

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 652

BY EDUCATION COMMITTEE

AN ACT

1 RELATING TO PUBLIC SCHOOL EMPLOYEE INSURANCE; AMENDING CHAPTER 10, TITLE  
2 33, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 33-1029, IDAHO CODE,  
3 TO PROVIDE THAT FUNDS DISTRIBUTED BY THE STATE FOR EMPLOYEE MEDICAL AND  
4 DENTAL INSURANCE SHALL BE USED FOR EMPLOYEE MEDICAL AND DENTAL INSUR-  
5 ANCE, TO PROVIDE THAT SUCH FUNDS THAT ARE USED FOR OTHER PURPOSES SHALL  
6 BE REIMBURSED TO THE STATE, TO PROVIDE FOR A CERTAIN DEDUCTION, AND TO  
7 PROVIDE FOR A RETENTION OR CARRYOVER OF CERTAIN FUNDS; AMENDING SECTION  
8 33-1228, IDAHO CODE, TO PROVIDE FOR PAYMENT OF CERTAIN PREMIUMS AND TO  
9 MAKE TECHNICAL CORRECTIONS; AND DECLARING AN EMERGENCY AND PROVIDING AN  
10 EFFECTIVE DATE.  
11

12 Be It Enacted by the Legislature of the State of Idaho:

13 SECTION 1. That Chapter 10, Title 33, Idaho Code, be, and the same is  
14 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
15 ignated as Section 33-1029, Idaho Code, and to read as follows:

16 33-1029. BINDING ALLOCATION -- HEALTH INSURANCE. (1) Subject to the  
17 provisions of subsection (2) of this section, funds distributed by the state  
18 to school districts or public charter schools, which funds are specifically  
19 identified in an appropriation as intended to cover the cost of employee  
20 medical and dental insurance, shall be used solely to cover the cost of  
21 employee medical and dental insurance. Any such funds used for any other  
22 purpose shall be reimbursed to the state by the school district or public  
23 charter school and deposited to the public school health insurance partici-  
24 pation fund or, if such fund is not established, to the general fund. If the  
25 school district or public charter school fails to make such reimbursement,  
26 an amount equivalent to the misused funds shall be deducted from the state's  
27 next payment to the school district or public charter school pursuant to this  
28 chapter or chapter 52, title 33, Idaho Code.

29 (2) A school district or public charter school that uses or spends  
30 ninety percent (90%) or more of an annual appropriation for medical and  
31 dental insurance shall be allowed to retain the difference between actual  
32 medical and dental insurance expenditures and the annual appropriation,  
33 provided that the retained amount is used to prepay costs of medical and  
34 dental insurance for the following year or is carried over in a dedicated  
35 fund that is used in the following fiscal year to cover the cost of employee  
36 medical and dental insurance.

37 SECTION 2. That Section 33-1228, Idaho Code, be, and the same is hereby  
38 amended to read as follows:

39 33-1228. SEVERANCE ALLOWANCE AT RETIREMENT. (1) Upon separation from  
40 public school employment by retirement in accordance with chapter 13, title

1 59, Idaho Code, an employee's unused sick leave shall be determined based on  
2 accumulated sick leave earned subsequent to July 1, 1976, as provided by sec-  
3 tion 33-1218, Idaho Code, and shall be reported by the employer to the Idaho  
4 public employee retirement system. A sum equal to one-half (1/2) of the mon-  
5 etary value of such unused sick leave, calculated at the rate of pay for such  
6 employee during the employee's highest year of salary used in the average  
7 monthly salary, as determined by the retirement board, shall be transferred  
8 from the sick leave account provided by subsection (3) of this section and  
9 shall be credited to such employee's retirement account. Such sums shall be  
10 used by the retirement board to continue to pay, subject to applicable fed-  
11 eral tax limits:

12 (a) Premiums for the retiree and the retiree's dependents at the rate  
13 for the active employee's group health, long-term care, vision, pre-  
14 scription drug and dental insurance programs as maintained by the em-  
15 ployer for the active employees until the retiree and/or the retiree's  
16 spouse becomes eligible for medicare, at which time the district shall  
17 make available a supplemental program to medicare for the eligible  
18 individual. Upon the death of the retiree, the surviving spouse's  
19 health coverage shall be available and continued under the same terms  
20 and conditions as the retiree. Coverage may be continued for the re-  
21 tiree's surviving dependent spouse and dependents until remarriage of  
22 the spouse or until the retiree's surviving dependent spouse is eligi-  
23 ble for a group health program by an employer. The medicare supplement  
24 program will provide the same premium and benefits for all retirees  
25 of all the employers served by the same insurance carrier. However, a  
26 school district may make available to all retirees from that district  
27 other benefits in addition to the medicare supplement program, and the  
28 retiree or the district shall pay for such additional benefits.

29 (b) Premiums at the time of retirement for the retiree for the life in-  
30 surance program maintained by the employer, which may be reduced to a  
31 minimum of five thousand dollars (\$5,000) of coverage.

32 (c) Premiums for employer-sponsored insurance provided under a con-  
33 tract with the department of administration as authorized by section  
34 67-5767, Idaho Code.

35 (2) The retiree may continue to pay the premiums for the health, ac-  
36 cident, dental and life insurance to the extent of the funds credited to  
37 the employee's account pursuant to this section, and when these funds are  
38 expended, the premiums may be deducted from the retiree's allowance. Upon  
39 a retiree's death, any unexpended sums remaining in the retiree's account  
40 shall revert to the sick leave account. If funds are not available for  
41 payment by the Idaho public employee retirement system from the retiree's  
42 surviving dependent spouse's allowance, the insurance carrier shall imple-  
43 ment a direct billing procedure to permit the retiree's surviving spouse to  
44 continue coverage.

45 (3) Each employer shall contribute to a sick leave account maintained  
46 by the public employee retirement system in trust exclusively for the pur-  
47 pose of the provisions of this section. The retirement board shall serve as  
48 trustee of the trust and shall be indemnified to the same extent as provided  
49 in section 59-1305, Idaho Code. Assets in the trust shall not be assign-  
50 able or subject to execution, garnishment or attachment or to the operation

1 of any bankruptcy or insolvency law. The rate of such contribution each pay  
2 period shall consist of a percentage of employees' salaries as determined  
3 by the board, and such rate shall remain in effect until next determined by  
4 the board. Any excess balance in the sick leave account shall be invested,  
5 and the earnings therefrom shall accrue to the sick leave account except the  
6 amount required by the board to defray administrative expenses. Assets of  
7 the trust may be commingled for investment purposes with other assets man-  
8 aged by the retirement board. All moneys payable to the sick leave account  
9 are hereby perpetually appropriated to the board and shall not be included in  
10 its departmental budget.

11 (4) For purposes of this section, public school employment shall be de-  
12 fined to include the employees of the Idaho digital learning academy, and to  
13 permit inclusion of employees of organizations funded by school districts or  
14 of contributions of employees of school districts and shall include employ-  
15 ees of the Idaho bureau of educational services for the deaf and the blind.

16 SECTION 3. An emergency existing therefor, which emergency is hereby  
17 declared to exist, this act shall be in full force and effect on and after  
18 July 1, 2022.