

AMENDMENT # 11

OFFERED IN THE SENATE

BY SENATOR HUGHES

TO: SCS CSHB 57(FIN)

1 Page 1, line 1, following "schools;":

2 Insert "**relating to group insurance coverage and self-insurance coverage for**
3 **school district employees and employees of the University of Alaska;**"

4

5 Page 2, following line 14:

6 Insert a new bill section to read:

7 **** Sec. 4.** AS 14.08.101 is amended to read:

8 **Sec. 14.08.101. Powers.** A regional school board may

9 (1) sue and be sued;

10 (2) contract with the department, the Bureau of Indian Affairs, or any
11 other school district, agency, or regional board for the provision of services, facilities,
12 supplies, or utilities;

13 (3) determine its own fiscal procedures, including policies and
14 procedures for the purchase of supplies and equipment; the regional school boards are
15 exempt from AS 37.05 (Fiscal Procedures Act) and AS 36.30 (State Procurement
16 Code);

17 (4) appoint, compensate, and otherwise control all school employees in
18 accordance with this title; these employees are not subject to AS 39.25 (State
19 Personnel Act);

20 (5) adopt regulations governing organization, policies, and procedures
21 for the operation of the schools;

22 (6) establish, maintain, operate, discontinue, and combine schools
23 subject to the approval of the commissioner;

1 (7) recommend to the department projects for construction,
2 rehabilitation, and improvement of schools and education-related facilities as specified
3 in AS 14.11.011(b), and plan, design, and construct the project when the responsibility
4 for it is assumed under AS 14.11.020;

5 (8) by resolution adopted by a majority of all the members of the board
6 and provided to the commissioner of the department, assume ownership of all land and
7 buildings used in relation to the schools in the regional educational attendance area, as
8 provided for in AS 14.08.151(b);

9 (9) provide housing for rental to teachers, by leasing existing housing
10 from a local agency or individual, by entering into contractual arrangements with a
11 local agency or individual to lease housing that will be constructed by the local agency
12 or individual for that purpose, or, without using for the purpose that portion of public
13 school funding that consists of state aid provided under AS 14.17, by constructing or
14 otherwise acquiring housing that is owned and managed by the regional educational
15 attendance area for rental to teachers;

16 (10) employ a chief school administrator;

17 (11) apply for and use the proceeds of a loan from the Alaska energy
18 efficiency revolving loan fund (AS 18.56.855);

19 (12) **establish and maintain participation in a policy of insurance**
20 **as authorized by AS 14.27.010;**

21 (13) exercise those other functions that may be necessary for the
22 proper performance of its responsibilities."
23

24 Renumber the following bill sections accordingly.

25

26 Page 4, following line 11:

27 Insert new bill sections to read:

28 "* **Sec. 6.** AS 14.14.090 is amended to read:

29 **Sec. 14.14.090. Duties of school boards.** In addition to other duties, a school
30 board shall

31 (1) determine and disburse the total amount to be made available for

1 compensation of all school employees and administrative officers, **including, when**
2 **applicable, the amount necessary to pay for the district's participation in a policy**
3 **of insurance under AS 14.27.010;**

4 (2) provide for, during the school term of each year, an educational
5 program for each school age child who is enrolled in or a resident of the district;

6 (3) withhold the salary for the last month of service of a teacher or
7 administrator until the teacher or administrator has submitted all summaries, statistics,
8 and reports that the school board may require by bylaws;

9 (4) transmit, when required by the assembly or council but not more
10 often than once a month, a summary report and statement of money expended;

11 (5) keep the minutes of meetings and a record of all proceedings of the
12 school board in a pertinent form;

13 (6) keep the records and files of the school board open to inspection by
14 the public at the principal administrative office of the district during reasonable
15 business hours;

16 (7) establish procedures for the review and selection of all textbooks
17 and instructional materials at least once every 10 years, including textbooks and
18 curriculum materials for statewide correspondence programs, before they are
19 introduced into the school curriculum; the review includes a review for violations of
20 AS 14.18.060; nothing in this paragraph precludes a correspondence study student, or
21 the parent or guardian of a correspondence study student, from privately obtaining or
22 using textbooks or curriculum material not provided by the school district;

23 (8) provide prospective employees with information relating to the
24 availability and cost of housing in rural areas to which they might be assigned [,] and,
25 when possible, assist them in locating housing; however, nothing in this paragraph
26 requires a school district to provide teacher housing, whether district owned, leased,
27 rented, or through other means, nor does it require a school board to engage in a
28 subsidy program of any kind regarding teacher housing;

