



STATE OF ARKANSAS  
**Department of Finance  
and Administration**

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July 9, 2021

Arkansas Legislative Council  
Senator Terry Rice, Senate Co-Chair  
Rep. Jeff Wardlaw, House Co-Chair  
Room 315, State Capitol Building  
Little Rock, AR 72201

Re: Recommendations from the State Board of Finance to the Arkansas Legislative Council Regarding Arkansas Public School Employee Health Insurance.

Dear Co-Chairs:

Act 1004 of 2021, ("the Act"), abolished the State and Public School Life and Health Insurance Board and transferred the duties and responsibilities of that Board to the State Board of Finance ("SBF"). The Act at Section (e)(3) requires the following:

(3) All commitments, decisions, plans, or other actions taken by the State and Public School Life and Health Insurance Board with regard to plans, plan design, plan benefits, premiums increases, deductibles, or cost-containment measures for plans to take effect January 1, 2022, or thereafter are subject to modification, change, or other action by the State Board of Finance and shall be submitted to the Legislative Council for approval before implementation by the State Board of Finance.

On July 7, the SBF met and agreed by a majority vote to adopt the recommendations attached as Attachment 1 regarding the Arkansas Public School employee health insurance. These recommendations are submitted to the Legislative Council for approval. A copy of the assumptions and methodology upon which the SBF recommendations were adopted is included with this request.

Respectfully,

A handwritten signature in black ink that reads "Larry W. Walther".  
Larry W. Walther  
Chair, State Board of Finance  
& DFA Secretary

cc: Arkansas State Board of Finance

Attachment 1

State Board of Finance (“SBF”) Recommendations

0% contribution increase for Active, Pre-65 and Post-65 Retirees

Decrease the wellness credit for Active Members from \$50 to \$25 per month

Implement a \$25 contribution for Actives who choose not to participate in the Wellness Visit

Wellness visit required through physician for Wellness Credit

Include \$35m Restricted Reserve funding previously approved by ALC

Include request for \$20m funding to be provided by Arkansas Department of Education