

1 SB439
2 147170-2
3 By Senator Marsh
4 RFD: Finance and Taxation Education
5 First Read: 11-APR-13

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8 SYNOPSIS: Under existing law, the State Employees'
9 Health Insurance Plan and the Public Education
10 Employees' Health Insurance Plan are governed by
11 the State Employees' Insurance Board (SEIB) and the
12 Public Education Employees' Health Insurance Board
13 (PEEHIB), respectively.

14 This bill would create a new board, titled
15 the Public Employees' Health Insurance Board
16 (PEHIB), to govern these two health insurance
17 plans.

18 This bill would provide for the membership
19 of the board, election and qualifications of
20 certain members, and terms for appointed and
21 elected members.

22 This bill would provide that all references
23 to the State Employees' Insurance Board and the
24 Public Education Employees' Health Insurance Board
25 in state law be amended to reference the Public
26 Employees' Health Insurance Board.

1 respectively; to provide for the membership of the board,
2 election and qualifications of certain members, and terms for
3 appointed and elected members; to provide that the board shall
4 have all powers currently held by the State Employees'
5 Insurance Board and the Public Education Employees' Health
6 Insurance Board; to amend Sections 9-10A-20, 11-91-8, 12-5A-9,
7 16-13-231, 16-25A-1, 16-25A-2, 16-25A-2.1, 16-25A-3, 16-25A-7,
8 16-25A-8, 16-25A-15, 16-25A-16, 16-25A-17, 16-25A-42,
9 22-11A-118, 36-1-6.2, 36-27-6.4, 36-29-1, 36-29-3, 36-29-5,
10 36-29-6, 36-29-13, 36-29-14, 36-29-14.1, 36-29-15, 36-29-17,
11 36-29-18, 36-29-19.9, 36-29A-2, 36-34-2, 36-35-3, 36-36-1,
12 36-36-3, 36-36-4, 36-36-5, 36-36-6, 36-36-7, and 41-10-725,
13 Code of Alabama 1975, relating to the State Employees'
14 Insurance Board and the Public Education Employees' Health
15 Insurance Board; to provide that all references to the State
16 Employees' Insurance Board and the Public Education Employees'
17 Health Insurance Board be amended to reference the Public
18 Employees' Health Insurance Board; to allow the Public
19 Employees' Health Insurance Board to combine the State
20 Employees' Health Insurance Plan and the Public Education
21 Employees' Health Insurance Plan; to revise the membership of
22 the Public Education Flexible Employees Benefits Board, the
23 Health Care Data Advisory Council, and the Alabama
24 Prescription Cost Initiative Board to add members of the
25 Public Employees' Health Insurance Board and to remove members
26 of the State Employees' Insurance Board and the Public
27 Education Employees' Health Insurance Board; to revise the

1 Alabama Retired Education Employees' Health Care Trust and
2 Alabama Retired State Employees' Health Care Trust to provide
3 for governance by the Public Employees' Health Insurance
4 Board; and to repeal Section 36-29-2, Code of Alabama 1975,
5 relating to the State Employees' Insurance Board.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. There is hereby created the Public
8 Employees' Health Insurance Board (PEHIB), hereafter referred
9 to in this chapter as the board. This board is established as
10 the governing body of the health insurance plans defined in
11 Title 16, Chapter 25A and Title 36, Chapter 29. This board
12 shall have the authority and responsibility to provide for the
13 general administration and proper operation of these plans.

14 Section 2. (a) The board shall consist of the
15 following members:

16 (1) The State Superintendent of Education, ex
17 officio, or his or her designee;

18 (2) The State Director of Finance, ex officio, or
19 his or her designee;

20 (3) The State Health Officer, ex officio, or his or
21 her designee;

22 (4) The State Personnel Director, ex officio, or his
23 or her designee;

24 (5) The Secretary-Treasurer of the Employees'
25 Retirement System, ex officio, or his or her designee;

26 (6) One person appointed by the Governor, whose term
27 shall expire November 1, 2015;

1 (7) One person appointed by the Lieutenant Governor,
2 whose term shall expire November 1, 2015;

3 (8) One person appointed by the President Pro
4 Tempore of the Alabama Senate, whose term shall expire
5 November 1, 2016;

6 (9) One person appointed by the Speaker of the
7 Alabama House of Representatives, whose term shall expire
8 November 1, 2016;

9 (10) An active governmental employee of the state
10 covered by the State Employees' Health Insurance Plan and
11 elected to the board by the full-time state employees
12 receiving benefits of the State Employees' Health Insurance
13 Plan;

14 (11) A retired employee of the state covered by the
15 State Employees' Health Insurance Plan and elected to the
16 board by the retired state employees receiving benefits of the
17 State Employees' Health Insurance Plan;

18 (12) An active governmental employee covered by the
19 Public Education Employees' Health Insurance Plan and elected
20 to the board by the full-time employees receiving benefits of
21 the Public Education Employees' Health Insurance Plan;

22 (13) A retired employee covered by the Public
23 Education Employees' Health Insurance Plan and elected to the
24 board by the retired employees receiving benefits of the
25 Public Education Employees' Health Insurance Plan;

26 (14) A governmental employee, active or retired,
27 covered by the Local Government Health Insurance Program and

1 elected to the board by those receiving benefits of the Local
2 Government Health Insurance Program.

3 (b) The present ex officio officers named shall fill
4 the ex officio positions on the board, and their successors in
5 office, by virtue of assuming such office, shall succeed to
6 membership on the board.

7 (c) After the expiration of the original terms of
8 the appointed board members, all subsequent terms shall be for
9 four years, except for appointments to fill unexpired terms,
10 which shall expire on the same date their predecessor's term
11 expired.

12 The appointed board members shall also possess a
13 knowledge and understanding of health care, insurance, or
14 employee benefits.

15 (d) The public employee representative board members
16 shall be appointed by a statewide election conducted under the
17 supervision and direction of the board. These board members
18 shall be elected by a majority vote of those participating in
19 such election. Each of these board members shall be elected to
20 four year terms. The board may establish rules and regulations
21 to govern such elections and ensure that all eligible active
22 and retired employees are afforded the opportunity to vote.
23 The terms of these board members shall begin after they have
24 qualified and taken the oath of office.

25 (e) Each board member shall, within 10 days after
26 his or her appointment or election to the board, take an oath
27 of office that, so far as it devolves on him or her, he or she

1 will diligently and honestly administer the affairs of the
2 board herein established, and that he or she will not
3 knowingly violate, or willingly permit to be violated, any of
4 the provisions of law applicable to the Public Education
5 Employees' Health Insurance Plan or the State Employees'
6 Health Insurance Plan. Such oath shall be subscribed to by the
7 member making it, certified by the officer before whom it is
8 taken, and immediately filed in the office of the Secretary of
9 State;

10 (f) The membership of the board shall be inclusive
11 and reflect the racial, gender, geographic, urban/rural, and
12 economic diversity of the state.

13 Section 3. (a) Each board member shall be entitled
14 to one vote on the board. A majority of the board shall
15 constitute a quorum for the transaction of business. A
16 majority vote shall be necessary for a decision by the board
17 members of any meeting of the board. In case of a tied vote,
18 the decision shall fail. All meetings of the board shall be
19 conducted in accordance with Robert's Rules of Order, as most
20 recently revised.

21 (b) The board shall elect from its members a
22 chairperson by a majority vote.

23 (c) The board members shall serve without
24 compensation for their services as board members, but they
25 shall be reimbursed from the board's funds for all necessary
26 expenses that they may incur through service on the board.

1 (d) The board shall keep a record of all of its
2 proceedings which shall be open to public inspection and shall
3 be subject to the Alabama Open Meetings Act.

4 Section 4. The board is vested with all powers
5 relating to the operation and administration of health
6 insurance plans, as listed in Title 16, Chapter 25A and Title
7 36, Chapter 29, including Sections 16-25A-5 and 36-29-4,
8 respectively, as well as those powers established in this
9 chapter.

10 Section 5. (a) The current boards governing the
11 State Employees' Health Insurance Plan and the Public
12 Education Employees' Health Insurance Plan shall remain in
13 effect until January 1, 2014, whereupon the Public Employees'
14 Health Insurance Board, as created in this act, shall assume
15 all duties and responsibilities of the governance and
16 administration of the aforementioned health insurance plans.

17 (b) Prior to January 1, 2014, the ex officio and
18 appointed members of the board created by this act shall meet
19 to provide for the election of the public employee
20 representative members. The ex officio and appointed members
21 shall also determine the date of the board's first meeting to
22 be held on or after January 1, 2014.

23 (c) Except as provided in subsections (a) and (b) of
24 this section, the members of the board created by this act
25 shall exercise no action under the authority of the board
26 created by this act prior to January 1, 2014.

1 Section 6. Sections 9-10A-20, 11-91-8, 12-5A-9,
2 16-13-231, 16-25A-1, 16-25A-2, 16-25A-2.1, 16-25A-3, 16-25A-7,
3 16-25A-8, 16-25A-15, 16-25A-16, 16-25A-17, 16-25A-42,
4 22-11A-118, 36-1-6.2, 36-27-6.4, 36-29-1, 36-29-3, 36-29-5,
5 36-29-6, 36-29-13, 36-29-14, 36-29-14.1, 36-29-15, 36-29-17,
6 36-29-18, 36-29-19.9, 36-29A-2, 36-34-2, 36-35-3, 36-36-1,
7 36-36-3, 36-36-4, 36-36-5, 36-36-6, 36-36-7, 41-10-725, Code
8 of Alabama 1975, are hereby amended to read as follows:

9 "§9-10A-20.

10 (a) Full-time employees of a watershed management
11 authority shall be included in the definitions of "employee"
12 as provided in Section 36-29-1(1), and shall be entitled to
13 the same health insurance benefits and required to make the
14 same contributions as other state employees. The watershed
15 management authority is hereby authorized to pay the
16 employer's share for said health insurance to the ~~State~~ Public
17 Employees' Health Insurance Board.

18 (b) Full-time employees of a watershed management
19 authority shall be entitled to all benefits granted state
20 employees.

21 "§11-91-8.

22 The governing body of any county, municipality, or a
23 public agency which is an employer participating in the
24 Employees' Retirement System pursuant to Section 36-27-6, or
25 in the local government health insurance program of the ~~State~~
26 Public Employees' Health Insurance Board may, upon a majority
27 vote of its members, elect to allow the retired employees of

1 such a county, municipality, or public agency to participate
2 in any health, hospitalization, surgical, or medical insurance
3 program made available to regular employees, or any related
4 health program for retirees selected by the governing body
5 including the local government health program offered by the
6 ~~State~~ Public Employees' Health Insurance Board. Such a county,
7 municipality, or public agency may pay all, or any part, or
8 none of the cost thereof or the premiums thereon for current
9 or future retirees from any funds in the county, municipal, or
10 public agency treasury not otherwise appropriated.

11 "§12-5A-9.

12 (a) Class specifications and rates of compensation
13 for employees covered by this chapter, juvenile probation
14 officers, juvenile probation professional staff, and clerical
15 staff, hereafter called "eligible employees," and any future
16 employees occupying those positions shall be established by
17 the Administrative Director of Courts. Notwithstanding the
18 foregoing, the compensation of any employee shall not be
19 diminished as a result of his or her inclusion in the state
20 court system personnel system.

21 (b) Eligible employees included in the state court
22 system personnel system pursuant to this chapter shall, on
23 October 1 of the year their county transitions, be covered by
24 the Employees' Retirement System. An employee who on that date
25 is participating in a local retirement plan other than a unit
26 administered by the Employees' Retirement System may, by
27 written notice filed with both the Administrative Director of

1 Courts and the administrator of the local retirement plan
2 within 30 days prior to the date the employee joins the state
3 court system personnel system, elect to retain instead
4 membership in the local retirement plan. Upon election of an
5 employee and notice from the local retirement program of the
6 employer retirement contribution rate attributable to the
7 employee, the Administrative Director of Courts shall pay to
8 the local retirement plan the employer contribution for any
9 employee electing to retain local plan membership. The
10 employer contribution paid by the state to the local
11 retirement plan shall not exceed the employer contribution
12 paid by the state for eligible members transferring to the
13 Employees' Retirement System. The county shall pay into the
14 local plan any additional amount necessary to fully fund the
15 employer contribution pursuant to the local retirement plan.

16 (1) Eligible employees who have participated in
17 retirement programs with units of local government, whether or
18 not the local programs have utilized the state employees'
19 retirement plan to administer the funding of the plans, shall
20 receive credit for prior service for which they have been
21 given credit under the local retirement programs. When an
22 eligible employee joins the Employees' Retirement System, the
23 total of all employer and employee contributions plus any
24 other amounts, including, but not limited to, interest
25 attributable to the account of the employee to which the
26 employee would have had the right to receive upon withdrawal
27 from the local retirement program, shall be transferred

1 immediately into the Employees' Retirement Fund on account of
2 the employee under the same rules and regulations applicable
3 to other members of the Employees' Retirement System on the
4 date the employee joins the Employees' Retirement System.
5 Amounts transferred shall not exceed the amount that would
6 have been received on behalf of the employee had the employee
7 been participating in the Employees' Retirement System for the
8 length of his or her creditable service. Any contribution
9 represented by annuities purchased by or through the previous
10 employer on account of the employment therewith of any
11 eligible employee and for his or her individual benefit shall
12 be immediately cashed out and the proceeds transferred along
13 with any other regular contributions to the Employees'
14 Retirement System.

