

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

SR 9

4
5 By: Senators Irvin, Hickey, Rice, Beckham, L. Chesterfield, J. Dismang, Elliott, J. English, Flippo,
6 Gilmore, Hill, K. Ingram, G. Leding, B. Sample

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SENATE RESOLUTION

9 TO AUTHORIZE THE INTRODUCTION OF A NONAPPROPRIATION
10 BILL CONCERNING THE PUBLIC SCHOOL EMPLOYEES' HEALTH
11 INSURANCE PROGRAM; TO AMEND THE MANNER IN WHICH THE
12 PUBLIC SCHOOL EMPLOYEES' HEALTH INSURANCE PROGRAM IS
13 FUNDED; TO AMEND THE FOUNDATION FUNDING AMOUNT FOR
14 THE 2022-2023 SCHOOL YEAR AND EACH YEAR THEREAFTER;
15 AND TO REPEAL PROVISIONS CONCERNING THE GENERAL
16 FACILITIES AND SUPPLEMENTAL MILLAGE APPROPRIATION.

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Subtitle

19 TO AUTHORIZE THE INTRODUCTION OF A
20 NONAPPROPRIATION BILL TO AMEND THE PUBLIC
21 SCHOOL EMPLOYEES' HEALTH INSURANCE
22 PROGRAM FUNDING.
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26 BE IT RESOLVED BY THE SENATE OF THE NINETY-THIRD GENERAL ASSEMBLY OF THE
27 STATE OF ARKANSAS:

28

29 THAT Representative Evans or Representative Wardlaw is authorized to
30 introduce a bill which as introduced will read substantially as follows:

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"Title

33 AN ACT CONCERNING THE PUBLIC SCHOOL EMPLOYEES' HEALTH INSURANCE PROGRAM; TO
34 AMEND THE MANNER IN WHICH THE PUBLIC SCHOOL EMPLOYEES' HEALTH INSURANCE
35 PROGRAM IS FUNDED; TO AMEND THE FOUNDATION FUNDING AMOUNT FOR THE 2022-2023
36 SCHOOL YEAR AND EACH YEAR THEREAFTER; TO REPEAL PROVISIONS CONCERNING THE



1 GENERAL FACILITIES AND SUPPLEMENTAL MILLAGE APPROPRIATION; TO DECLARE AN
2 EMERGENCY; AND FOR OTHER PURPOSES.

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4 Subtitle

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

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

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10 SECTION 1. DO NOT CODIFY. Legislative findings.

11 The General Assembly finds that:

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

14 (2) It is the responsibility of the House Committee on Education
15 and the Senate Committee on Education, through the biennial adequacy review
16 process required under § 10-3-2102, to determine the health insurance
17 contribution rate to be paid by each public school district each month for
18 each eligible employee electing to participate in the public school
19 employees' health insurance program; and

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

24
25 SECTION 2. Arkansas Code § 6-17-1117(a), concerning the funding of the
26 public school employees' health insurance program by a public school
27 district, is amended to read as follows:

28 (a)~~(1)~~ Beginning January 1, ~~2014~~ 2023, a school district shall pay the
29 health insurance contribution rate ~~of one hundred fifty dollars (\$150) per~~
30 established by the House Committee on Education and the Senate Committee on
31 Education through the biennial adequacy review process required by § 10-3-
32 2102 each month for each eligible employee electing to participate in the
33 public school employees' health insurance program.

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

1 2305.

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

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

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

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

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

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

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

26

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

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

1 program administered by the State Board of Finance.

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

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

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

15
16 SECTION 5. Arkansas Code § 6-20-2305(a)(2)(B), concerning the
17 foundation funding amount for the 2022-2023 school year and each year
18 thereafter, is amended to read as follows:

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

24
25 SECTION 6. Arkansas Code § 6-20-2503(e) and (f), concerning the
26 general facilities and supplemental millage appropriations as they relate to
27 bonded debt assistance, are repealed.

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

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

1 SECTION 7. EMERGENCY CLAUSE. It is found and determined by the
2 General Assembly of the State of Arkansas that the State and Public School
3 Life and Health Insurance Program is inadequate to provide sustainable
4 affordable health benefits for public school employees and state employees;
5 that an urgent need exists to address the state’s funding and administration
6 of benefits for public school employees and state employees in order for the
7 program to remain viable and to avoid severe financial hardship to plan
8 participants; and that this act is immediately necessary to provide
9 affordable health benefit options in a timely manner to the state’s public
10 school employees participating in the program and state employees
11 participating in the program. Therefore, an emergency is declared to exist,
12 and this act being immediately necessary for the preservation of the public
13 peace, health, and safety shall become effective on:

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

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

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

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