

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 HOUSE BILL 2196

By: Wolfley

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5  
6 AS INTRODUCED

7 An Act relating to flexible benefit allowance;  
8 amending 70 O.S. 2021, Sections 26-103, 26-104, as  
9 amended by Section 2, Chapter 245, O.S.L. 2024 (70  
10 O.S. Supp. 2024, Section 26-104), and 26-105, as  
11 amended by Section 3, Chapter 245, O.S.L. 2024 (70  
12 O.S. Supp. 2024, Section 26-105), which relate to the  
13 Larry Dickerson Education Flexible Benefits Allowance  
14 Act; clarifying definition; adding definition for  
15 dependent; providing appropriation for flexible  
16 benefit allowance to include school district employee  
17 dependents; modifying calculation for appropriation  
18 amount; providing for disbursement of funds;  
19 modifying benefit election procedure; prescribing  
20 additional monthly amount of flexible benefit  
21 allowance for health care coverage for dependents;  
22 providing an effective date; and declaring an  
23 emergency.

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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 70 O.S. 2021, Section 26-103, is  
amended to read as follows:

Section 26-103. The following words and phrases as used in  
Section 26-101 et seq. of this title, unless a different meaning is  
clearly required by the context, shall have the following meanings:

1        1. "Benefit" means any of the benefits which may be purchased  
2 or are required to be purchased under the cafeteria plan;

3        2. "Cafeteria plan" means a benefit plan established pursuant  
4 to 26 U.S.C. Section 125;

5        3. "Flexible benefit allowance" means amounts credited by the  
6 school district for each school district employee for the purchase  
7 of benefits under the cafeteria plan;

8        4. "Support personnel" means full-time employees of a school  
9 district as determined by the standard period of labor which is  
10 customarily understood to constitute full-time employment for the  
11 type of services performed by the employees who are employed a  
12 minimum of six (6) hours per day for a minimum of one hundred  
13 seventy-two (172) days or a minimum of six (6) hours per day for a  
14 minimum of one thousand thirty-two (1,032) hours per year and who  
15 provide services not performed by certified personnel, which is  
16 necessary for the efficient and satisfactory functioning of a school  
17 district, and shall include cooks, janitors, maintenance personnel,  
18 bus drivers, noncertified or nonregistered nurses, noncertified  
19 librarians, and clerical employees of a school district but shall  
20 not include adult education instructors or adult coordinators  
21 employed by technology center school districts;

22        5. "Plan year" means the twelve-month period established by the  
23 school district for the cafeteria plan;

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1       6. "School district" means the public school districts and  
2 technology center school districts of this state;

3       7. "School district employee" means certified or support  
4 personnel as defined in Section 26-101 et seq. of this title.  
5 Employees of an educational service provider contracted with a  
6 school district pursuant to subsection G of Section 5-117 of this  
7 title who perform functions that would otherwise be performed by a  
8 school district employee shall be considered employees of a school  
9 district for purposes of the Larry Dickerson Education Flexible  
10 Benefits Allowance Act unless otherwise provided for in the contract  
11 between the educational service provider and the contracting school  
12 district;

13       8. "Certified personnel" means a certified person employed on a  
14 full-time basis to serve as a teacher, principal, supervisor,  
15 administrator, counselor, librarian, or certified or registered  
16 nurse, but shall not mean a superintendent of a school district; ~~and~~

17       9. "Self-insured" means a health care program in which the  
18 school district funds the benefit plans from its own resources  
19 without purchasing insurance and which may be administered by the  
20 school district or by an outside administrator under contract with  
21 the school district for administrative services. The State Board of  
22 Education shall prepare by May 1st of each year a list of each  
23 school district in the state that is self-insured and the number of  
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1 support personnel and the number of certified personnel that are  
2 participating in each self-insured school district plan; and

3 10. "Dependent" means a spouse, an unmarried child under  
4 eighteen (18) years of age, an unmarried child who is under twenty-  
5 six (26) years of age and who is financially dependent upon the  
6 parent, and an unmarried child of any age who is medically certified  
7 as disabled and dependent upon the parent. A person shall only be  
8 considered a dependent if he or she does not have subsidized  
9 coverage available from another source.