15 (2) Eligible employees who have participated in
16 unfunded local retirement programs or who have not
17 participated in retirement programs with units of local
18 government shall be granted prior service credit by the
19 Employees' Retirement System, based on length of previous
20 service in any position in juvenile probation services covered
21 by this chapter, to a maximum of five years. The
22 Secretary-Treasurer of the Employees' Retirement System shall
23 authorize and direct the Comptroller to pay from the Juvenile
24 Probation Services Fund the cost of granting prior service
25 credit in the amounts determined to be necessary, and the
26 Comptroller shall pay those amounts as necessary for both
27 employer and employee contributions into the Employees'

1 Retirement Fund on account of the eligible employee under the
2 same rules and regulations applicable to other members of the
3 Employees' Retirement System. In addition to the five-year
4 prior service credit described above, any eligible employee
5 may purchase prior service credit in any position covered by
6 this chapter, not to exceed actual years served, by direct
7 payment to the Employees' Retirement System, within one year
8 after October 1 of the year of transition in an amount as
9 determined to be necessary by the Employees' Retirement System
10 for the prior service credit desired.

11 (3) Any unresolved issues relating to the Employees'
12 Retirement System, including eligibility, membership,
13 benefits, or any other similar question shall be determined by
14 the Board of Control of the system.

15 (c) The Administrative Office of Courts shall
16 consult with each local personnel system prior to October 1 of
17 the year of transition, to determine the existence of any
18 formal leave accounting system for the benefit of those
19 persons joining the state court system personnel system, as
20 provided in this chapter. "Formal leave accounting system" as
21 used herein refers to a system with an established written
22 policy wherein annual and sick leave are earned in specified
23 increments and leave balances for each employee are maintained
24 on individual leave accounting cards or can be calculated
25 based on supportive documentation.

26 (1) Each local personnel system operating a formal
27 leave accounting system for the benefit of any employee

1 covered by this chapter shall certify to the Administrative
2 Director of Courts the balance of all annual and sick leave
3 credited to each Employees' leave account as of the close of
4 business on September 30 of the year prior to transition. Upon
5 receipt of a properly certified leave balance from the
6 appropriate county commission, the Administrative Director of
7 Courts shall credit an individual's leave accounting card with
8 all unused annual and sick leave to which he or she was
9 entitled on September 30 of the year prior to transition.
10 Notwithstanding the foregoing, no individual shall be credited
11 with more than 480 hours of annual leave nor more than 1,200
12 hours of sick leave for any service rendered prior to his or
13 her inclusion in the state court system personnel system,
14 except that any sick leave earned in excess of this maximum
15 may be credited as a sick leave reserve which may be restored
16 to the Employees' sick leave account if that employee suffers
17 an extended illness or disability which results in a depletion
18 of his or her sick leave balance.

19 (2) Employees entering the state court system
20 personnel system on October 1 of the year of transition, as
21 herein provided, who were not previously covered by a formal
22 leave accounting system shall begin participation in the leave
23 accrual program.

24 (3) It shall be the responsibility of each county
25 commission to certify to the personnel division of the
26 Administrative Office of Courts, for eligible employees
27 covered by this chapter, their total service through September

1 30 of the year prior to transition. For eligible employees in
2 counties maintaining a formal leave accounting system, each
3 county shall certify the Employees' total service with the
4 county. For eligible employees in counties without a formal
5 leave accounting system, certification shall include only the
6 dates of employment in any position covered by this chapter.
7 An Employees' leave accumulation rate shall then be
8 established based on such service, and he or she shall begin
9 earning leave on October 1 of the year of transition, in
10 accordance with the rules and regulations applicable to other
11 employees in the state court system personnel system.

12 (4) No compensatory leave shall be transferred to
13 the state court system personnel system.

14 (d) On October 1 of the year of transition, all
15 employees covered by this chapter and any future employees
16 occupying positions covered by this chapter shall be included
17 in the health insurance plan for employees of the State of
18 Alabama under the same rules and regulations applicable to
19 other employees covered by that plan. Any waiting periods
20 applicable to coverage that would otherwise be applicable to
21 an employee joining the state's service are specifically
22 waived for employees covered by this chapter who have at least
23 nine months service prior to transition and provided further
24 that upon receipt of proof at least 30 days prior to October 1
25 of the year of transition, from any covered employee that his
26 or her family health insurance coverage was furnished as a
27 supplemental benefit to his or her employment immediately

1 prior to his or her inclusion in the state court system
2 personnel system, the Administrative Director of Courts shall
3 pay the cost of family coverage under the state health plan
4 for the individual. In lieu of coverage in the health
5 insurance plan for state employees as provided herein, any
6 employee covered by this chapter may elect instead to continue
7 to participate in the insurance program provided to the
8 employees of the local governmental unit. Notice of election
9 shall be filed by the individual both with the Administrative
10 Director of Courts and the local governmental unit providing
11 the coverage at least 30 days prior to the date the employee
12 joins the state court system personnel system. Upon receiving
13 notification, the state shall reimburse the local governmental
14 unit for the cost of providing this insurance coverage to the
15 employee. Should conditions cause this local governmental unit
16 to alter or discontinue the insurance coverage offered to its
17 employees after the transition date, any employee covered by
18 this chapter electing to participate in the local governmental
19 health insurance program shall be treated as any other
20 employee of the local governmental unit. If any alterations in
21 coverage made by the local governing body are unacceptable to
22 the employee covered by this chapter electing to participate
23 in the local insurance program, the Administrative Director of
24 Courts may take all reasonable action necessary to procure the
25 same or substantially the same coverage in substantially the
26 same amounts as was in effect on January 1 of the year of
27 transition. In any instance where the Administrative Director

1 of Courts is unable to procure the same or substantially the
2 same coverage as herein provided, he or she shall notify the
3 employee who shall then be included in the health insurance
4 plan for employees of the State of Alabama under the same
5 provisions as applicable to employees covered by this chapter
6 who joined the plan on October 1 of the year of transition.
7 Any covered employee who elects to retain coverage under any
8 local insurance program as provided herein, may, during any
9 period of open enrollment as specified by the ~~State~~ Public
10 Employees' Health Insurance Board, elect to come under the
11 State Employees' Health Insurance Plan in lieu of any local
12 insurance program. The election shall be made in accordance
13 with any procedure prescribed by the ~~State~~ Public Employees'
14 Health Insurance Board, with a written copy of the notice
15 being filed with the Administrative Director of Courts. All
16 waiting periods applicable to coverage that would otherwise
17 apply to other employees joining the state service or their
18 dependents, shall also apply to any person making an election
19 under this subsection. All questions regarding coverage under
20 the health insurance plan for employees of the State of
21 Alabama as provided in this chapter shall be directed to the
22 ~~State~~ Public Employees' Health Insurance Board for its
23 determination.

24 "§16-13-231.

25 (a) In addition to all other appropriations and
26 apportionments of public school money now provided by law and
27 made available for public schools there shall be apportioned

1 and paid to local boards of education from the Foundation
2 Program Fund, the amounts to be determined as hereinafter
3 provided and in accordance with regulations of the State Board
4 of Education. This Foundation Program Fund shall be used
5 principally:

6 (1) To aid in providing at least a 180 full
7 instructional day minimum school term, or the hourly
8 equivalent thereof, except as otherwise provided in paragraph
9 c. of subdivision (1) of subsection (b); and,

10 (2) To assist in the promotion of educational
11 opportunity for all children in the public schools.

12 (b) The following requirements and procedures,
13 supplemented when necessary by regulations of the State Board
14 of Education, shall govern the apportionment of the fund:

15 (1) REQUIREMENTS FOR PARTICIPATING IN FUND. In order
16 for a local board of education to share in the apportionment
17 of the Foundation Program Fund and to receive the maximum
18 benefits therefrom, the board shall meet the following
19 conditions:

20 a. The appropriate local governing body must insure
21 that the local board of education within its jurisdiction is
22 receiving an amount of local tax receipts equivalent to ten
23 mills of school tax as computed from the most current assessed
24 valuation of property which comprises the school tax district
25 or districts of the local board of education. The State
26 Superintendent of Education shall determine compliance with
27 this provision of the law in accordance with rules or

1 procedures adopted by the State Board of Education. In
2 determining compliance for a county board of education, tax
3 revenues provided to the county board of education from the
4 county, from whatever tax source derived, shall be considered.
5 In determining compliance for a city board of education, tax
6 revenues provided to the city board of education by the county
7 and the city, from whatever tax source derived, shall be
8 considered.

9 b. In the expenditure of all funds available for the
10 Foundation Program as herein defined, the local board of
11 education shall as nearly as practicable provide the same
12 length of term in all schools.

13 c. 1. Except as otherwise provided in this
14 paragraph, the local board of education shall provide a school
15 term of at least 180 full instructional days, or the hourly
16 equivalent thereof, beginning with school year 2012-2013 and
17 ending with the last day of the third month of the 2013-2014
18 school year, or such part of that school term as can be
19 maintained by using funds available and as defined by
20 regulations of the State Board of Education. The local
21 academic school calendar shall be annually established by the
22 local board of education, within the parameters of
23 subparagraph 3. In case the local board of education fails to
24 operate any schools the minimum 180 full instructional day
25 term, or the hourly equivalent thereof, or the minimum term as
26 defined by the State Board of Education, the Foundation
27 Program allowances of the local board of education shall be

1 computed only for the actual period the schools are in session
2 that school year.

3 2. In extreme circumstances involving natural
4 occurrences, health-related occurrences, or other extenuating
5 circumstances that result in the cancellation of an
6 instructional day, a local board of education may submit a
7 plan for the approval of the State Superintendent of Education
8 to replace cancelled instructional days by adjusting the
9 school calendar to extend the hours of actual teaching time on
10 specified instructional days. At any time the Governor
11 declares a state of emergency for any part of the state, any
12 affected school system that is closed as a result and loses
13 student days or employee days, or both, may appeal to the
14 State Superintendent of Education for relief in fulfilling the
15 local school calendar with respect to student days or employee
16 days, or both, with no loss of income to employees.

17 3. Beginning with the 2012-2013 school year and
18 ending with the last day of the third month of the 2013-2014
19 school year, a local board of education, in providing the
20 minimum required number of instructional days or hours, shall
21 have greater flexibility in establishing the school calendar
22 by adjusting the days or extending the hours of actual
23 teaching or instructional time provided on specified
24 instructional days for the schools under the jurisdiction of
25 the local board. The academic school calendar, established by
26 the local board of education, shall include the minimum
27 required number of instructional days or hours, with the first

1 day of instruction for students no earlier than the Monday two
2 calendar weeks before Labor Day, unless August 31 is a Monday,
3 then on Monday, August 17, and the last day of instruction for
4 students shall be no later than the Friday immediately before
5 Memorial Day.

6 d. The local board of education shall expend funds
7 for teachers' salaries in accordance with a salary schedule
8 adopted by the local board of education and approved by the
9 State Superintendent of Education. The salary schedule shall
10 be at least 100 percent of those salary amounts specified in
11 the State Minimum Salary Schedule by cell.

12 The local board of education shall allocate state
13 and local Foundation Program funds to each school in an
14 equitable manner, based on the needs of the students and the
15 schools, as reflected in the current year's actual student
16 populations, including at-risk students, students receiving
17 special education services, and students enrolled in
18 vocational/technical educational programs. The local board of
19 education shall report annually to the State Board of
20 Education on how all state and local funds for public
21 education, including Foundation Program funds and capital
22 outlay funds, have been allocated to each of its schools or
23 area vocational centers.

24 e. The local board of education shall submit to the
25 State Superintendent of Education, under the regulations of
26 the State Board of Education, the following:

1 1. A proposed building program which sets out in
2 detail the location of all present and proposed buildings;
3 which indicates proposed educational centers and grades to be
4 taught at these centers and which provides schools for all
5 children of the local board of education.

6 2. Except for those city boards of education not
7 maintaining a transportation system, a proposed transportation
8 program showing the proposed routing of buses and the
9 condition of all roads to be used for transportation.

10 3. A proposed professional development program which
11 sets out in detail the professional development needs of
12 employees of the local board of education.

13 4. A proposed technology program which sets out in
14 detail the proposed expenditures of technology funds.

15 5. A proposed program for the provision of services
16 to students with disabilities and gifted students in
17 compliance with applicable state and federal laws.

18 6. A proposed program for the provision of
19 vocational educational services in compliance with applicable
20 state and federal laws.

21 7. A proposed program for the provision of
22 educational services to at-risk students in compliance with
23 applicable state and federal laws. The proposed program for
24 at-risk students shall include the provision that all funds
25 allocated shall be spent for at-risk students.