29 (9) train persons required to report under AS 47.17.020 [,] in the
30 recognition and reporting of child abuse, neglect, and sexual abuse of a minor;

31 (10) provide for the development and implementation of a preventive

1 maintenance program for school facilities; in this paragraph, "preventive maintenance"
 2 means scheduled maintenance actions that prevent the premature failure or extend the
 3 useful life of a facility, or a facility's systems and components, and that are cost-
 4 effective on a life-cycle basis;

5 (11) establish procedures for providing the training under
 6 AS 14.18.060, AS 14.20.149, 14.20.680, AS 14.30.355, 14.30.356, 14.30.362,
 7 AS 14.33.100, AS 18.66.310, and AS 47.17.022; the procedures established under this
 8 paragraph must include a training schedule that ensures that not less than 50 percent of
 9 the total certificated staff employed by the district receive all of the training not less
 10 than every two years and that all of the certificated staff employed by the district
 11 receive all of the training not less than every four years.

12 * **Sec. 7.** AS 14.17.300 is amended by adding new subsections to read:

13 (c) Notwithstanding (a) and (b) of this section, the commissioner of
 14 administration

15 (1) may expend from the public education fund to the group health and
 16 life benefits fund under AS 39.30.095 amounts necessary for the commissioner of
 17 administration to pay claims submitted by district employees who are covered by a
 18 policy of self-insurance that is provided by the Department of Administration under
 19 AS 39.30.091;

20 (2) shall, over a period of 10 years from the date the first expenditure
 21 authorized under this subsection occurs, reimburse the public education fund for
 22 money expended under this section from the public education fund using
 23 appropriations for that purpose.

24 (d) Total expenditures from the public education fund under (c) of this section
 25 may not exceed \$100,000,000."

26
 27 Renumber the following bill sections accordingly.

28
 29 Page 4, following line 14:

30 Insert a new bill section to read:

31 **** Sec. 9.** AS 14 is amended by adding a new chapter to read:

1 **Chapter 27. University and School District Employee Health Insurance.**

2 **Sec. 14.27.010. University and school district employee group health**
3 **insurance.** (a) A school employer may elect to participate in a policy of insurance
4 selected by the commissioner of administration that includes health insurance
5 coverage of school employees. If a school employer makes that election, the
6 commissioner of administration shall select either a policy of group insurance under
7 AS 39.30.090 that covers state employees and school employees or a policy of self-
8 insurance provided by the Department of Administration under AS 39.30.091 that
9 provides insurance coverage to state employees and school employees.

10 (b) Subject to (e) of this section, a participating school employer shall
11 contribute to the group health and life benefits fund established under AS 39.30.095 an
12 amount equal to the combined employer and employee contribution rates set by the
13 commissioner of administration under AS 39.30.095(b).

14 (c) In addition to the contribution required under (b) of this section and the
15 reimbursement required under (d) of this section, a participating school employer shall
16 reimburse the Department of Administration an amount equal to the state's cost, if any,
17 of procuring necessary excess loss insurance in connection with coverage of the
18 school employees under AS 39.30.091.

19 (d) In addition to the contribution required under (b) of this section and the
20 reimbursement required under (c) of this section, a participating school employer shall
21 reimburse the Department of Administration the cost of paying insurance claims for
22 the first four months school employees are covered by a policy of self-insurance under
23 AS 39.30.091. The commissioner of administration shall allow the reimbursement to
24 be made in equal installments over a period not to exceed 10 years from the date the
25 school employer's participation in the policy begins.

26 (e) Subject to AS 23.40.070 - 23.40.260 (Public Employment Relations Act),
27 a participating school employer may require school employees to pay some or all of
28 the school employer's contribution under (b) of this section and reimbursement under
29 (c) and (d) of this section.