10 SECTION 2. AMENDATORY 70 O.S. 2021, Section 26-104, as  
11 amended by Section 2, Chapter 245, O.S.L. 2024 (70 O.S. Supp. 2024,  
12 Section 26-104), is amended to read as follows:

13 Section 26-104. A. Each fiscal year, the Legislature shall  
14 appropriate adequate funding to the State Board of Education and the  
15 State Board of Career and Technology Education for the purpose of  
16 providing a flexible benefit allowance to school district employees  
17 and their dependents pursuant to this act. Unless the Legislature  
18 appropriates adequate funding specifically for the purpose of  
19 providing a flexible benefit allowance to school district employees  
20 and their dependents, the Oklahoma State Board of Education shall  
21 allocate from the funds appropriated to the Oklahoma State Board of  
22 Education for the support of public school activities an amount to  
23 fully fund the flexible benefit allowance, which shall occur first  
24 prior to allocating the funds for any other purpose. The amount

1 appropriated for funding and disbursed to school districts shall be  
2 calculated by multiplying the number of eligible school district  
3 employees employed by school districts which are participating in  
4 the health insurance plan offered by the Oklahoma Employees  
5 Insurance and Benefits Board or are self-insured as counted in  
6 February of each year and their dependents by the amount of the  
7 flexible benefit allowance credited ~~to the eligible school employees~~  
8 ~~as established in~~ pursuant to Section 26-105 of this title. Each  
9 Board shall disburse the total amount appropriated for funding the  
10 flexible benefit allowance to school districts during the fiscal  
11 year. From the total amount appropriated, each Board shall disburse  
12 the appropriate amounts, based on the number of eligible school  
13 district employees employed by that school district and their  
14 respective dependents, to each school district.

15 B. Every school district shall establish or make available to  
16 school district employees a cafeteria plan pursuant to 26 U.S.C.  
17 Section 125 of the United States Code. The plan shall offer, as a  
18 benefit, major medical health care plan coverage.

19 C. The flexible benefit allowance amount established pursuant  
20 to Section 26-105 of this title shall be credited to each eligible  
21 school district employee. School district employees shall elect  
22 whether to use the flexible benefit allowance to pay for coverage  
23 for themselves and their dependents in the health insurance plan  
24 offered by the Oklahoma Employees Insurance and Benefits Board or

1 the self-insured plan offered by the school district and may receive  
2 the excess flexible benefit allowance as taxable compensation as  
3 provided in Section 26-105 of this title.

4 D. The administrator of the cafeteria plan shall maintain a  
5 separate account for each participating school district employee.  
6 School districts shall forward the school district employee flexible  
7 benefit allowance amounts to the administrator for elected purchases  
8 of cafeteria plan benefits.

9 E. Expenses included in an employee's salary adjustment  
10 agreement pursuant to the cafeteria plan shall be limited to  
11 expenses for:

12 1. Premiums for any health insurance, health maintenance  
13 organization, life insurance, long term disability insurance, dental  
14 insurance or high deductible health benefit plan offered to  
15 employees and their dependents; and

16 2. All other eligible benefit programs offered under 26 U.S.C.  
17 Section 125 of the United States Code.

18 F. The flexible benefit allowance amount established in Section  
19 26-105 of this title shall not be included as income in computation  
20 of state retirement contributions and benefits or as part of the  
21 Minimum Salary Schedule for teachers established in Section ~~18-~~  
22 ~~114.12~~ 18-114.15 of this title. School districts shall not consider  
23 the flexible benefit allowance amount as income for eligible support  
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1 employees and thereby shall not reduce the salary of an eligible  
2 support employee.

3 SECTION 3. AMENDATORY 70 O.S. 2021, Section 26-105, as  
4 amended by Section 3, Chapter 245, O.S.L. 2024 (70 O.S. Supp. 2024,  
5 Section 26-105), is amended to read as follows:

6 Section 26-105. A. The flexible benefit allowance shall be  
7 used by a school district employee who is participating in the  
8 cafeteria plan to purchase major medical health care plan coverage  
9 offered by the school district through a cafeteria plan. Any excess  
10 flexible benefit allowance over the cost of the major medical  
11 coverage purchased by the employee who is participating in the  
12 cafeteria plan may be used to purchase any of the additional  
13 benefits offered by the school district or may be taken as taxable  
14 compensation as provided in subsection C of this section. Certified  
15 personnel who choose not to participate in the school-district-  
16 sponsored cafeteria plan shall receive Sixty-nine Dollars and  
17 seventy-one cents (\$69.71) per month as taxable compensation in lieu  
18 of the flexible benefit allowance amount provided in subsection B of  
19 this section. Support personnel who choose not to participate in  
20 the school-district-sponsored cafeteria plan shall receive One  
21 Hundred Eighty-nine Dollars and sixty-nine cents (\$189.69) per month  
22 as taxable compensation in lieu of the flexible benefit allowance  
23 amount provided in subsection B of this section.