26 f. The local board of education shall meet such
27 other standards as may be set up by the State Board of

1 Education to promote improved educational opportunity and
2 provide better schools.

3 (2) DETERMINING COST OF FOUNDATION PROGRAM. In
4 determining the cost of the Foundation Program, the
5 Legislature, based on the recommendation of the State Board of
6 Education, shall proceed to find the following allowable costs
7 for each local board of education: Teachers' salaries, fringe
8 benefits, classroom instructional support, and other current
9 expense. The rate per employee set by the Legislature for
10 teachers' retirement and employees' health insurance shall be
11 in effect for the entire fiscal year and shall not be
12 increased by the Teachers' Retirement System or the Public
13 ~~Education~~ Employees' Health Insurance Board, except by further
14 action of the Legislature.

15 a. The Foundation Program allowance for salaries of
16 teachers shall be determined as follows: The number of teacher
17 units allowed in Section 16-13-232 for each local board of
18 education shall be multiplied by the amount or amounts per
19 teacher unit, which amounts shall be based on the average
20 salaries for each major classification required by the
21 operation of the State Minimum Salary Schedule established by
22 the Legislature in the Education Trust Fund appropriation bill
23 and adopted by the State Board of Education. In recommending
24 to the Governor and the Legislature the State Minimum Salary
25 Schedule the State Board of Education shall give due
26 consideration to degree level, certification, and public
27 education experience. Any teacher, including, but not limited

1 to, a vocational education teacher, currently under contract
2 in excess of 187 days shall not have the term or salary of his
3 or her contract reduced as a result of this article.

4 b. The Foundation Program allowance for fringe
5 benefits shall be determined by multiplying a uniform
6 percentage times the amount of teachers' salaries allowed in
7 paragraph a. above or by multiplying a fixed rate depending on
8 the type of fringe benefit. The fringe benefits allowances
9 shall include amounts for the employer's contribution for
10 teachers' retirement, health insurance, Social Security,
11 Medicare, unemployment compensation, personal leave, and sick
12 leave. The fringe benefits allowance may include allowances
13 for other fringe benefits as may be approved by the State
14 Legislature. The State Legislature shall seek the input and
15 advice of appropriate agencies and individuals in setting
16 allowances. The Teachers' Retirement System and the Public
17 ~~Education~~ Employees' Health Insurance Board shall recommend to
18 the Legislature, on or before the first legislative day of
19 each regular session of the Legislature, the rate for the
20 following fiscal year. The Legislature shall set the rate in
21 the annual appropriation bill.

22 c. The Foundation Program allowance for classroom
23 instructional support shall be determined by multiplying a
24 uniform amount times the number of teacher units allowed in
25 Section 16-13-232. The uniform amount shall include allowances
26 for library enhancement, classroom materials and supplies,
27 professional development, and technology. The library

1 enhancement appropriation shall be for K-12 Public School
2 Library/Media Centers and is an absolute appropriation. Other
3 expenditures may include book binding, repair, CD Roms,
4 computer software, computer equipment, cataloging,
5 audio-visual materials, newspapers, magazines, recordings, and
6 video tapes. The uniform amount may include allowances for
7 other classroom instructional support as may be approved by
8 the State Board of Education. The Foundation Program allowance
9 for classroom instructional support shall also include an
10 allowance for textbooks which shall be determined on a per
11 pupil basis. The number of pupils shall be determined by the
12 number of pupils in average daily membership during the first
13 20 scholastic days after Labor Day of the preceding school
14 year. The State Board of Education shall recommend to the
15 Governor the amount for each cost factor included in classroom
16 instructional support on or before December 1 of the current
17 fiscal year for the ensuing fiscal year.

18 d. The Foundation Program allowance for other
19 current expense shall be determined by multiplying a uniform
20 amount by the number of earned units. The uniform amount shall
21 be recommended by the State Board of Education to the Governor
22 on or before December 1 of the current fiscal year for the
23 ensuing fiscal year.

24 e. The State Board of Education may cause, from time
25 to time, a study of allowances for teachers' salaries, fringe
26 benefits, classroom instructional support, and other current
27 expense of local boards of education to be conducted and,

1 based on the results of the study, may propose any necessary
2 changes to the Governor and Legislature.

3 f. The total cost of the Foundation Program for any
4 local board of education shall be the total allowed for
5 teachers' salaries, for fringe benefits, for classroom
6 instructional support, and for other current expense. The
7 allowances herein to the local boards of education shall be
8 expended subject to all applicable laws, rules, and
9 regulations; however, the total funds calculated in the total
10 cost of the Foundation Program for teachers' salaries shall be
11 expended for salaries within the instructional program.

12 (3) DETERMINING FUNDS AVAILABLE TO PROVIDE
13 FOUNDATION PROGRAM.

14 a. The funds available to meet the cost of the
15 Foundation Program shall be appropriated by the Legislature
16 taking into consideration an amount of local effort required
17 on the part of each local board of education. The required
18 local effort charged against each local board of education for
19 its share of the cost of the Foundation Program shall be as
20 follows:

21 1. For the 1995-96 fiscal year, the equivalent of
22 five mills of local school tax district ad valorem tax as
23 reported pursuant to subsection (b)(1)a.

24 2. For the 1996-97 fiscal year, the equivalent of
25 seven and one-half mills of local school tax district ad
26 valorem tax as reported pursuant to subsection (b)(1)a.

1 3. For the 1997-98 fiscal year, the equivalent of
2 ten mills of local school tax district ad valorem tax as
3 reported pursuant to subsection (b)(1)a.

4 4. For each fiscal year thereafter, the equivalent
5 of ten mills of local school tax district ad valorem tax as
6 reported pursuant to subsection (b)(1)a.

7 b. After calculating the total cost of the
8 Foundation Program for each local board of education, the
9 state allocation from the Education Trust Fund is calculated
10 by subtracting the local effort required by this section from
11 the total cost. Although the cost of the Foundation Program is
12 calculated for each school, the one sum allocation for each
13 local board of education shall flow monthly to the local board
14 of education. The state funds for the Foundation Program shall
15 be allotted by the State Board of Education consistent with
16 State Board of Education rules and regulations.

17 (c) No local board of education may reduce the
18 amount in any cell of any employee salary schedule, or
19 otherwise reduce the compensation of any employee, based upon
20 the amendments to this section made by Act 2012-482 or upon
21 any future modification to its calendar or schedule pursuant
22 to the amendments to this section made by Act 2012-482. Salary
23 appropriations in all future Education Trust Fund budgets
24 shall be based upon the number of contract days allocated by
25 the Legislature, or the hourly equivalent thereof.

26 "§16-25A-1.

1 When used in this article, the following terms shall
2 have the following meanings, respectively, unless the context
3 clearly indicates otherwise:

4 (1) EMPLOYEE. Any person covered by the Public
5 Education Employees' Health Insurance Plan pursuant to Section
6 16-25A-11 or person who is employed full-time in any public
7 institution of education within the State of Alabama which
8 provides instruction at any combination of grades K through
9 14, exclusively, under the auspices of the State Board of
10 Education or the Alabama Institute for Deaf and Blind;
11 provided, any person employed part-time by any public
12 institution of education within the State of Alabama which
13 provides instruction at any combination of grades K through
14 14, exclusively, under the auspices of the State Board of
15 Education or the Alabama Institute for the Deaf and Blind,
16 shall be included in the definition of employee if such person
17 shall agree to have deducted from his or her compensation a
18 pro rata portion of the premium cost of a full-time employee,
19 based on the percentage of time such person is employed, in
20 accordance with such rules and regulations as shall be adopted
21 by the board.

22 (2) RETIRED EMPLOYEE. Any person receiving a monthly
23 benefit from the Teachers' Retirement System who at the time
24 of his or her retirement was employed by a public institution
25 of education within the State of Alabama which provided
26 instruction at any combination of grades K through 14,
27 exclusively, under the auspices of the State Board of

1 Education or pursuant to Section 16-25A-11. Any person
2 receiving a monthly benefit from the Teachers' Retirement
3 System who at the time of his or her retirement was employed
4 by a state-supported postsecondary institution and any person
5 receiving a monthly benefit from the Employees' Retirement
6 System whose retirement under the Employees' Retirement System
7 was from a local board of education or a state-supported
8 postsecondary institution who participated pursuant to Section
9 36-27-6.

10 (3) BOARD. The Public ~~Education~~ Employees' Health
11 Insurance Board.

12 (4) CLASS. An employee or retiree shall be included
13 in one of the following classes: (i) active employee single,
14 (ii) active employee family, (iii) non-Medicare retiree
15 single, (iv) non-Medicare retiree family, (v) Medicare retiree
16 single, (vi) Medicare retiree family, (vii) non-Medicare
17 retiree with Medicare eligible dependent(s), or (viii)
18 Medicare retiree with non-Medicare dependent(s).

19 (5) EMPLOYEE CONTRIBUTION. The amount of the total
20 health insurance premium to be paid by the employee or retiree
21 as determined by the board.

22 (6) EMPLOYER CONTRIBUTION. The amount of the total
23 health insurance premium to be paid by the employer as
24 determined by the board.

25 (7) FEDERAL POVERTY LEVEL. Income level determined
26 in Section 673(2) of the Community Services Block Grant Act 2
27 (42 U.S.C. § 9902(2)). Should the federal government no longer

1 derive or substantially change its derivation of the federal
2 poverty level, the ~~Public Education Employees' Health~~
3 ~~Insurance Board~~ board has the authority to derive and apply an
4 alternate poverty level to carry out its obligations under
5 this article.

6 (8) HEALTH INSURANCE PREMIUM. The total health
7 insurance cost under a health insurance plan with respect to
8 each class of employees or retirees. Individual premiums may
9 include adjustments and surcharges for (i) family size
10 including, but not limited to, a husband and wife both being
11 covered by a health insurance plan as defined herein, (ii)
12 spouse's eligibility for other health insurance, (iii) smokers
13 and users of tobacco products, (iv) preventive care and
14 wellness care participation, and (v) any such other categories
15 of risk that the board shall approve.

16 (9) MEDICARE RETIREE. A retiree entitled to benefits
17 under the federal Medicare program (Subchapter XVIII of the
18 Social Security Act (42 U.S.C. §§ 1395 et seq.)).

19 (10) NON-MEDICARE RETIREE. A retiree not entitled to
20 benefits under the federal Medicare program (Subchapter XVIII
21 of the Social Security Act (42 U.S.C. §§ 1395 et seq.)).

22 (11) OPTIONAL COVERAGE. Health insurance coverage
23 offered to employees and retirees for dental, cancer,
24 indemnity, vision, or such other coverage the ~~Public Education~~
25 ~~Employees' Health Insurance Board~~ board deems appropriate in
26 lieu of coverage under the basic medical plan.

1 (12) OTHER EMPLOYER GROUP HEALTH INSURANCE COVERAGE.
2 Group health insurance coverage available to an employee or
3 retiree through an employer other than the State of Alabama.
4 Other employer group health insurance coverage does not
5 include the State Employees' Health Insurance Plan, the Public
6 Education Employees' Health Insurance Plan, or the local
7 government health insurance plan.

8 (13) PEEHIP. The Public Education Employees' Health
9 Insurance Plan.

10 (14) RETIREE. Same as "Retired Employee."

11 (15) SUPPLEMENTAL COVERAGE. Coverage offered to
12 employees and retirees by the ~~Public Education Employees'~~
13 ~~Health Insurance Board~~ board in lieu of coverage in the basic
14 medical plan of the Public Education Employees' Health
15 Insurance Plan that supplements an Employees' or retiree's
16 other employer group health insurance coverage.

17 (16) SUPPLEMENTAL POLICY. Policy offered to
18 employees and retirees by the ~~Public Education Employees'~~
19 ~~Health Insurance Board~~ board in lieu of or in addition to
20 coverage in the basic medical plan of the Public Education
21 Employees' Health Insurance Plan that provides a defined set
22 of benefits.

23 (17) YEARS OF SERVICE. The number of years and
24 months of creditable service by an employee prior to
25 retirement as determined by the Teachers' Retirement System or
26 Employees' Retirement System including any periods of full

1 time permanent employment subsequent to retirement up to a
2 maximum of five years.

3 "§16-25A-2.

4 ~~(a) The Public Education Employees' Health Insurance~~
5 ~~Board shall consist of the members of the Board of Control of~~
6 ~~the Teachers' Retirement System of Alabama;~~

7 ~~(b) Board members shall serve without compensation~~
8 ~~for their services as board members, but shall be reimbursed~~
9 ~~from the fund established in subsection (f) of Section~~
10 ~~16-25A-8 for all necessary expenses that they may incur~~
11 ~~through service on the board;~~

12 ~~(c) Each board member shall, within 10 days after~~
13 ~~his appointment or election to the Board of Control of the~~
14 ~~Teachers' Retirement System, take an oath of office that, so~~
15 ~~far as it devolves on him, he will diligently and honestly~~
16 ~~administer the affairs of the board herein established, and~~
17 ~~that he will not knowingly violate, or willingly permit to be~~
18 ~~violated, any of the provisions of law applicable to the~~
19 ~~Public Employees' Health Insurance Plan. Such oath shall be~~
20 ~~subscribed to by the member making it, certified by the~~
21 ~~officer before whom it is taken, and immediately filed in the~~
22 ~~office of the Secretary of State;~~

23 ~~(d) Each board member shall be entitled to one vote~~
24 ~~in matters concerning the board. Six votes shall be necessary~~
25 ~~for a decision at any meeting of said board. In case of a tie~~
26 ~~vote, the decision shall fail;~~

1 ~~(e) (a)~~ The ~~chairman and vice-chairman of the board~~
2 ~~shall be the chairman and vice-chairman of the Teachers'~~
3 ~~Retirement System Board of Control. The Secretary-Treasurer of~~
4 ~~the Teachers' Retirement System shall serve as chief executive~~
5 ~~officer of the Public Education Employees' Health Insurance~~
6 ~~Plan. In addition thereto,~~ the board may engage such
7 actuarial, administrative, legal, and other special services
8 as shall be deemed necessary to transact the business of the
9 insurance plan. The compensation and expenses for these
10 special services shall be paid at such rates and in such
11 amounts as the board shall approve. All other employees not in
12 these categories of employment shall be employed under the
13 provisions of the Merit System Act;

14 ~~(b) (f)~~ The board shall keep in convenient form such
15 data as shall be necessary for actuarial valuation of the
16 funds of the insurance plan and for checking the experience of
17 the plan.