30 (f) In this section,

31 (1) "school employee" means a person employed by a municipal

1 school district, a regional educational attendance area, or the University of Alaska;

2 (2) "school employer" means a municipal school district, a regional
3 educational attendance area, or the University of Alaska."
4

5 Renumber the following bill sections accordingly.

6
7 Page 4, following line 31:

8 Insert new bill sections to read:

9 *** Sec. 11.** AS 14.40.170(b) is amended to read:

10 (b) The Board of Regents may

11 (1) adopt reasonable rules, orders, and plans with reasonable penalties
12 for the good government of the university and for the regulation of the Board of
13 Regents;

14 (2) determine and regulate the course of instruction in the university
15 with the advice of the president;

16 (3) set student tuition and fees;

17 (4) receive university receipts and, subject to legislative appropriation,
18 expend university receipts in accordance with AS 37.07 (Executive Budget Act);

19 (5) apply for and use the proceeds of a loan from the Alaska energy
20 efficiency revolving loan fund (AS 18.56.855);

21 **(6) establish and maintain participation in an insurance policy that**
22 **includes health insurance, as authorized under AS 14.27.010, to cover persons**
23 **employed by the university.**

24 *** Sec. 12.** AS 39.30.090(a) is amended to read:

25 (a) The Department of Administration may obtain a policy or policies of group
26 insurance covering state employees, **school employees**, persons entitled to coverage
27 under AS 14.25.168, 14.25.480, AS 22.25.090, AS 39.35.535, 39.35.880, or former
28 AS 39.37.145, employees of other participating governmental units, or persons
29 entitled to coverage under AS 23.15.136, subject to the following conditions:

30 (1) a group insurance policy shall provide one or more of the following
31 benefits: life insurance, accidental death and dismemberment insurance, weekly

1 indemnity insurance, hospital expense insurance, surgical expense insurance, dental
2 expense insurance, audiovisual insurance, or other medical care insurance;

3 (2) each eligible state employee or school employee [OF THE
4 STATE], the spouse and the unmarried children chiefly dependent on the eligible
5 employee for support, and each eligible employee of another participating
6 governmental unit shall be covered by the group policy, unless exempt under
7 regulations adopted by the commissioner of administration;

8 (3) a governmental unit may participate under a group policy if

9 (A) its governing body adopts a resolution authorizing
10 participation and payment of required premiums;

11 (B) a certified copy of the resolution is filed with the
12 Department of Administration; and

13 (C) the commissioner of administration approves the
14 participation in writing;

15 (4) in procuring a policy of group health or group life insurance as
16 provided under this section or excess loss insurance as provided in AS 39.30.091, the
17 Department of Administration shall comply with the dual choice requirements of
18 AS 21.86.310 [,] and shall obtain the insurance policy from an insurer authorized to
19 transact business in the state under AS 21.09, a hospital or medical service corporation
20 authorized to transact business in this state under AS 21.87, or a health maintenance
21 organization authorized to operate in this state under AS 21.86; an excess loss
22 insurance policy may be obtained from a life or health insurer authorized to transact
23 business in this state under AS 21.09 or from a hospital or medical service corporation
24 authorized to transact business in this state under AS 21.87;

25 (5) the Department of Administration shall make available bid
26 specifications for desired insurance benefits or for administration of benefit claims and
27 payments to (A) all insurance carriers authorized to transact business in this state
28 under AS 21.09 and all hospital or medical service corporations authorized to transact
29 business under AS 21.87 who are qualified to provide the desired benefits; and (B)
30 insurance carriers authorized to transact business in this state under AS 21.09, hospital
31 or medical service corporations authorized to transact business under AS 21.87, and

1 third-party administrators licensed to transact business in this state and qualified to
2 provide administrative services; the specifications shall be made available at least once
3 every five years; the lowest responsible bid submitted by an insurance carrier, hospital
4 or medical service corporation, or third-party administrator with adequate servicing
5 facilities shall govern selection of a carrier, hospital or medical service corporation, or
6 third-party administrator under this section or the selection of an insurance carrier or a
7 hospital or medical service corporation to provide excess loss insurance as provided in
8 AS 39.30.091;

9 (6) if the aggregate of dividends payable under the group insurance
10 policy exceeds the governmental unit's share of the premium, the excess shall be
11 applied by the governmental unit for the sole benefit of the employees;

12 (7) a person receiving benefits under AS 14.25.110, AS 22.25,
13 AS 39.35, or former AS 39.37 may continue the life insurance coverage that was in
14 effect under this section at the time of termination of employment with the state or
15 participating governmental unit;

16 (8) a person electing to have insurance under (7) of this subsection
17 shall pay the cost of this insurance;

18 (9) for each permanent part-time employee electing coverage under
19 this section, the state shall contribute one-half the state contribution rate for permanent
20 full-time state employees, and the permanent part-time employee shall contribute the
21 other one-half;

