

1 State of Arkansas  
2 93rd General Assembly  
3 Fiscal Session, 2022  
4

# A Bill

HOUSE BILL 1097

5 By: Representatives Evans, Shepherd, Wardlaw, Eubanks, Cozart, Beaty Jr., Beck, M. Berry, S. Berry,  
6 Bragg, Brown, C. Cooper, Crawford, Dalby, M. Davis, Dotson, Ennett, K. Ferguson, C. Fite, D. Garner,  
7 Godfrey, Hawks, M. Hodges, Hollowell, Hudson, Jett, Love, Maddox, McCullough, S. Meeks, Nicks,  
8 Perry, Scott, S. Smith, Speaks, Vaught, Warren, D. Whitaker, Wing, Wooten  
9 By: Senators Irvin, Hickey, Rice, Beckham, L. Chesterfield, J. Dismang, Elliott, J. English, Flippo,  
10 Gilmore, Hill, K. Ingram, B. Johnson, G. Leding, B. Sample, D. Sullivan  
11

## For An Act To Be Entitled

12 AN ACT CONCERNING THE PUBLIC SCHOOL EMPLOYEES' HEALTH  
13 INSURANCE PROGRAM; TO AMEND THE MANNER IN WHICH THE  
14 PUBLIC SCHOOL EMPLOYEES' HEALTH INSURANCE PROGRAM IS  
15 FUNDED; TO AMEND THE FOUNDATION FUNDING AMOUNT FOR  
16 THE 2022-2023 SCHOOL YEAR AND EACH YEAR THEREAFTER;  
17 TO REPEAL PROVISIONS CONCERNING THE GENERAL  
18 FACILITIES AND SUPPLEMENTAL MILLAGE APPROPRIATIONS;  
19 TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.  
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21

## Subtitle

22 TO AMEND THE PUBLIC SCHOOL EMPLOYEES'  
23 HEALTH INSURANCE PROGRAM FUNDING; AND TO  
24 DECLARE AN EMERGENCY.  
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29 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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31 SECTION 1. DO NOT CODIFY. Legislative findings.

32 The General Assembly finds that:

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

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



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

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

9  
 10 SECTION 2. Arkansas Code § 6-17-1117(a), concerning the funding of the  
 11 public school employees' health insurance program by a public school  
 12 district, is amended to read as follows:

13 (a)~~(1)~~ Beginning January 1, ~~2014~~ 2023, a school district shall pay the  
 14 health insurance contribution rate of ~~one hundred fifty dollars (\$150) per~~  
 15 established by the House Committee on Education and the Senate Committee on  
 16 Education through the biennial adequacy review process required by § 10-3-  
 17 2102 each month for each eligible employee electing to participate in the  
 18 public school employees' health insurance program.

19 ~~(2) The minimum contribution rate under subdivision (a)(1) of~~  
 20 ~~this section shall increase annually by the same percentage that the General~~  
 21 ~~Assembly increases the per student foundation funding amount under § 6-20-~~  
 22 ~~2305.~~

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

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

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

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

1 ~~school district;~~

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

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

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

11  
 12 SECTION 3. Arkansas Code § 6-17-1117(b)(1), concerning the funding of  
 13 the public school employees' health insurance program by the Division of  
 14 Elementary and Secondary Education, is amended to read as follows:

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

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

27  
 28 SECTION 4. Arkansas Code § 6-17-1117(b)(3)(C), concerning the payment  
 29 of excess funding towards the public school employees' health insurance  
 30 program by the Division of Elementary and Secondary Education, is amended to  
 31 read as follows:

32 (C) If funding and appropriation are provided and exceed  
 33 the amount needed to make the minimum contribution under subdivision  
 34 (b)(1)~~(A)~~ of this section, the Division of Elementary and Secondary Education  
 35 shall pay a proportional share of the excess on behalf of each participant.

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

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

9  
 10 SECTION 6. Arkansas Code § 6-20-2503(e) and (f), concerning the  
 11 general facilities and supplemental millage appropriations as they relate to  
 12 bonded debt assistance, are repealed.

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

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

21  
 22 SECTION 7. EMERGENCY CLAUSE. It is found and determined by the  
 23 General Assembly of the State of Arkansas that the State and Public School  
 24 Life and Health Insurance Program is inadequate to provide sustainable  
 25 affordable health benefits for public school employees and state employees;  
 26 that an urgent need exists to address the state's funding and administration  
 27 of benefits for public school employees and state employees in order for the  
 28 program to remain viable and to avoid severe financial hardship to plan  
 29 participants; and that this act is immediately necessary to provide  
 30 affordable health benefit options in a timely manner to the state's public  
 31 school employees participating in the program and state employees  
 32 participating in the program. Therefore, an emergency is declared to exist,  
 33 and this act being immediately necessary for the preservation of the public  
 34 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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7 **APPROVED: 3/1/22**  
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