18 "§16-25A-2.1.

19 The ~~Public Education Employees' Health Insurance~~
20 ~~Board~~ board shall constitute a body corporate for the purposes
21 of management of the health insurance plan. The board shall
22 have all powers and may enforce all existing rights and
23 claims, privileges of a corporation and hold its cash and
24 securities and other property in trust for the purpose for
25 which received; provided, however, that as instrumentalities
26 of the state, funded by the state, the ~~Public Education~~
27 ~~Employees' Health Insurance Board~~ board, their officers, and

1 their employees shall be immune from suit to the same extent
2 as the state, its agencies, officers, and employees.

3 "§16-25A-3.

4 The members of the ~~Public Employees' Health~~
5 ~~Insurance Board~~ board and their employees shall not be liable
6 for punitive damages for acts arising out of the good faith
7 performance of their duties in administering the health
8 insurance plan.

9 "§16-25A-7.

10 (a) The board is hereby authorized to execute a
11 contract or contracts to provide for the benefits or the
12 administration of the plan determined in accordance with the
13 provisions of this article. Such contract or contracts may be
14 executed with one or more agencies or corporations licensed to
15 transact or administer group health insurance business in this
16 state. All of the benefits to be provided under this article
17 may be included in one or more similar contracts issued by the
18 same or different companies. The board is further authorized
19 to develop a plan whereby it may become self-insured upon its
20 finding that such arrangement would be financially
21 advantageous to the state and plan participants.

22 (b) Before entering into any contract or contracts
23 authorized by subsection (a), the board shall invite
24 competitive bids from all qualified entities who may wish to
25 administer or offer plans for the health insurance coverage or
26 the administrative services desired. The board shall award
27 such contract or contracts on a competitive basis as

1 determined by the benefits afforded, administrative costs, the
2 costs to be incurred by employee, retiree, and employer, the
3 experience of the offering company or agency in the group
4 health insurance field and its facilities for the handling of
5 claims. In evaluating these factors the board may employ the
6 services of impartial professional insurance analysts or
7 actuaries. The board shall reevaluate the contract or
8 contracts yearly, and renegotiate on a competitive basis at
9 least every three years.

10 (c) The board may authorize the carrier with whom
11 the primary contracts are executed to reinsure portions of
12 such contract with other such carriers which elect to be a
13 reinsurer and who are legally qualified to enter into
14 reinsurance agreement under the laws of this state.

15 (d) Each employee or retired employee who is covered
16 by the plan provided pursuant to this article shall receive
17 evidence of such coverage. In addition, each employee or
18 retired employee shall receive upon request information
19 setting forth the benefits to which the employee or retired
20 employee and his or her dependents are entitled, to whom such
21 benefits shall be payable, to whom claims shall be submitted,
22 and a summary of the provisions of the plan as they affect the
23 employee and his or her dependents.

24 (e) The plan shall require adequate notice in
25 writing to any participant whose claim for benefits under the
26 plan has been denied, setting forth the specific reasons for
27 such denial and shall afford a reasonable opportunity to any

1 participant whose claim for benefits has been denied for a
2 full and fair review by the claims administrator upon the
3 written request of the participant, within 60 days of the date
4 of denial, setting forth the specific reasons for review. The
5 claims administrator shall provide in writing, within 60 days
6 of the request for review, a final determination of the claim
7 provided that an extension of 60 days may be obtained upon
8 written notification to the participant. Review of a final
9 decision by the claims administrator shall be by the Circuit
10 Court of Montgomery County as provided for the review of
11 contested cases under the Alabama Administrative Procedure
12 Act, Section 41-22-20.

13 (f) The board may at the end of any contract period
14 discontinue any contract or contracts it has executed with any
15 carrier and replace same with a contract or contracts with any
16 other carrier or carriers meeting the requirements of this
17 article.

18 ~~(g) The Public Education Employees' Health Insurance~~
19 ~~Board may enter into contracts of the State Employees'~~
20 ~~Insurance Board that were awarded through a competitive bid~~
21 ~~process, upon the mutual consent of the State Employees'~~
22 ~~Insurance Board and the contractor.~~

23 "§16-25A-8.

24 (a) The ~~Public Education Employees' Health Insurance~~
25 ~~Board~~ board is hereby authorized to provide under the contract
26 or contracts entered into under the provisions of this article
27 an insurance benefit plan for each covered employee and, under

1 certain conditions, retired employees; the cost of such plan
2 may be funded in part or in full through monthly premiums per
3 active employee from the same source of funds as those used
4 for the payment of salaries of active members and in part from
5 other funds.

6 (b) On or before January 1 next preceding each
7 regular meeting of the Legislature, the board shall certify to
8 the Governor and to the Legislature the amount or amounts
9 necessary to fund coverage for benefits authorized by this
10 article for the following fiscal year for employees and for
11 retired employees as a monthly premium per active member per
12 month. The Legislature shall set the premium rate in the
13 annual appropriation bill.

14 (c) Any eligible retired employee may elect to
15 participate in the plan authorized by this article provided
16 that such retired employee shall agree to have withheld the
17 employee contribution from each monthly retirement payment.

18 (d) For any fiscal year in which the monthly premium
19 certified under subsection (a) for hospital/medical insurance
20 per eligible employee is less than the cost of the coverage
21 per eligible employee, then the difference in cost per
22 eligible employee shall be submitted for each eligible
23 employee by the employing board, institution, or agency
24 monthly to the board, the sum of which may be any combination
25 of employee funds collected through monthly payroll deduction
26 and employing board, institution or agency funds; in any
27 fiscal year in which the monthly premium for hospital/medical

1 insurance for retired employees is less than the cost of the
2 coverage, then the difference in cost per eligible retired
3 employee as defined in subsection (c) shall be withheld from
4 the monthly retirement check of the retired employee.

5 (e) Each employee and retired employee shall be
6 entitled to have his or her spouse and dependent children, as
7 defined by the rules and regulations of the board, included in
8 the coverage provided upon agreeing to pay the Employees'
9 contribution of the health insurance premium for such
10 dependents. The board shall adopt regulations governing the
11 discontinuance and resumption by such employees of coverage
12 for dependents, and in the event of the death of an employee
13 or retired employee, provisions whereby their spouse and
14 dependents may elect to continue that coverage; provided,
15 however, that the spouse and dependents shall pay the full
16 cost of their coverage. During any period in which an
17 Employees' or retired Employees' dependents are covered under
18 this article, there shall be withheld from the salary payment
19 of such employee or the monthly retirement allowance of such
20 retired employee, the Employees' contribution of the health
21 insurance premium for coverage of such dependents under the
22 terms of any contract, contracts, or arrangement entered into
23 in accordance with the provisions of this article.

24 (f) There is hereby created in the State Treasury a
25 fund to be known as the Public Education Employees' Health
26 Insurance Fund. Such fund shall consist of and there shall be
27 deposited into such fund all employer paid premiums under the

1 provisions of subsection (b) of this section and all premiums
2 paid by employees and retired employees under the provisions
3 of this section and any other premiums paid under the
4 provisions of this article. The board shall designate a
5 custodian of this fund who shall be authorized to make
6 deposits into and payments therefrom in accordance with
7 contracts entered into by the board; in addition, any income
8 arising from the investment or deposit of the assets of the
9 fund shall accrue solely to the benefit of the fund.

10 (g) Any state appropriation from the Education Trust
11 Fund for the fiscal year ending September 30, 1984, and any
12 subsequent fiscal year employer premium payments for
13 hospital/medical insurance for eligible employees as defined
14 under the provisions of this article which are made by any
15 institution, board, or agency whether heretofore or hereafter
16 made, shall be deposited in the fund created in subsection (f)
17 of this section and shall be used to fund coverage for the
18 benefits authorized by the provisions of this article.
19 Disbursement of such funds shall be in accordance with the
20 provisions of subsection (b) of this section.

21 (h) Premiums required to be paid by the employer
22 together with any premiums deducted from employees'
23 compensation shall be paid to the Public Education Employees'
24 Health Insurance Fund on the first day of the month for which
25 coverage is applicable and the first day of each month
26 thereafter. Monthly reports of the coverage type and premium
27 amount for each covered employee shall be submitted in a

1 format prescribed by the Public Education Employees' Health
2 Insurance Fund.

3 (i) Each university which has not elected to
4 participate in the Public Education Employees' Health
5 Insurance Plan shall pay the cost of insuring each employee
6 retired from such university who elects to participate under
7 the Public Education Employees' Health Insurance Plan. Such
8 costs shall be determined in the same manner as is determined
9 for all other retired employees by using the previous fiscal
10 year's claims for all retired employees increased by the
11 expected claims trend for the current fiscal year, as provided
12 by the ~~Public Education Employees' Health Insurance Board's~~
13 board's claims administrator. Such amount shall be reduced by
14 the premiums to be paid by the retired employees during the
15 current fiscal year. The ~~Public Education Employees' Health~~
16 ~~Insurance Board~~ board shall invoice each university monthly,
17 and the university shall pay the board within 30 days of the
18 date of the date of the invoice. If payment is not made within
19 30 days, the Department of Finance is hereby authorized to pay
20 the amount due to the Public Education Employees' Health
21 Insurance Fund directly from funds appropriated to the
22 university.

23 "§16-25A-15.

24 The ~~Public Education Employees' Health Insurance~~
25 ~~Board~~ board shall promulgate such rules and regulations as may
26 be required for the effective administration of the provisions
27 of this chapter.

1 "§16-25A-16.

2 ~~Once the Legislature has fully funded the Public~~
3 ~~Education Employees' Health Insurance Program, the~~ The board
4 governing the Public Education Employees' Health Insurance
5 ~~Board~~ Plan and the State Employees' Health Insurance ~~Board~~
6 Plan ~~shall~~ may coordinate and equalize benefits so that both
7 groups shall be insured and funded equally.

8 "§16-25A-17.

9 (a) (1) Any premiums paid to the ~~Public Education~~
10 ~~Employees' Health Insurance Board~~ board for active employees
11 shall include an amount to partially fund the cost of coverage
12 for retired employees. Notwithstanding the foregoing, if the
13 plan becomes fully funded pursuant to this chapter, this
14 section shall not apply.

15 (2) The amount authorized by subdivision (1) of this
16 subsection shall not be less than an amount determined by
17 multiplying the number of retired employees by an individual
18 retired employee rate. The individual retired employee rate
19 shall be determined by multiplying the full cost of coverage
20 for a retired employee eligible to receive benefits under the
21 federal Medicare program times the fractional amount derived
22 by dividing the current individual premium for an employee not
23 eligible for benefits under the federal Medicare program by
24 the full cost of coverage for an employee not eligible to
25 receive benefits under the federal Medicare program. The
26 ~~Public Education Employees' Health Insurance Board~~ board may
27 provide additional premium payments for retirees in addition

1 to the minimum amount guaranteed herein to the extent that it
2 does not exceed the amount of their premium as established by
3 the board. Any additional funding for premium amounts which
4 may be provided to retirees with individual coverage who are
5 not eligible for benefits under the federal Medicare program
6 by the ~~Public Education Employees' Health Insurance Board~~
7 board shall not have the effect of reducing the out-of-pocket
8 cost below the total out-of-pocket cost paid by retirees with
9 individual coverage who are eligible for benefits under the
10 federal Medicare program. The total out-of-pocket cost for the
11 retirees with individual coverage who are eligible for
12 benefits under the federal Medicare program shall be
13 determined by the combined cost of part B of the federal
14 Medicare program and the Medicare supplement program provided
15 by the Public Education Employees' Health Insurance Program.

16 (3) Any premium payments made pursuant to this
17 section shall be deposited in the same fund and handled
18 pursuant to the same manner as if made under this chapter.

19 (b) This section is supplemental and shall be
20 construed in pari materia with other statutes relating to
21 health insurance coverage for educational personnel.

22 "§16-25A-42.

