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SB 5 Sectional Analysis

Section 1 – AS 14.08.101 – Page 1, Line 5 through Page 2, Line 29

Adds to powers of regional school boards the power to establish and maintain school district participation in a policy of group insurance, selected by the State of Alaska, that provides medical insurance.

Section 2 – AS 14.14.090 – Page 2, Line 30 through Page 4, Line 13

Adds to the duties of a regional school board the duty, when the board's school district participates in a policy of group insurance elected by the State of Alaska that provides medical insurance, to determine and disperse to district employees and administrative officers the amounts necessary to cover the district's portion of the cost of that participation.

Section 3 – AS 14.17.300 – Page 4, Line 14 through Line 27

Allows the Commissioner of Administration to expend from the public education fund (AS 14.17.300) to the group health and life benefits fund (AS 39.30.095) a total of \$100,000,000 or less as needed to pay claims submitted by school district employees who are covered by a policy of self-insurance provided by the state; and, requires the Commissioner of Administration to repay the public education fund, over a period of 10 years, the full amount of the commissioner's expenditures from the public education fund.

Section 4 – AS 14 – Page 4, Line 28 through Page 5, Line 31

Chapter 27. University and School District Employee Health Insurance.
Sec. 14.27.010

- (a) Allows school districts to participate in a policy of insurance that provides medical insurance coverage to state employees and school district employees.
- (b) Participating school districts are required to contribute to the group health and life benefits fund (AS 39.30.095) based on rates set by the commissioner of administration.

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(c) Participating school districts are required to reimburse the state for procuring excess loss insurance if the state provides insurance benefits to school district employees under a self-insurance policy.

(d) Requires participating school districts to reimburse, over a period not to exceed 10 years, the Department of Administration's cost of paying insurance claims by school district employees for the first four months. School district employees are covered by a self-insurance policy provided by the state of Alaska.

(e) Allows a participating school district to require its employees to pay some or all of the money that this bill section would require the school district to pay to the state.

(f) Defines "school employee" and "school employer" for purposes of the bill section.

Section 5 – AS 14.40.170(b) – Page 6, Line 1 through Line 15

Allows the Board of Regents of the University of Alaska to establish and maintain university participation in a policy of group insurance, selected by the State of Alaska, that provides medical insurance for university employees.

Section 6 – AS 39.30.090(a) – Page 6, Line 16 through Page 8, Line 30

Clarifies that when a participating governmental unit employee is covered by a group insurance policy obtained by the Department of Administration, the employee's spouse and dependent children are also covered.

Section 7 – AS 39.30.090(b)(2) – Page 8, Line 31 through Page 9, Line 3

Adds the University of Alaska to the definition of governmental unit applicable to section 6 of this bill.

Section 8 – AS 39.30.090(b) – Page 9, Line 4 through Line 6

Add the definition of school district to AS 39.30.090, which is amended by section 6 and 7 of the bill.

Section 9 – AS 39.30.091 – Page 9, Line 7 through Line 15

Authorizes the Department of Administration to provide group medical care insurance coverage to school district employees and employees of other governmental unit by means of self-insurance.

Section 10 – AS 39.30.091 – Page 9, Line 16 through Line 21

Requires the Department of Administration to procure excess loss insurance in connection with providing group medical insurance coverage to employees of governmental units other than the state, and allows the department to allocate the cost with the excess loss insurance across all of those governmental units.

Section 11 – The Uncodified law of the State of Alaska – Page 9, Line 22 through Line 26

Make sections 1- 8 and section 10 of the bill applicable to collective bargaining agreements and other contracts that become legally binding on or after the effective date of those bill sections.

Section 12 – The Uncodified Law –Page 9, Line 27 through Page 10, Line 5

Require certain self-insured school districts to transfer the closing balance of their self-funded insurance reserve account soon after they enroll in a health care plan administered by the state, and requires that when transferred by a school district these amounts will be applied to offset reimbursements owed by that school district under AS 14.20.127(d), a provision proposed in section 4 the bill.

Section 13 – The Uncodified law of the State of Alaska – Page 10, Line 6 through Line 10

Authorizes the commissioner of administration to adopt regulations necessary to implement the changes made by the bill, to take effect on or after the effective date of the changes made by the bill.

Section 14 – The Uncodified law of the State of Alaska – Page 10, Line 11

Make sections 12 and 13 of the bill effective immediately, subject to the restrictions set forth in those bill sections.

Section 15 Page 10, Line 12

Makes the bill's provisions effective date July 1, 2026, except as provided in bill section 14.