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1 B. Each eligible school district employee shall be credited  
2 annually with a specified amount as a flexible benefit allowance  
3 which shall be available for the purchase of benefits. Each  
4 eligible school district employee, who has dependents and elects to  
5 enroll the dependents in the cafeteria plan offered by the school  
6 district, shall be credited Eighty-three Dollars and thirty-three  
7 cents (\$83.33) per month as an additional flexible benefit allowance  
8 for the purchase of major medical health care coverage through the  
9 cafeteria plan for his or her dependents. The amount of the  
10 flexible benefit allowance credited to each eligible school district  
11 employee shall be communicated to the employee prior to the  
12 enrollment period for each plan year.

13 1. For the fiscal year ending June 30, 2002, the flexible  
14 benefit allowance amount for certified personnel shall be no less  
15 than Sixty-nine Dollars and seventy-one cents (\$69.71) per month.  
16 For the fiscal year ending June 30, 2002, the flexible benefit  
17 allowance amount for support personnel shall be no less than One  
18 Hundred Eighty-nine Dollars and sixty-nine cents (\$189.69) per  
19 month.

20 2. For the fiscal year ending June 30, 2004, the flexible  
21 benefit allowance amount for certified personnel shall be no less  
22 than fifty-eight percent (58%) of the premium amount for the  
23 HealthChoice (Hi) option plan for an individual offered by the  
24 Oklahoma Employees Insurance and Benefits Board. For the fiscal



1 year ending June 30, 2003, and each fiscal year thereafter, the  
2 flexible benefit allowance amount for support personnel shall be no  
3 less than one hundred percent (100%) of the premium amount for the  
4 HealthChoice (Hi) option plan for an individual offered by the  
5 Oklahoma Employees Insurance and Benefits Board.

6 3. For the fiscal year ending June 30, 2005, and each fiscal  
7 year thereafter, the flexible benefit allowance amount for certified  
8 personnel shall be no less than one hundred percent (100%) of the  
9 premium amount for the HealthChoice (Hi) option plan for an  
10 individual offered by the Oklahoma Employees Insurance and Benefits  
11 Board.

12 C. If a school district employee who is participating in the  
13 cafeteria plan elects benefits whose sum total is less than the  
14 flexible benefit allowance, the employee shall receive any excess  
15 flexible benefit allowance as taxable compensation. Such taxable  
16 compensation shall be paid in substantially equal amounts each pay  
17 period over the plan year. Except as otherwise provided for in  
18 subsection D of this section, on termination during a plan year, a  
19 participating school district employee shall have no right to  
20 receive any taxable cash compensation allocated to the portion of  
21 the plan year after the termination of the employee.

22 D. In cases where the employee of a school district fulfills  
23 the terms of their contract and terminates employment for the  
24 subsequent year, the employee shall be entitled to the flexible

1 benefit allowance for the remainder of the current benefit term.  
2 For purposes of this subsection, "benefit term" shall mean the  
3 twelve-month period after the initiation of benefits for the  
4 position held by the employee.

5 E. Each school district employee shall make an annual election  
6 of benefits under the plan during an enrollment period to be held  
7 prior to the beginning of each plan year. The enrollment period  
8 dates will be determined annually and will be announced by the  
9 school district, providing the enrollment period shall end no later  
10 than thirty (30) days before the beginning of the plan year. Each  
11 school district employee shall make an irrevocable advance election  
12 for the plan year or the remainder of the plan year pursuant to  
13 procedures the school district shall prescribe.

14 F. The school district shall prescribe the forms that school  
15 district employees shall be required to use in making their  
16 elections, and may prescribe deadlines and other procedures for  
17 filing the elections.

18 G. School district employees hired after the closing of the  
19 enrollment period shall be allowed to make an election as provided  
20 in this act.

21 H. A district board of education shall have the option of  
22 providing a flexible benefit allowance to the superintendent of the  
23 school district in an amount not more than the amount of the  
24 flexible benefit allowance established for certified personnel in

1 subsection B of this section. Funding for the flexible benefit  
2 allowance for a superintendent shall be provided through local  
3 revenue.

4 SECTION 4. This act shall become effective July 1, 2025.

5 SECTION 5. It being immediately necessary for the preservation  
6 of the public peace, health or safety, an emergency is hereby  
7 declared to exist, by reason whereof this act shall take effect and  
8 be in full force from and after its passage and approval.

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10 60-1-11061 AQH 12/18/24

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