23 (a) There is hereby created the Public Education
24 Flexible Employees Benefit Board, which shall consist of the
25 chair ~~and vice chair~~ of the Public Education Employees' Health
26 Insurance Board and ~~three~~ four members of the Public Education
27 Employees' Health Insurance Board, one of whom shall be the

1 Director of Finance. Two members of the Public ~~Education~~
2 Employees' Health Insurance Board shall be elected from the
3 Public ~~Education~~ Employees' Health Insurance Board's
4 membership as members of the Public Education Flexible
5 Employees' Benefit Board. The individuals presently holding
6 the offices shall constitute the initial membership of the
7 board, and their successors in office, by virtue of assuming
8 such office, shall succeed to membership on the board. The
9 Director of Finance may designate a person to attend the
10 meetings from time to time and to vote in his or her absence.

11 (b) The board shall elect one of its members as
12 chair of the board and another as vice chair and shall also
13 elect a secretary who need not be a member of the board. The
14 chair, vice chair, and the secretary shall serve as officers
15 at the pleasure of the board. A majority of the members of the
16 board shall constitute a quorum and the affirmative vote of a
17 majority of those members present shall be necessary for any
18 action taken by the board. No vacancy in the membership of the
19 board shall impair the right of a quorum to exercise all
20 rights and perform all duties of the board.

21 "§22-11A-118.

22 (a) There is established the Health Care Data
23 Advisory Council to assist in developing regulations and
24 standards necessary to implement the provisions of this
25 article, to review and serve as consultants to the board on
26 matters related to any reports or publications prior to a
27 report or publication release and to serve as consultants to

1 the board on matters relating to the protection, collection,
2 and dissemination of health care facility acquired infection
3 data.

4 (b) The council shall consist of 18 members and be
5 constituted in the following manner:

6 (1) Six hospital members to be appointed by the
7 Alabama Hospital Association, two of which shall be infection
8 control professionals.

9 (2) Three members to be appointed by the Medical
10 Association of the State of Alabama.

11 (3) Two members to be appointed by the Business
12 Council of Alabama, at least one of whom represents a small
13 business, all of whom are purchasers of health care, and none
14 of whom are primarily involved in the provision of health care
15 or health insurance.

16 (4) One member to be appointed by the Mineral
17 District Society.

18 (5) One consumer member who is not a health care
19 professional or does not provide health insurance or an agent
20 thereof to be appointed by the Governor.

21 (6) One member to be appointed by Blue Cross/Blue
22 Shield of Alabama.

23 (7) One member to be appointed by the Alabama
24 Association of Health Plans.

25 (8) One member to be appointed by the State Health
26 Officer who is an active member of the Association for
27 Professionals in Infection Control, licensed to practice in

1 the State of Alabama, and currently practicing in a clinical
2 setting.

3 (9) ~~One~~ Two member members to be appointed by the
4 Public ~~Education~~ Employees' Health Insurance Board.

5 ~~(10) One member to be appointed by the State~~
6 ~~Employees' Insurance Board.~~

7 ~~(11)~~ (10) The State Health Officer shall act as
8 chair of the board, without a vote, except where there is a
9 tie vote of the other board members present at a meeting.

10 (c) The council membership shall reflect the racial,
11 gender, geographic, urban and rural, and economic diversity of
12 the state.

13 (d) The terms of the appointed members shall be
14 staggered as follows: The State Health Officer shall divide
15 the members into two equal groups. The members of the first
16 group shall be appointed for an initial term of two years. The
17 members of the second group shall be appointed for an initial
18 term of four years. Thereafter, the term of office of each
19 member shall be for four years. A member may serve two
20 consecutive terms. A member shall serve until a successor is
21 appointed. If a vacancy occurs, the original appointing
22 authority shall fill the vacancy for the remainder of the
23 unexpired term.

24 (e) The council shall meet within 30 days after the
25 appointment of the council membership and establish procedures
26 and other policies necessary to carry on the business of the
27 council. A quorum shall be a majority of the appointed

1 members. All meetings of the council shall be announced in
2 advance and conducted pursuant to the Open Meetings Act, found
3 at Section 36-25A-1, et seq.

4 (f) The members of the council shall not receive a
5 salary or per diem allowance for serving as members of the
6 council, but shall be entitled to reimbursement for expenses
7 incurred in the performance of the duties of the office at the
8 same rate allowed state employees pursuant to general law.

9 (g) The council may appoint a technical advisory
10 committee if desired. The technical advisory committee members
11 do not have to be members of the council.

12 (h) The State Health Officer or his or her designee
13 shall be an ex officio member and chair of the board without
14 vote, except where there is a tie vote of the other board
15 members present at a meeting.

16 "§36-1-6.2.

17 (a) Any instrumentality or agency of the State of
18 Alabama, whose principal activity consists of distributing
19 goods or services by contract with the United States, or any
20 federal governmental corporation, and which are not covered by
21 the provisions of Chapter 29 of this title, shall be subject
22 to all the provisions of this section. Such instrumentality or
23 agency is hereby empowered to purchase and pay for group
24 health, accident or hospitalization insurance coverage for its
25 officers and employees. Such instrumentality or agency is
26 hereby further authorized to contract with the ~~State~~ Public
27 Employees' Health Insurance Board for group health, accident

1 or hospitalization insurance coverage, and under such terms,
2 conditions, and costs as the ~~State~~ Public Employees' Health
3 Insurance Board and the instrumentality or agency shall
4 mutually determine. The cost or premium for such group health,
5 accident or hospitalization insurance shall not be deemed to
6 be compensation to the covered party.

7 (b) All contracts and policies of group life,
8 health, accident and hospitalization insurance which have been
9 issued prior to July 1, 1991, to any instrumentality or agency
10 defined in subsection (a) for the benefit of its officers and
11 employees are hereby ratified, confirmed, approved and
12 validated. All acts done and all premiums paid by said
13 instrumentality or agency of any such contract or policy are
14 hereby ratified, confirmed, approved and validated.

15 "§36-27-6.4.

16 (a) Any active and contributing member of the Oxford
17 Emergency Medical Services, Inc., that participates in the
18 Employees' Retirement System under Section 36-27-6, may
19 purchase prior non-qualified service for employment rendered
20 to Oxford Emergency Medical Services before July 14, 2009, as
21 permitted by the IRC Section 415(n)(3)(B). Currently, under
22 federal law the employee must have five or more years of
23 creditable service in the Employees' Retirement System prior
24 to purchasing up to five years' non-qualified service.

25 (b) No member shall receive credit for any service
26 that the member is already credited with in the system or any

1 other public retirement plan, with the exception of the
2 federal Social Security program.

3 (c) Any member who is eligible to purchase service
4 credit shall furnish to the Secretary-Treasurer of the
5 Employees' Retirement System the full actuarially determined
6 cost for each year of claimed service as determined by the
7 system's actuary.

8 (d) Any year of service purchased under the
9 provisions of this section shall not be considered in
10 determining the out-of-pocket premium amount charged to
11 retirees under the provisions of Section 16-25A-8.1 or Section
12 36-29-19.7. Also, any service purchased under this section
13 shall not entitle a member to be eligible for benefits under
14 either the PEEHIP or ~~SEIB~~ State Employees' Health Insurance
15 Plan any earlier than the member could have reached
16 eligibility under the plan without the service purchased under
17 the provisions of this section.

18 "§36-29-1.

19 When used in this chapter, the following terms shall
20 have the following meanings, respectively, unless the context
21 clearly indicates otherwise:

22 (1) BOARD. The ~~State~~ Public Employees' Health
23 Insurance Board.

24 (2) CLASS. An employee or retiree shall be included
25 in one of the following classes: (i) active employee single,
26 (ii) active employee family, (iii) non-Medicare retiree
27 single, (iv) non-Medicare retiree family, (v) Medicare retiree

1 single, (vi) Medicare retiree family, (vii) non-Medicare
2 retiree with Medicare eligible dependent(s), or (viii)
3 Medicare retiree with non-Medicare dependent(s).

4 (3) EMPLOYEE. A person who works full time for the
5 State of Alabama or for a county health department and who
6 receives his or her full compensation on a monthly basis
7 through means of a state warrant drawn upon the State Treasury
8 or by check drawn by the Treasurer of the Alabama State Port
9 Authority or by check drawn by the treasurer of the Alabama
10 state agency for surplus property other than those employees
11 covered by the federal Railroad Retirement Act. Full-time
12 employees of the county health department in all counties
13 having populations of not less than 300,000 nor more than
14 500,000 shall also be included in the definition of employee
15 for the purpose of this chapter, and the health department of
16 any such county is hereby authorized to pay the employer's
17 share of any contributions to the retirement fund; provided
18 further, that any district attorney or full-time employees in
19 the district attorney's office, of any judicial circuit shall
20 be included in the definition of employee for the purpose of
21 this chapter, and the respective judicial circuits are hereby
22 authorized to pay the employer's share of any contribution
23 therefor and any person employed part time by the State of
24 Alabama on a wage and hourly basis, excluding fee
25 compensations and other like arrangements, shall be included
26 in the definition of employee as defined in this chapter
27 provided such person shall agree to have deducted from his or

1 her hourly wage, as stipulated, a pro rata portion of the
2 premium cost of a full-time state employee based on the
3 percentage of time such person is employed by the state
4 according to rules and regulations established by the ~~State~~
5 ~~Employees' Insurance Board~~ board. The term shall also include
6 an employee who worked at least 10 years for the State
7 Department of Transportation in "captive county" circumstances
8 as defined by Section 23-1-100 and who was transferred to
9 county employment upon the adoption of Article 3A, Chapter 1,
10 Title 23. Provided further, however, any costs incurred as a
11 result of including such employee in this term shall be
12 payable from funds of the State Department of Transportation.

13 (4) EMPLOYEE CONTRIBUTION. The amount of the total
14 health insurance premium to be paid by the employee or retiree
15 as determined by the board.

16 (5) EMPLOYER CONTRIBUTION. The amount of the total
17 health insurance premium to be paid by the employer as
18 determined by the board.

19 (6) FEDERAL POVERTY LEVEL. Income level determined
20 in Section 673(2) of the Community Services Block Grant Act 2
21 (42 U.S.C. § 9902(2)). Should the federal government no longer
22 derive or substantially change its derivation of the federal
23 poverty level, the ~~State Employees' Insurance Board~~ board has
24 the authority to derive and apply an alternate poverty level
25 to carry out its obligations under this chapter.

26 (7) HEALTH INSURANCE PREMIUM. The total health
27 insurance cost under the State Employees' Health Insurance

1 Plan with respect to each class of employees or retirees.
2 Individual premiums may include adjustments and surcharges for
3 (i) family size including, but not limited to, a husband and
4 wife both being covered by the State Employees' Health
5 Insurance Plan, (ii) spouse's eligibility for other health
6 insurance, (iii) smokers and users of tobacco products, (iv)
7 preventative care and wellness care participation, and (v) any
8 such other categories of risk that the board shall approve.

9 (8) MEDICARE RETIREE. A retiree entitled to benefits
10 under the federal Medicare program (Subchapter XVIII of the
11 Social Security Act, 42 U.S.C. §§ 1395 et seq.).

12 (9) NON-MEDICARE RETIREE. A retiree not entitled to
13 benefits under the federal Medicare program (Subchapter XVIII
14 of the Social Security Act, 42 U.S.C. §§ 1395 et seq.).

15 (10) OTHER EMPLOYER GROUP HEALTH INSURANCE COVERAGE.
16 Group health insurance coverage available to an employee or
17 retiree through an employer other than the State of Alabama.
18 Other employer group health insurance coverage does not
19 include the State Employees' Health Insurance Plan, the Public
20 Education Employees' Health Insurance Plan, or the local
21 government health insurance plan.

22 (11) RETIREE. An employee who retires from the
23 service of the State of Alabama, who, at the time of such
24 retirement has at least 10 years of creditable coverage, meets
25 the criteria set out in this chapter and who, following such
26 retirement, draws a monthly benefit from the Employees'
27 Retirement System of Alabama, the Judicial Retirement System

1 of Alabama, the Teachers' Retirement System of Alabama, or the
2 Alabama State Port Authority.

3 (12) STATE EMPLOYEES' HEALTH INSURANCE PLAN. The
4 health benefit plan administered or offered by the ~~State~~
5 ~~Employees' Insurance Board~~ board for eligible employees and
6 retirees and their respective dependents. The ~~State Employees'~~
7 ~~Insurance Board~~ board may offer supplemental coverages and
8 policies in lieu of or in addition to coverage in the basic
9 medical plan of the State Employees' Health Insurance Plan.
10 Also referred to herein as "health insurance plan" or "plan."

11 (13) SUPPLEMENTAL COVERAGE. Coverage offered to
12 employees and retirees by the ~~State Employees' Insurance Board~~
13 board in lieu of coverage in the basic medical plan of the
14 State Employees' Health Insurance Plan that supplements an
15 Employees' or retiree's other employer group health insurance
16 coverage.

17 (14) SUPPLEMENTAL POLICY. A policy offered to
18 employees and retirees by the ~~State Employees' Insurance Board~~
19 board, in lieu of or in addition to coverage in the basic
20 medical plan of the State Employees' Health Insurance Plan,
21 that provides a defined set of benefits.

22 (15) THIRD PARTY ADMINISTRATOR. An entity contracted
23 by the ~~State Employees' Insurance Board~~ board to provide
24 certain administrative services as it deems appropriate and
25 necessary to carry out its obligations under this chapter.