22 (10) a person receiving benefits under AS 14.25, AS 22.25, AS 39.35,
23 or former AS 39.37 may obtain auditory, visual, and dental insurance for that person
24 and eligible dependents under this section; the level of coverage for persons over 65
25 shall be the same as that available before reaching age 65 except that the benefits
26 payable shall be supplemental to any benefits provided under the federal old age,
27 survivors, and disability insurance program; a person electing to have insurance under
28 this paragraph shall pay the cost of the insurance; the commissioner of administration
29 shall adopt regulations implementing this paragraph;

30 (11) a person receiving benefits under AS 14.25, AS 22.25, AS 39.35,
31 or former AS 39.37 may obtain long-term care insurance for that person and eligible

1 dependents under this section; a person who elects insurance under this paragraph
 2 shall pay the cost of the insurance premium; the commissioner of administration shall
 3 adopt regulations to implement this paragraph;

4 (12) each licensee holding a current operating agreement for a vending
 5 facility under AS 23.15.010 - 23.15.210 shall be covered by the group policy that
 6 applies to governmental units other than the state.

7 * **Sec. 13.** AS 39.30.090(b)(2) is amended to read:

8 (2) "governmental unit" means the state, a municipality, a school
 9 district, the University of Alaska, or other political subdivision of the state, and the
 10 North Pacific Fishery Management Council;

11 * **Sec. 14.** AS 39.30.090(b) is amended by adding new paragraphs to read:

12 (4) "school district" means a municipal school district or regional
 13 educational attendance area;

14 (5) "school employee" has the meaning given under AS 14.27.010(f).

15 * **Sec. 15.** AS 39.30.091 is amended to read:

16 **Sec. 39.30.091. Authorization for self-insurance and excess loss insurance.**

17 Notwithstanding AS 21.86.310 or AS 39.30.090, the Department of Administration
 18 may provide, by means of self-insurance, one or more of the benefits listed in
 19 AS 39.30.090(a)(1) for state employees or school employees eligible for the benefits
 20 by law or under a collective bargaining agreement and for persons receiving benefits
 21 under AS 14.25, AS 22.25, AS 39.35, or former AS 39.37 [,] and their dependents.
 22 The department shall procure any necessary excess loss insurance under
 23 AS 39.30.090.

24 * **Sec. 16.** AS 39.30.091 is amended by adding new subsections to read:

25 (b) If the Department of Administration is required by (a) of this section to
 26 procure excess loss insurance in connection with coverage of school employees, the
 27 department may allocate the cost of that insurance across all school employers that
 28 participate in self-insurance provided by the department under this section.

29 (c) In this section, "school employee" and "school employer" have the
 30 meanings given in AS 14.27.010(f)."
 31

1 Renumber the following bill sections accordingly.

2

3 Page 7, lines 6 - 10:

4 Delete all material and insert:

5 *** Sec. 19.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 APPLICABILITY. Sections 4, 6, 7, 9, and 11 - 16 of this Act apply to a contract or
8 collective bargaining agreement that becomes legally binding on or after the effective date of
9 secs. 4, 6, 7, 9, and 11 - 16 of this Act.

10 *** Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 TRANSITION. Not later than 30 days after enrolling in a health care plan
13 administered by the state under AS 39.30.090 or 39.30.091, a school employer that, before the
14 effective date of this section, maintains a self-funded insurance reserve for the purpose of
15 paying employee health insurance claims shall transfer the closing balance of that reserve to
16 the group health and life benefits fund under AS 39.30.095. An amount transferred under this
17 section by a school employer shall be applied to offset reimbursement owed by that school
18 employer under AS 14.27.010(d), enacted by sec. 9 of this Act. In this section, "school
19 employer" has the meaning given in AS 14.27.010(f).

20 *** Sec. 21.** The uncodified law of the State of Alaska is amended by adding a new section to
21 read:

22 REGULATIONS. The commissioner of administration shall adopt regulations
23 necessary to implement the changes made by this Act. The regulations may not take effect
24 before the effective date of the law implemented by the regulation.

25 *** Sec. 22.** Sections 20 and 21 of this Act take effect immediately under AS 01.10.070(c).

26 *** Sec. 23.** Sections 1 - 3, 5, 8, 10, 17, and 18 of this Act take effect July 1, 2025.

27 *** Sec. 24.** Except as provided in secs. 22 and 23 of this Act, this Act takes effect July 1,
28 2026."