

State of Arkansas
93rd General Assembly
Fiscal Session, 2022

A Bill

HOUSE BILL 1097

By: Representatives Evans, Shepherd, Wardlaw, Eubanks, Cozart, Beaty Jr., Beck, M. Berry, S. Berry, Bragg, Brown, C. Cooper, Crawford, Dalby, M. Davis, Dotson, Ennett, K. Ferguson, C. Fite, D. Garner, Godfrey, Hawks, M. Hodges, Hollowell, Hudson, Jett, Love, Maddox, McCullough, S. Meeks, Nicks, Perry, Scott, S. Smith, Speaks, Vaught, Warren, D. Whitaker, Wing, Wooten

By: Senators Irvin, Hickey, Rice, Beckham, L. Chesterfield, J. Dismang, Elliott, J. English, Flippo, Gilmore, Hill, K. Ingram, B. Johnson, G. Leding, B. Sample, D. Sullivan

For An Act To Be Entitled

AN ACT CONCERNING THE PUBLIC SCHOOL EMPLOYEES' HEALTH INSURANCE PROGRAM; TO AMEND THE MANNER IN WHICH THE PUBLIC SCHOOL EMPLOYEES' HEALTH INSURANCE PROGRAM IS FUNDED; TO AMEND THE FOUNDATION FUNDING AMOUNT FOR THE 2022-2023 SCHOOL YEAR AND EACH YEAR THEREAFTER; TO REPEAL PROVISIONS CONCERNING THE GENERAL FACILITIES AND SUPPLEMENTAL MILLAGE APPROPRIATIONS; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE PUBLIC SCHOOL EMPLOYEES' HEALTH INSURANCE PROGRAM FUNDING; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. DO NOT CODIFY. Legislative findings.

The General Assembly finds that:

(1) It is vital that the State and Public School Life and Health Insurance Program remain solvent;

(2) It is the responsibility of the House Committee on Education and the Senate Committee on Education, through the biennial adequacy review



process required under § 10-3-2102, to determine the health insurance contribution rate to be paid by each public school district each month for each eligible employee electing to participate in the public school employees' health insurance program; and

(3) In order to determine the contribution rate, the House Committee on Education and the Senate Committee on Education shall review the amount of funding provided through the matrix and state appropriation for public school employee health insurance.

SECTION 2. Arkansas Code § 6-17-1117(a), concerning the funding of the public school employees' health insurance program by a public school district, is amended to read as follows:

(a)~~(1)~~ Beginning January 1, ~~2014~~ 2023, a school district shall pay the health insurance contribution rate of ~~one hundred fifty dollars (\$150) per~~ established by the House Committee on Education and the Senate Committee on Education through the biennial adequacy review process required by § 10-3-2102 each month for each eligible employee electing to participate in the public school employees' health insurance program.

~~(2) The minimum contribution rate under subdivision (a)(1) of this section shall increase annually by the same percentage that the General Assembly increases the per student foundation funding amount under § 6-20-2305.~~

~~(3)(A) Unless exempt under subdivision (a)(5) of this section, the local contribution rate of a school district shall also increase by the same percentage that a school district increases the base salary for licensed personnel with a minimum of a bachelor's degree under the licensed salary schedule adopted by the school district.~~

~~(B) As used in this section, "local contribution rate" means the minimum rate required under subdivision (a)(1) of this section in addition to the contribution amount a school district provides for health insurance above that minimum contribution rate.~~

~~(4) A change to the local contribution rate under subdivision (a)(3) of this section is effective for the plan year after the change to the licensed salary schedule is adopted by a school district.~~

~~(5) A school district is not required to increase the local contribution rate as directed under subdivision (a)(3) of this section if the~~

~~school district;~~

~~(A) Is required to raise the base salary of licensed personnel with a minimum of a bachelor's degree due to an increase in the minimum teacher compensation schedule under § 6-17-2403;~~

~~(B) Has a participation rate of seventy five percent (75%) or more of all eligible personnel participating in the public school employees' health insurance program; or~~

~~(C) Has a local contribution rate of one hundred twenty five percent (125%) or more of the minimum contribution rate required under this subsection.~~

SECTION 3. Arkansas Code § 6-17-1117(b)(1), concerning the funding of the public school employees' health insurance program by the Division of Elementary and Secondary Education, is amended to read as follows:

(b)(1)~~(A)~~ The Division of Elementary and Secondary Education shall pay the Employee Benefits Division ~~a minimum of sixty one dollars (\$61.00) per month~~ the amount established by the House Committee on Education and the Senate Committee on Education through the biennial adequacy review process required by § 10-3-2102, factored according to the medical component of the Consumer Price Index for All Urban Consumers, for each eligible employee electing to participate in the public school employees' health insurance program administered by the State Board of Finance.

~~(B) The Division of Elementary and Secondary Education shall make the total contributions under subdivision (b)(1)(A) of this section by transferring fifty five million dollars (\$55,000,000) to the Employee Benefits Division in twelve (12) equal monthly installments.~~

SECTION 4. Arkansas Code § 6-17-1117(b)(3)(C), concerning the payment of excess funding towards the public school employees' health insurance program by the Division of Elementary and Secondary Education, is amended to read as follows:

(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 Division of Elementary and Secondary Education shall pay a proportional share of the excess on behalf of each participant.

SECTION 5. Arkansas Code § 6-20-2305(a)(2)(B), concerning the foundation funding amount for the 2022-2023 school year and each year thereafter, is amended to read as follows:

(B) For the 2022-2023 school year and each school year thereafter, the foundation funding amount is equal to ~~seven thousand three hundred forty nine dollars (\$7,349)~~ seven thousand four hundred thirteen dollars (\$7,413) multiplied by the school district's average daily membership for the previous school year.

SECTION 6. Arkansas Code § 6-20-2503(e) and (f), concerning the general facilities and supplemental millage appropriations as they relate to bonded debt assistance, are repealed.

~~(e) The funded general facilities funding appropriation shall be distributed to the Employee Benefits Division for the exclusive benefit of public school employees participating in the State and Public School Life and Health Insurance Program.~~

~~(f) The funded supplemental millage appropriation shall be distributed to the Employee Benefits Division for the exclusive benefit of public school employees participating in the State and Public School Life and Health Insurance Program.~~

SECTION 7. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the State and Public School Life and Health Insurance Program is inadequate to provide sustainable affordable health benefits for public school employees and state employees; that an urgent need exists to address the state's funding and administration of benefits for public school employees and state employees in order for the program to remain viable and to avoid severe financial hardship to plan participants; and that this act is immediately necessary to provide affordable health benefit options in a timely manner to the state's public school employees participating in the program and state employees participating in the program. 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:

- (1) The date of its approval by the Governor;
- (2) If the bill is neither approved nor vetoed by the Governor,

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

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

APPROVED: 3/1/22