26 (16) YEARS OF CREDITABLE COVERAGE. The number of
27 years and months that an employee is covered under the State

1 Employees' Health Insurance Plan prior to retirement as
2 determined by the ~~State Employees' Insurance Board~~ board,
3 including any periods of full-time permanent employment
4 subsequent to retirement up to a maximum of five years.
5 Creditable coverage shall also include months and years: (1)
6 Related to service in the United States Armed Forces; (2) as a
7 part-time employee prior to October 1, 2005; (3) as an
8 employee as defined in Sections 16-25A-1 and 16-25A-11; (4) as
9 a full time employee of a local legislative delegation office
10 which participates in the Employees' Retirement System if the
11 employee is under the state employees' insurance plan on June
12 14, 2011; (5) as an employee of a postsecondary institution
13 eligible for Public Education Employees' Health Insurance Plan
14 coverage as a retiree whether the institution participates in
15 the Public Education Employees' Health Insurance Plan or has
16 its own plan of insurance for active employees, provided the
17 postsecondary institution contributes an amount to the State
18 Employees Insurance Fund for each of its retired employees
19 equal to any amount appropriated by the state to fund benefits
20 for retired employees as determined by the ~~State Employees'~~
21 ~~Insurance Board~~ board; (6) as a juvenile probation officer
22 provided that the Administrative Office of Courts contributes
23 an amount to the State Employees Insurance Fund for each
24 retired juvenile probation officer equal to any amount
25 appropriated by the state to fund benefits for retired
26 employees as determined by the ~~State Employees' Insurance~~
27 ~~Board~~ board; or (7) as an employee of the USS Alabama

1 Battleship Commission provided that the USS Alabama Battleship
2 Commission contributes an amount to the State Employees
3 Insurance Fund for each retired employee of the USS Alabama
4 Battleship Commission equal to any amount appropriated by the
5 state to fund benefits for retired employees as determined by
6 the ~~State Employees' Insurance Board~~ board. For employees of
7 the Alabama State Port Authority, the term years of creditable
8 coverage shall mean the sum of the number of years and months
9 of creditable service as determined by the Employees'
10 Retirement System, the Teachers' Retirement System, or the
11 Judicial Retirement System with regard to any periods of time
12 during which such employee was employed under the Merit System
13 plus the number of years and months of creditable service as
14 determined by the ~~State Employees' Insurance Board~~ board with
15 regard to any period of time during which such employee was
16 employed by the Alabama State Port Authority as a non-Merit
17 System employee.

18 (17) YEARS OF SERVICE. The number of years and
19 months of creditable service by an employee prior to
20 retirement as determined by the Employees' Retirement System,
21 Teachers' Retirement System, or Judicial Retirement System
22 including any periods of full time permanent employment
23 subsequent to retirement up to a maximum of five years. Except
24 for creditable service related to service in the United States
25 Armed Forces, or as an employee as defined in Sections
26 16-25A-1 and 16-25A-11, or as an employee of a postsecondary
27 institution eligible for PEEHIP coverage as a retiree whether

1 the institution participates in PEEHIP or has its own plan of
2 insurance for active employees, the ~~State Employees' Insurance~~
3 ~~Board~~ board may exclude from years of service any years and
4 months of creditable service it determines was not related to
5 service as an employee as defined in Section 36-29-1. For
6 employees of the Alabama State Port Authority, the term years
7 of service shall mean the sum of the number of years and
8 months of creditable service as determined by the Employees'
9 Retirement System, the Teachers' Retirement System, or the
10 Judicial Retirement System with regard to any periods of time
11 during which such employee was employed under the Merit System
12 plus the number of years and months of creditable service as
13 determined by the ~~State Employees' Insurance Board~~ board with
14 regard to any period of time during which such employee was
15 employed by the Alabama State Port Authority as a non-Merit
16 System employee.

17 "§36-29-3.

18 The health insurance plan provided for in this
19 chapter shall be designed by the ~~State Employees' Insurance~~
20 ~~Board~~ board to provide a reasonable relationship between the
21 hospital, surgical, and medical benefits to be included and
22 the expected hospital, surgical, and medical expenses to be
23 incurred by the affected employee and retiree and dependents
24 and to include reasonable controls, which may include, but are
25 not limited to, deductible, copayment, coinsurance, and other
26 cost containment measures to prevent unnecessary utilization
27 of the various hospital, surgical, and medical services

1 available and to provide reasonable assurance of stability in
2 future years for the plan.

3 "§36-29-5.

4 (a) Such health insurance shall not include any of
5 the following:

6 (1) Expenses incurred by or on account of an
7 individual prior to the effective date of the plan.

8 (2) Cosmetic surgery or treatment, except to the
9 extent necessary for correction of damages caused by
10 accidental injury while covered by the plan or as a direct
11 result of disease covered by the plan.

12 (3) Services received in a hospital owned or
13 operated by the United States government for which no charge
14 is made.

15 (4) Services received for injury or sickness due to
16 war or any act of war, whether declared or undeclared, which
17 war or act of war shall have occurred after the effective date
18 of this plan.

19 (5) Expenses for which the individual is not
20 required to make payment.

21 (6) Expenses to the extent of benefits provided
22 under any employer group plan other than the plan in which the
23 state participates in the cost thereof.

24 (7) Such other expenses as may be excluded by
25 regulations of the board.

26 (b) This section shall not mandate the coverage of
27 hearing assistance devices except that the ~~State Employees~~

1 ~~Health Insurance Board~~ board may determine by a majority vote
2 of the board to cover such expenses in part or in whole on or
3 after April 11, 2000.

4 "§36-29-6.

5 (a) The board is hereby authorized to execute a
6 contract or contracts to provide the plan determined in
7 accordance with the provisions of this chapter. Such contract
8 or contracts may be executed with one or more agencies or
9 corporations licensed to transact or administer group health
10 insurance business in this state. All of the benefits to be
11 provided under this chapter may be included in one or more
12 similar contracts issued by the same or different companies.

13 (b) Before entering into any contract or contracts
14 authorized by subsection (a) of this section, the board shall
15 invite competitive bids from all qualified entities who may
16 wish to administer or offer plans for the health insurance
17 coverage desired. The board shall award such contract or
18 contracts on a competitive basis as determined by the benefits
19 afforded, administrative costs, the costs to be incurred by
20 employee, retiree, and employer, the experience of the
21 offering company or agency in the group health insurance field
22 and its facilities for the handling of claims. In evaluating
23 these factors the board may employ the services of impartial
24 professional insurance analysts or actuaries.

25 (c) The contract or contracts executed by the board
26 with the selected carrier or third party administrator shall
27 be a contract to offer coverage to all employees and retirees

1 of the state subject to the provisions of this chapter;
2 provided, however, that nothing contained in this chapter
3 shall prohibit other insurance carriers from soliciting
4 additional health and other types of insurance coverage with
5 state employees, and nothing contained in this chapter shall
6 prohibit the Director of Finance from authorizing payment of
7 premiums for such additional health and other types of
8 coverage by payroll deduction.

9 (d) The board may authorize a carrier with whom a
10 contract has been executed to reinsure portions of such
11 contract with other such carriers which elect to be a
12 reinsurer and who are legally qualified to enter into a
13 reinsurance agreement under the laws of this state.

14 (e) Each employee and retiree who is covered under
15 the plan shall receive a certificate or summary document
16 setting forth the benefits to which the employee, retiree, and
17 dependents are entitled thereunder, to whom such benefits
18 shall be payable, to whom claims shall be submitted, and a
19 summary of the provisions of the plan as they affect the
20 employee, retiree, and dependents.

21 (f) The board may at the end of any contract period
22 discontinue any contract or contracts it has executed with any
23 carrier or third party administrator and replace same with a
24 contract or contracts with any other carrier or third party
25 administrator meeting the requirements of this chapter.

26 ~~(g) The State Employees' Insurance Board may enter~~
27 ~~into contracts of the Public Education Employees' Health~~

1 ~~Insurance Board that were awarded through a competitive bid~~
2 ~~process, upon the mutual consent of the Public Education~~
3 ~~Employees' Health Insurance Board and the contractor.~~

4 "§36-29-13.

5 (a) There is hereby provided from the funds of the
6 State Employees' Health Insurance Plan \$1,592,605.00
7 (estimated) for the fiscal year beginning October 1, 1985. The
8 ~~State Employees' Insurance Board~~ board is hereby to expend
9 \$22.35 per month per eligible retired employee towards
10 coverage for said retired employee for the fiscal year
11 beginning October 1, 1985.

12 (b) It is the intent of the Legislature that
13 subsequent appropriations to the ~~State Employees' Insurance~~
14 ~~Board~~ board pursuant to this section shall be included in the
15 appropriations made for active employees from employer funds
16 pursuant to subsection (d) of Section 36-29-7 beginning with
17 the fiscal year 1986-87 and each year thereafter and shall be
18 increased to fully fund the employer's portion of the benefits
19 provided for in Section 36-29-10.

20 (c) The board shall recognize any Medicare premium
21 paid by a retiree in determining any increases in retiree
22 contributions in existing and newly imposed premiums
23 proscribed on state employees and retirees.

24 "§36-29-14.

25 (a) Any agency of the state, or any governmental
26 entity, body, or subdivision thereto, any county, any
27 municipality, any municipal foundation, any fire or water

1 district, authority, or cooperative, any regional planning and
2 development commission established pursuant to Sections
3 11-85-50 through 11-85-73, that is not and was not for the 12
4 months immediately preceding the date of application to
5 participate in any plan created pursuant to the provisions of
6 this article a member of an existing government sponsored
7 health insurance program, formed under the provisions of
8 Section 11-26-2, the Association of County Commissions of
9 Alabama or the Alabama League of Municipalities, the Alabama
10 Retired State Employees' Association, the Alabama State
11 Employees Credit Union, Easter Seals Alabama, Alabama State
12 University, the Alabama Rural Water Association, Rainbow
13 Omega, Incorporated, The Arc of Alabama, Incorporated, and any
14 of the affiliated local chapters of The Arc of Alabama,
15 Incorporated, United Ways of Alabama and its member United
16 Ways, any railroad authority organized pursuant to Chapter 13,
17 Title 37, or any solid waste disposal authority organized
18 pursuant to Chapter 89A, Title 11, by resolution legally
19 adopted to conform to rules prescribed by the ~~State Employees'~~
20 ~~Insurance Board~~ board, may elect to have its officers,
21 members, employees, and retired employees become eligible for
22 health insurance coverage under the ~~State Employees' Insurance~~
23 ~~Board~~ board without any liability to the state or the State
24 Employees' Health Insurance Plan.

25 (b) Acceptance of the employees identified in
26 subsection (a) shall be optional with the ~~State Employees'~~
27 ~~Insurance Board~~ board.

1 (c) Employees, officers, members, and retirees who
2 are eligible for health insurance pursuant to this section
3 shall be entitled to coverage and benefits as designated by
4 the ~~State Employees' Insurance Board~~ board.

5 (d) Any portion of the cost of the insurance
6 coverage as determined by the ~~State Employees' Insurance Board~~
7 board for the employees, officers, members, and retirees and
8 their dependents pursuant to this section may be paid by the
9 employer.

10 (e) The chief fiscal officer of each employer shall
11 remit to the ~~State Employees' Insurance Board~~ board the amount
12 of premiums required for employee and dependent coverage under
13 this section. The employer shall furnish the necessary
14 information to the ~~State Employees' Insurance Board~~ board.

15 (f) The agreement of any employer to have its
16 employees, officers, members, and retirees to be covered under
17 the health insurance plan provided by the ~~State Employees'~~
18 ~~Insurance Board~~ board may be revoked only by complying with
19 the following provisions:

20 The employer, by resolution of the governing body,
21 shall signify its intention and desire to withdraw from such
22 plan in writing and by delivering a copy of such resolution by
23 certified mail to the ~~State Employees' Insurance Board~~ board
24 no later than six months prior to the effective date of
25 withdrawal. Any employer that withdraws from participation in
26 such plan shall be responsible for paying its claims incurred
27 prior to the date of withdrawal, but not reported and paid

1 prior to the date of withdrawal. The withdrawing employer
2 shall also be liable for interest which will accrue at a rate
3 of one and one-half percent per month on any monies due to the
4 ~~State Employees' Insurance Board~~ board which are over 30 days
5 past due. Any organization which provides or administers
6 health insurance benefits through the Local Government Health
7 Insurance Program shall not provide or administer health
8 insurance benefits to any entity which withdraws from the
9 Local Government Health Insurance Program for a period of two
10 years from the effective date of withdrawal.

11 (g) The ~~State Employees' Insurance Board~~ board shall
12 promulgate such rules and regulations as may be necessary for
13 the effective administration of the provisions of this
14 section.

15 (h) In addition, the ~~State Employees' Insurance~~
16 ~~Board~~ board shall engage such actuarial and other special
17 services as shall be required to transact the business of the
18 board. The compensation of all persons engaged by the board,
19 with the exception of clerical employees who shall be employed
20 under the Merit System Act, and all other expenses of the
21 board necessary for the operation of the board shall be paid
22 at such rates and in such amounts as the board shall approve.

23 "§36-29-14.1.

