HEALTH
12 INSURANCE FROM FOUNDATION FUNDING FOR PUBLIC
13 SCHOOLS; AND FOR OTHER PURPOSES.
14

Subtitle

15 AN ACT TO MAKE STATE CONTRIBUTIONS
16 AVAILABLE FOR THE PUBLIC SCHOOL
17 EMPLOYEES' HEALTH INSURANCE PROGRAM.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 6-17-1112 is amended to read as follows:

24 6-17-1112. Life and disability insurance - Members of retirement
25 systems.

26 (a) Members of the Arkansas Teacher Retirement System and the Arkansas
27 Public Employees' Retirement System who have rendered, or shall render,
28 service as employees of the public schools who hereafter retire and receive
29 retirement benefits under such systems shall be eligible to participate in
30 the group insurance program instituted pursuant to the provisions of this
31 subchapter and other laws enacted to implement such programs, provided that
32 such persons are participating in the group insurance program at the time of
33 retirement.

34 (b) In addition, upon the death of an active member or a retired
35 member of the Arkansas Teacher Retirement System, the survivors of such
36 member who are eligible for an annuity under the system and who were covered



1 on the active member's policy at the time of death shall have the option of
 2 continuing to be a member of such insurance group at the prevailing rates
 3 established for members of the Arkansas Teacher Retirement System, upon
 4 application for such coverage.

5 ~~(c) However, persons~~ A person drawing retirement benefits under the
 6 Arkansas Teacher Retirement System and the Arkansas Public Employees'
 7 Retirement System who ~~wish~~ wishes to participate or continue to participate
 8 in the group insurance program provided for ~~herein~~ in this subchapter shall
 9 pay the ~~full amount~~ retiree portion of the premium or cost of the policy, and
 10 such retiree's portion of the premium or cost shall be deducted from the
 11 retirement benefit ~~checks~~ check of ~~such participants~~ the participant.

12

13 SECTION 2. Arkansas Code § 6-17-1117 is amended to read as follows:

14 6-17-1117. Health insurance.

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

19 ~~(b)(1) The Department of Education shall pay the Employee Benefits~~
 20 ~~Division of the Department of Finance and Administration sixty one dollars~~
 21 ~~(\$61.00) per month for each eligible employee of a public school district~~
 22 ~~electing to participate in the public school employees' health insurance~~
 23 ~~program administered by the State and Public School Life and Health Insurance~~
 24 ~~Board.~~

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

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

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

36 ~~(B) Notwithstanding the special language provision in the~~

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

4 ~~(e)(1)(a)~~ A school district shall:

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

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

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

17 (b)(1) Beginning April 1, 2007, a public school district shall report
18 to the Department of Education, in the manner required by the department for
19 coding into the Arkansas Public School Computer Network, the information
20 needed to ascertain the eligibility of all employees in the public school
21 district for participation in the public school employees' health insurance
22 program administered by the State and Public School Life and Health Insurance
23 Board.

24 (2) A public school district shall make its initial report by
25 April 1, 2007, and update the information at least monthly as employees are
26 hired or leave the public school district's employment.

27 (3) A final adjustment in the reported number of eligible
28 employees shall be made by the Department of Education on September 1 of the
29 reporting year.

30
31 SECTION 3. Arkansas Code § 21-5-414 is amended to read as follows:

32 21-5-414. State contributions generally – Partial state contribution
33 of employees' premiums.

34 (a) The Department of Finance and Administration shall seek the advice
35 of the Legislative Council and the House Interim Committee on Insurance and
36 Commerce and the Senate Interim Committee on Insurance and Commerce before

1 additional contributions can be made.

2 (b)(1) The State of Arkansas, on behalf of agencies participating in
3 the plans adopted by the state, is authorized to make a monthly contribution
4 equal to the number of budgeted state employee positions multiplied by the
5 monthly contribution authorized by the Chief Fiscal Officer of the State, not
6 to exceed three hundred fifty dollars (\$350) monthly for each state employee
7 budgeted position into a fund designated for state employee health benefits,
8 to partially defray the cost of life and health insurance for employees of
9 the state participating in the plan sponsored by the State and Public School
10 Life and Health Insurance Board.

11 (2)(A) The state, on behalf of participating employees in the
12 public school employees' health insurance program administered by the State
13 and Public School Life and Health Insurance Board, is authorized to make a
14 monthly contribution equal to the number of participating employees
15 multiplied by the monthly contribution authorized by the Chief Fiscal Officer
16 of the State, not to exceed one hundred ninety-two dollars (\$192) monthly for
17 each participating employee into a fund designated for public school employee
18 health benefits, to partially defray the cost of life and health insurance
19 for participating employees.

20 (B) As used in subdivision (b)(2)(A) of this section,
21 "participating employee" means a public school employee who meets the
22 eligibility requirements of § 6-17-1111 for participation and elects to
23 participate in the public school employees' health insurance program.

24 ~~(2)(3)~~ The department may is authorized to make a monthly
25 contribution, not to exceed the amount authorized by the Chief Fiscal Officer
26 of the State, to partially defray the cost of health insurance for:

27 (A) state State employee retirees, utilizing funds made
28 available for that purpose, not to exceed the amount authorized by the Chief
29 Fiscal Officer of the State; and

30 (B) Public school employee retirees participating in the
31 public school employees' health insurance program, utilizing funds made
32 available for that purpose.

33
34 *SECTION 4. Arkansas Code § 6-20-2305, concerning public school*
35 *funding, is amended to add an additional subsection to read as follows:*

36 (h) Foundation funding provided by § 6-20-2305(a) shall be reduced by

1 the amount, if any, allocated in the foundation funding formula to the cost
2 of public school employee health insurance and paid pursuant to § 21-5-
3 414(b)(2).

4
5 SECTION 5. Arkansas Code Title 19, Chapter 5, Subchapter 12 is amended
6 to add an additional section to read as follows:

7 19-5-1230. Public School Employees Health and Life Insurance Revolving
8 Fund.

9 (a) There is hereby created on the books of the Treasurer of State,
10 the Auditor of State, and the Chief Fiscal Officer of the State, a revolving
11 fund to be known as the "Public School Employees Health and Life Insurance
12 Revolving Fund".

13 (b) This fund shall be used by the Department of Finance and
14 Administration for payment of the state contributions for public school
15 employees' health and life insurance benefits as authorized by law and shall
16 consist of those funds transferred from the Department of Education Public
17 School Fund Account upon certification of the Employee Benefits Division of
18 the Department of Finance and Administration, and any other moneys authorized
19 by law.

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21 SECTION 6. EMERGENCY CLAUSE. It is found and determined by the General
22 Assembly of the State of Arkansas that health insurance premiums for public
23 school employees participating in the State and Public School Employees'
24 Health Insurance Program are significantly higher than state employees
25 participating in the program; that the health insurance program is important
26 to the recruitment and retention of qualified teachers to the state; that
27 this act provides for state contributions needed to offset those premiums;
28 and that this act is immediately necessary because public school districts
29 must provide essential information to the Department of Finance and
30 Administration and the Department of Education by April 1, 2007, in order for
31 the Department of Finance and Administration to implement the state
32 contributions for the next plan year. Therefore, an emergency is declared to
33 exist and this act being immediately necessary for the preservation of the
34 public peace, health, and safety shall become effective on:

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

36 (2) If the bill is neither approved nor vetoed by the Governor,

1 the expiration of the period of time during which the Governor may veto the
2 bill; or

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

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/s/ Pickett