24 (a) The governing body of any county soil and water
25 conservation district may, by resolution legally adopted to
26 conform to rules prescribed by the ~~State Employees' Insurance~~
27 ~~Board~~ board, elect to have its officers and employees who are

1 full-time employees working at least a 40-hour work week and
2 its retiring employees who worked full time at least a 40-hour
3 work week during their active employment become eligible to
4 participate in the State Employees' Health Insurance Plan. The
5 term "officers" and "employees" as used in this section shall
6 include those persons appointed or employed by the individual
7 officers and performing their duties in public offices, but
8 shall not include members of soil and water conservation
9 district boards, known as district supervisors who are
10 expressly prohibited from participating in said health
11 insurance plan.

12 (b) Each employee who is covered by the State
13 Employees' Health Insurance Plan pursuant to this section
14 shall be entitled to the coverage and benefits as though he
15 were a state employee.

16 (c) The cost of the insurance coverage for the
17 employee shall be paid by the employer; however, each employee
18 who chooses to have dependent coverage shall agree to pay the
19 cost of coverage for his dependents. The chief fiscal officer
20 of each employer shall pay to the ~~State Employees' Insurance~~
21 ~~Board~~ board to the credit of the State Employees' Insurance
22 Fund the amount of premiums paid by the employer and the
23 employees.

24 (d) The agreement of any employer to have its
25 officers and employees and its retiring employees to be
26 covered under the State Employees' Health Insurance Plan shall
27 be irrevocable except it can be terminated by the employer, by

1 resolution of the governing body, signifying its intention and
2 desire to withdraw from such plan in writing and delivering a
3 copy of such resolution to the ~~State Employees' Insurance~~
4 ~~Board~~ board; provided, however, any officer or employee who
5 becomes covered under such plan shall be entitled to a minimum
6 of five consecutive years of coverage.

7 (e) The ~~State Employees' Insurance Board~~ board shall
8 promulgate such rules and regulations as may be required for
9 the effective administration of the provisions of this
10 article.

11 "§36-29-15.

12 (a) Any member of the Legislature and the Lieutenant
13 Governor, during their term of office, and their dependents,
14 shall be eligible for coverage under the State Employees'
15 Health Insurance Plan and upon expiration of their term of
16 office may continue such coverage for a maximum of 36 months.

17 (b) Preexisting conditions shall not be covered
18 until the insured has been covered under the plan for a period
19 of 12 months, provided, however, that any legislator enrolling
20 within 30 days of April 23, 1990 or within 30 days of the
21 beginning of any calendar year thereafter shall not be subject
22 to this limitation of benefits. A preexisting condition is any
23 condition for which the insured or their covered dependent
24 received medical treatment, advice or consultation or received
25 any prescribed medication within 12 months of the effective
26 date of the insured's coverage under the plan.

1 (c) The premiums for the insurance coverage for a
2 legislator, the Lieutenant Governor and their dependents shall
3 be paid by the individual legislator and the Lieutenant
4 Governor.

5 (d) The ~~State Employees' Insurance Board~~ board shall
6 promulgate such rules and regulations as may be required for
7 the effective administration of the provisions of this
8 section.

9 "§36-29-17.

10 (a) Notwithstanding the provisions of Section
11 36-29-1, an employee or executive officer of the Alabama
12 Sports Hall of Fame Board and his or her dependents shall be
13 eligible for coverage under the State Employees' Health
14 Insurance Plan and upon the expiration of the employment may
15 continue the coverage for a maximum of 36 months.

16 (b) Preexisting conditions shall not be covered
17 until the insured has been covered under the plan for a period
18 of 12 months. An employee enrolling within 30 days of August
19 7, 1995 or within 30 days of the beginning of a calendar year
20 thereafter shall not be subject to this limitation of
21 benefits. A preexisting condition is a condition for which the
22 insured or their covered dependent received medical treatment,
23 advice, or consultation, or received a prescribed medication
24 within 12 months of the effective date of the insured's
25 coverage under the plan.

26 (c) The premiums for the insurance coverage for
27 employees, executive officers, and their dependents shall be

1 paid pursuant to Section 36-29-7. For those purposes, the
2 Alabama Sports Hall of Fame shall be the employer.

3 (d) The ~~State Employees' Insurance Board~~ board shall
4 promulgate rules and regulations required for the effective
5 administration of this section.

6 "§36-29-18.

7 As a condition of participation in an insurance
8 policy of the ~~State Employees Insurance Board (SEIB)~~ board a
9 pharmacist shall dispense a generic equivalent medication to
10 fill a prescription for a patient covered by ~~SEIB~~ the plan
11 when one is available unless the physician indicates in
12 longhand writing on the prescription "medically Necessary" or
13 "dispense as written" or "do not substitute". The generic
14 equivalent drug product dispensed shall be pharmaceutically
15 and therapeutically equivalent and contain the same active
16 ingredient, or ingredients, and shall be of the same dosage,
17 form, and strength.

18 "§36-29-19.9.

19 (a) Notwithstanding any other laws to the contrary,
20 a spouse and dependents of a person covered under the ~~State~~
21 ~~Employees' Insurance Board (SEIB)~~ health insurance plan who is
22 killed in the line of duty or who dies as a result of an
23 injury received in the line of duty shall continue to be
24 covered under the ~~SEIB~~ health insurance plan, with the cost of
25 continued coverage to be paid from the State Treasury.

26 (b) The continued coverage shall cease for the
27 spouse if he or she remarries or obtains an alternate health

1 insurance provider. Continued coverage shall cease for any
2 dependent when his or her eligibility for coverage terminates.

3 "§36-29A-2.

4 The costs of the program and its administration
5 shall be paid from the funds appropriated for the operation of
6 the several state departments, agencies, boards and
7 commissions, to which the Director of Finance may apportion
8 the costs. Medical costs may be managed by cooperative
9 agreement with the ~~State~~ Public Employees' Health Insurance
10 Board.

11 "§36-34-2.

12 As an alternative to the provisions of Section
13 36-34-1, the local units are authorized to participate in a
14 health insurance plan developed by the ~~State~~ Public Employees'
15 Health Insurance Board or the Alabama Retired State Employees'
16 Association to provide health insurance coverage to retirees,
17 designated beneficiaries, and surviving spouses of active
18 members of the local units who are receiving benefits from the
19 Employees' Retirement System. The costs of extending the
20 health insurance to the retirees, designated beneficiaries, or
21 surviving spouses under the aforementioned developed health
22 insurance plan may be paid from any funds available to the
23 local units which are otherwise unencumbered.

24 "§36-35-3.

25 (a) The Alabama Prescription Cost Initiative Board
26 is created.

1 (b) The board shall consist of the following voting
2 members: The executive director or chief staff person of the
3 ~~State Public Employees' Health Insurance Board (SEIB)~~ (PEHIB)
4 ~~and the Public Education Employees Health Insurance Plan~~
5 ~~(PEEHIP)~~, the Chair of the ~~Board of Directors of SEIB~~, the
6 ~~Chair of the Board of Directors of PEEHIP~~ PEHIB, two board
7 members of the PEHIB as appointed by the PEHIB, and the State
8 Health Officer. The Director of the Medicaid Agency may serve
9 in a nonvoting capacity.

10 (c) The board shall promulgate policies to implement
11 this chapter and may hire an executive director and necessary
12 staff to implement and administer this chapter with or without
13 regard to the state Merit System.

14 (d) The board through its executive director may
15 enter into agreements with a prescription drug buying group or
16 manufacturer to negotiate price discounts or rebates on behalf
17 of the board or any participating department or governmental
18 entity.

19 (e) The board through its executive director may
20 enter into agreements with, or affiliate with, a prescription
21 drug buying group for centralized purchase and distribution of
22 prescription drugs to retail pharmacies. Notwithstanding any
23 provision of this subsection to the contrary, nothing herein
24 shall require, nor be construed to require, any retail
25 pharmacy to purchase prescription drugs from a central
26 warehouse or central facility.

1 (f) The board shall make recommendations to public
2 employee insurance programs, departments, and governmental
3 entities for prescription formulary design.

4 (g) In conformity with the official policy of the
5 U.S. Food and Drug Administration and its regulations, the
6 reimportation of prescription drugs is expressly prohibited
7 pursuant to this chapter.

8 "§36-36-1.

9 The Legislature of Alabama hereby finds and
10 determines that the funding of accrued and accruing health
11 care benefits to retired employees and their dependents is a
12 proper governmental function and purpose of the state. The
13 Governmental Accounting Standards Board has issued Statements
14 43 and 45, which set forth standards on accounting and
15 reporting for post-employment benefits other than pensions by
16 governments. The new standards will require the state to
17 account for such post-employment benefits on an actuarial
18 basis during an Employees' career rather than on a
19 pay-as-you-go basis during the Employees' period of
20 retirement. The Legislature has determined that it would be
21 advisable for the state to create irrevocable trusts whereby
22 the state may begin funding those benefits in advance to
23 address and ultimately offset the state's accrued liabilities
24 for such benefits. Therefore, the state, ~~the State Employees'~~
25 ~~Insurance Board,~~ and the Public Education Employees' Health
26 Insurance Board are authorized and directed to create
27 irrevocable trusts to be named the "Alabama Retired State

1 Employees' Health Care Trust" and the "Alabama Retired
2 Education Employees' Health Care Trust," ~~respectively,~~ which
3 shall be created, funded, and administered in accordance with
4 the provisions of this chapter to protect and enhance the
5 financial condition of the State.

6 "§36-36-3.

7 As used in this chapter, the following words and
8 phrases shall have the following respective meanings:

9 (1) ALABAMA RETIRED EDUCATION EMPLOYEES' HEALTH CARE
10 TRUST. The Alabama Retired Education Employees' Health Care
11 Trust created by the state and the Public ~~Education~~ Employees'
12 Health Insurance Board pursuant to this chapter.

13 (2) ALABAMA RETIRED STATE EMPLOYEES' HEALTH CARE
14 TRUST. The Alabama Retired State Employees' Health Care Trust
15 created by the state and the ~~State~~ Public Employees' Health
16 Insurance Board pursuant to this chapter.

17 (3) BOARDS. The ~~State Employees' Insurance Board and~~
18 ~~the~~ Public ~~Education~~ Employees' Health Insurance Board.

19 (4) DEPENDENTS. The spouse and dependent children,
20 as defined by the rules and regulations of the ~~respective~~
21 ~~boards,~~ of a retired employee who are covered by either the
22 Public Education Employees' Health Insurance Plan pursuant to
23 Chapter 25A of Title 16, as amended from time to time, or the
24 State Employees' Health Insurance Plan pursuant to Chapter 29
25 of this title, as amended from time to time.

26 (5) EMPLOYEE. Any person who is a participant in
27 either the Public Education Employees' Health Insurance Plan

1 pursuant to Chapter 25A of Title 16, as amended from time to
2 time, or the State Employees' Health Insurance Plan pursuant
3 to Chapter 29 of this title, as amended from time to time, and
4 satisfies the definition of an employee under Section
5 16-25A-1(1) or Section 36-29-1(3), as amended from time to
6 time.

7 (6) FISCAL YEAR. The fiscal year of the state as may
8 from time to time be provided by law.

9 (7) OTHER POST-EMPLOYMENT BENEFITS or
10 POST-EMPLOYMENT BENEFITS. Non-pension benefits paid on behalf
11 of retired employees or their dependents after the employees'
12 separation from service in accordance with the relevant
13 post-employment benefit plan.

14 (8) PERMITTED INVESTMENTS. All assets and properties
15 in which the Retirement Systems of Alabama may invest as
16 permitted by law from time to time.

17 ~~(9) PUBLIC EDUCATION EMPLOYEES' HEALTH INSURANCE~~
18 ~~BOARD. The Public Education Employees' Health Insurance Board~~
19 ~~established by Section 16-25A-2, or its successor or assign.~~

20 (9) ~~(10)~~ RETIRED EMPLOYEE. A former employee who is
21 a participant in either the Public Education Employees' Health
22 Insurance Plan pursuant to Chapter 25A of Title 16, as amended
23 from time to time, or the State Employees' Health Insurance
24 Plan pursuant to Chapter 29 of this title, as amended from
25 time to time, and satisfies the definition of retiree under
26 Section 36-29-1(11), as amended from time to time, or retired

1 employee under Section 16-25A-1(2), as amended from time to
2 time.

3 (10) ~~(11)~~ STATE. The State of Alabama.

4 ~~(12) STATE EMPLOYEES' INSURANCE BOARD. The State~~
5 ~~Employees' Insurance Board established by Section 36-29-2, or~~
6 ~~its successor or assign.~~

7 (11) ~~(13)~~ TRUSTEE. A trustee of the relevant trust.

8 (12) ~~(14)~~ TRUSTS. The separate trusts to be created
9 by the state, on the one hand, as the grantor, and members of
10 the ~~State Employees' Insurance Board or the Public Education~~
11 ~~Employees' Health Insurance Board~~ board, on the other hand, as
12 trustees of the ~~respective~~ trusts, pursuant to this chapter.

13 "§36-36-4.

14 The trusts created pursuant to this chapter shall be
15 evidenced by a written trust instrument, the terms and
16 conditions of which shall be determined by the board creating
17 such trust and the Governor on behalf of the state as long as
18 such terms and conditions do not conflict with this chapter.
19 The Trustees of the Alabama Retired State Employees' Health
20 Care Trust ~~shall be the members of the State Employees'~~
21 ~~Insurance Board serving from time to time,~~ and the Trustees of
22 the Alabama Retired Education Employees' Health Care Trust
23 shall be the members of the ~~Public Education Employees' Health~~
24 ~~Insurance Board~~ board serving from time to time. Each trust
25 shall be managed and controlled by its ~~respective~~ trustees
26 separately from and independent of the management and control
27 of the other trust. The trustees shall serve without

1 compensation for their service as trustees, but may be
2 reimbursed from the respective trust for all reasonable and
3 necessary expenses that they incur in connection with their
4 services as Trustees.

5 "§36-36-5.

6 (a) The trusts shall be under the management and
7 control of ~~their respective~~ the trustees. All powers necessary
8 or otherwise advisable for the management and control of the
9 trusts shall be vested solely in the ~~respective~~ trustees.

10 (b) The trustees shall have all of the powers
11 necessary to carry out and effectuate the purposes and
12 provisions of this chapter, all the power and authority
13 granted under law to the board which created the trust, and
14 all powers granted to trustees under Alabama law to the extent
15 not in conflict with this chapter, including, without limiting
16 the generality of the foregoing, the following powers:

17 (1) To adopt, alter, and repeal rules for the
18 operation and conduct of the respective trust's affairs and
19 business;

20 (2) To make, enter into, and execute contracts,
21 agreements, and other instruments and to take such other
22 actions as may be necessary or otherwise advisable for the
23 management and operation of the respective trust, to
24 accomplish any purpose for which the respective trust was
25 created, or to exercise any power granted by this chapter;

26 (3) To enter into contracts with, to accept aid and
27 grants from, to cooperate with, and to do any and all things

1 that may be necessary or otherwise advisable in order to avail
2 the respective trust of the aid and cooperation of the United
3 States of America, the state, or any agency, instrumentality,
4 or political subdivision of either thereof in furtherance of
5 the purposes of this chapter;

6 (4) To appoint, employ, and contract with such
7 employees, agents, advisors, and consultants, including, but
8 not limited to, attorneys, accountants, actuaries, financial
9 experts, and such other advisors, consultants, and agents as
10 may, in the trustees' judgment, be necessary or otherwise
11 advisable and to determine and pay, from the funds of the
12 trusts, the compensation of those persons; and

13 (5) To invest the funds of the trusts in any
14 permitted investment.

15 (c) The expenses of making and disposing of
16 investments, such as brokerage commissions, legal expenses
17 referable to a particular transaction, transfer taxes, and
18 other customary transactional expenses with respect to a trust
19 shall be payable out of the funds of such trust.

20 "§36-36-6.

21 (a) The sources of funding to the Alabama Retired
22 State Employees' Health Care Trust may be: (1) appropriations
23 made by the Legislature; (2) contributions by employees and
24 retired employees; (3) employer contributions; (4) investment
25 income; (5) proceeds of any gifts, grants, or contributions;
26 (6) transfers from the State Employees' Insurance Fund; and
27 (7) all other sources permitted by law.

1 (b) The sources of funding to the Alabama Retired
2 Education Employees' Health Care Trust may be: (1)
3 appropriations made by the Legislature; (2) contributions by
4 employees and retired employees; (3) employer contributions;
5 (4) investment income; (5) proceeds of any gifts, grants, or
6 contributions; (6) transfers from the Public Education
7 Employees' Health Insurance Fund; and (7) all other sources
8 permitted by law.

9 (c) The agreements creating the trusts shall be
10 irrevocable and the assets of the trusts shall not be expended
11 or disbursed or loaned or transferred or used for any purpose
12 other than to acquire permitted investments, pay
13 administrative expenses, and provide post-employment health
14 care benefits to or for retired employees and their
15 dependents. The Legislature shall have no authority or power
16 to appropriate the assets of the trusts.

17 (d) During each fiscal year, distributions from a
18 trust to provide post-employment health care benefits to or
19 for retired employees and their dependents shall not exceed 10
20 percent of the fair market value of the assets of such trust
21 as of the last business day of the immediately preceding
22 fiscal year. No distribution from a trust to provide
23 post-employment health care benefits to or for retired
24 employees and their dependents shall be made during the first
25 fiscal year of the trust.

26 (e) Notwithstanding the above, as long as such
27 amendment is consistent with the legislative intent of this

1 chapter, the trustees of the trusts shall have the authority
2 to amend or modify their respective trust: (1) if, in the
3 opinion of counsel for the trustees of the respective trust,
4 it is necessary or otherwise advisable to obtain any material
5 tax advantage or avoid any material adverse tax result; (2)
6 if, in the opinion of the independent accountant for the
7 trustees of the respective trust, it is necessary or otherwise
8 advisable to cause the trust to be considered another
9 post-employment benefits trust in accordance with generally
10 accepted governmental accounting principles, as prescribed by
11 the Governmental Accounting Standards Board or its successor;
12 or (3) if, in response to a petition of the respective
13 trustees of the trust requesting that the trust be amended, a
14 court of competent jurisdiction determines that such amendment
15 is necessary or otherwise advisable to accomplish one or more
16 purposes of this chapter.

17 (f) The trusts may be terminated by the boards only
18 if all state plans or programs providing such post-employment
19 health care benefits for which the trust is established are
20 repealed or terminated and there is no future obligation of
21 the state to provide such post-employment health care
22 benefits. In such event, the then remaining assets of the
23 trust shall revert, ~~in the case of the Alabama Retired State~~
24 ~~Employees' Health Care Trust, to the State Treasury to and for~~
25 ~~the credit of the State Employees' Insurance Board and, in the~~
26 ~~case of the Alabama Retired Education Employees' Health Care~~

1 ~~Trust,~~ to the State Treasury to and for the credit of the
2 Public Education Employees' Health Insurance Board.

3 (g) All assets and income of the trusts shall be
4 exempt from taxation by the state or any political subdivision
5 thereof. Distributions from the trusts will not be taxable
6 income to the retired employees or their dependents. The
7 assets of the trusts will not be subject to the claims of
8 creditors of the state, the boards, trustees, plan
9 administrators, employees, retired employees, or dependents,
10 and will not be subject to execution, attachment, garnishment,
11 the operation of bankruptcy, the insolvency laws, or other
12 process whatsoever, nor shall any assignment thereof be
13 enforceable in any court.

14 (h) The trusts shall not be deemed to be invalid by
15 reason of any indefiniteness or uncertainty of the persons
16 designated as beneficiaries in the agreements creating the
17 trusts, nor shall they be deemed to be invalid as violating
18 any existing law against perpetuities or against suspension of
19 the power of alienation of title to property or against trusts
20 for the purpose of the accumulation of income; but each trust
21 may continue for such a time as may be necessary to accomplish
22 the purpose for which it was created.

23 (i) The trustees shall cause the annual financial
24 statements of the trust to be prepared in accordance with
25 generally accepted accounting principles and an audit by a
26 qualified independent certified accounting firm to be
27 conducted of those financial statements of the respective

1 trust for each fiscal year in accordance with generally
2 accepted auditing standards.

3 "§36-36-7.

4 It is the intent of the Legislature that the state
5 and the boards establish and the trustees operate the trusts
6 in compliance with the Internal Revenue Code of the United
7 States of America in a manner which would allow the trusts to
8 maximize investment earnings while minimizing the costs to the
9 state and its employees and other citizens of satisfying the
10 health care post-employment benefits obligation. It is also
11 the intent of the Legislature that the trusts be operated in a
12 manner that satisfies the definition of other post-employment
13 benefits trusts under generally accepted governmental
14 accounting principles. The trusts shall not be subject to any
15 provision of a law of the state (or any subdivision thereof)
16 which conflicts with that legislative intent or would prevent
17 or unreasonably hinder the accomplishment of the purposes of
18 this chapter.

19 "§41-10-725.

20 The institute shall have the following powers:

21 (1) To design, implement, and amend a program or
22 programs to provide for the recruitment of, and the promotion
23 of training programs and opportunities for, new craft trade
24 workers for the construction industry and the users of the
25 construction industry.

26 (2) To educate the public about career opportunities
27 as craft trade workers in the construction industry.

1 (3) To acquire, receive, and take title to, by
2 purchase, gift, lease, license, devise, or otherwise, to hold,
3 keep, improve, maintain, equip, furnish, develop, and to
4 transfer, convey, donate, sell, lease, license, grant options
5 to, assign, or otherwise dispose of property of every kind and
6 character, real, personal, mixed, tangible and intangible, and
7 any and every interest therein, to any person or entity.

8 (4) To accept gifts, grants, bequests, or devises of
9 money and tangible and intangible property.

10 (5) To make and alter bylaws, not inconsistent with
11 the provisions of this division or laws of the State of
12 Alabama, for the administration and regulation of the affairs
13 of the institute.

14 (6) To make, enter into, and execute contracts,
15 agreements, leases, licenses, or other legal arrangements and
16 to take such steps and actions as may be necessary or
17 convenient in the furtherance of any purpose or the exercise
18 of any power provided or granted to it by this section.

19 (7) To engage in media advertising, marketing,
20 website creation, website design, website maintenance,
21 database creation, database design, database maintenance, data
22 and information collection, and data and information
23 dissemination and distribution, including the dissemination or
24 distribution of data and information on potential construction
25 workforce recruits, to the construction industry, users of the
26 construction industry, and educational institutions, or other

1 entities, as deemed necessary or appropriate by the institute
2 in its sole discretion.

3 (8) To conduct surveys, studies, metrics, and other
4 analyses of the construction industry and its potential
5 workforce, and to disseminate or distribute the surveys,
6 studies, metrics, and other analyses of the construction
7 industry and its potential workforce to the construction
8 industry, users of the construction industry, and educational
9 institutions, or other entities, as deemed necessary or
10 appropriate by the institute in its sole discretion.

11 (9) To incur ancillary costs, project costs,
12 advertising costs, and recruitment costs and to pay these
13 costs out of proceeds of the Recruitment and Training
14 Promotion Fund.

15 (10) To make application directly or indirectly to
16 any federal, state, county, or municipal government or agency
17 or to any other source, public or private, for grants or other
18 similar financial assistance in furtherance of the institute's
19 purpose and to accept and use the same upon the terms and
20 conditions as are prescribed by the federal, state, county, or
21 municipal government or agency or other source.

22 (11) To employ and provide for the compensation of
23 an executive director and staff and support personnel
24 according to policies and procedures adopted by the institute.
25 The executive director and the employees of the institute
26 shall not be considered state employees; however, the director
27 and employees may petition the Employees' Retirement System

1 and the ~~State~~ Public Employees' Health Insurance Board for
2 inclusion in these systems subject to terms and conditions of
3 similarly situated persons who may petition for benefits from
4 these entities. The Employees' Retirement System may elect to
5 provide retirement benefits and the ~~State~~ Public Employees'
6 Health Insurance Board may elect to provide health insurance
7 benefits to the employees of the institute upon petition of
8 the employees and subject to terms and conditions for
9 similarly situated employees of other public entities.

10 (12) To hire accountants, attorneys, engineers,
11 consultants, and other professionals as the board shall deem
12 necessary for the conduct of the business of the institute.

13 (13) To provide grants to educational, governmental,
14 nonprofit, community-based, workforce development, economic
15 development, and other organizations and associations engaged
16 in the education, recruitment, training, placement, and
17 professional development of persons engaged in activities
18 leading to the furtherance of careers in commercial and
19 industrial construction in accordance with the purposes of the
20 institute.

21 (14) To cooperate or partner, or both, with regional
22 and national organizations promoting construction workforce
23 development, including the sharing of non-monetary marketing
24 and educational resources and databases, in furtherance of the
25 purposes of the institute.

26 (15) To do all things necessary or convenient to
27 carry out the powers and purposes conferred by this section.

1 (16) To exercise any and all powers permissible
2 under state law not in conflict with the purposes of the
3 institute.

4 Section 7. Section 36-29-2, Code of Alabama 1975, is
5 hereby repealed.

6 Section 8. Sections 6 and 7 of this act shall be
7 effective January 1, 2014.

8 Section 9. All other references in the Code of
9 Alabama 1975 to the State Employees' Insurance Board (SEIB) or
10 the Public Education Employees' Health Insurance Board
11 (PEEHIB) shall be replaced with the Public Employees' Health
12 Insurance Board (PEHIB). All property rights and contractual
13 obligations of the SEIB and the PEEHIB are hereby transferred
14 to the PEHIB as provided by the terms of this act effective
15 12:01 a.m., January 1, 2014 and thereafter all references to
16 the SEIB and PEEHIB shall mean, and be synonymous with, the
17 PEHIB.

18 Section 10. The provisions of this act are
19 severable. If any part of this act is declared invalid or
20 unconstitutional, that declaration shall not affect the part
21 which remains.

22 Section 11. All laws or parts of laws which conflict
23 with this act are repealed.

24 Section 12. This act is effective immediately
25 following its passage and approval by the Governor, or its
26 otherwise becoming law.