

# **WEST VIRGINIA LEGISLATURE**

**2016 REGULAR SESSION**

**Committee Substitute**

**for**

**Senate Bill 622**

BY SENATORS WALTERS, BLAIR, MULLINS, TAKUBO AND  
CARMICHAEL

[Originating in the Committee on Government  
Organization; reported on February 27, 2016]



1 A BILL to amend and reenact §5-16-4 of the Code of West Virginia, 1931, as amended, relating  
2 to the composition of the Public Employees Insurance Agency Finance Board; reducing  
3 the number of members; and changing the experience requirements for members.

*Be it enacted by the Legislature of West Virginia:*

1 That §5-16-4 of the Code of West Virginia, 1931, as amended, be amended and reenacted  
2 to read as follows:

**ARTICLE 16. WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE ACT.**

**§5-16-4. Public Employees Insurance Agency Finance Board continued; qualifications,  
terms and removal of members; quorum; compensation and expenses;  
termination date.**

1 (a) The Public Employees Insurance Agency Finance Board is continued and consists of  
2 the Secretary of the Department of Administration or his or her designee and ~~ten~~ eight members  
3 appointed by the Governor, with the advice and consent of the Senate, for terms of four years  
4 and each may serve until his or her successor is appointed and qualified. Members may be  
5 reappointed for successive terms. No more than ~~six~~ five members, including the Secretary of the  
6 Department of Administration, may be of the same political party. The board shall consist of eight  
7 members with staggered terms, to be determined by the Governor: *Provided, That any member*  
8 of the board in office on July 1, 2016, may continue to serve until his or her successor has been  
9 appointed and qualified.

10 (b) (1) Of the ~~ten~~ eight members appointed by the Governor with advice and consent of  
11 the Senate: ~~one member shall represent the interests of education employees, one shall~~  
12 ~~represent the interests of public employees, one shall represent the interests of retired~~  
13 ~~employees, one shall represent the interests of organized labor, one shall represent the interests~~  
14 ~~of a participating political subdivision and five shall be selected from the public at large. The~~  
15 ~~Governor shall appoint the member representing the interests of education employees from a list~~  
16 ~~of three names submitted by the largest organization of education employees in this state. The~~  
17 ~~Governor shall appoint the member representing the interests of organized labor from a list of~~

18 ~~three names submitted by the state's largest organization representing labor affiliates. The five~~  
19 ~~members appointed from the public shall each have experience in the financing, development or~~  
20 ~~management of employee benefit programs.~~

21 (A) One member shall represent the interests of education employees. The member must  
22 hold a bachelor's degree, must have obtained teacher certification, must be employed as a  
23 teacher for a period of at least three years prior to his or her appointment and must remain a  
24 teacher for the duration of his or her appointment to remain eligible to serve on the board.

25 (B) One member shall represent the interests of public employees. The member must be  
26 employed to perform full- or part-time service for wages, salary or remuneration for a public body  
27 for a period of at least three years prior to his or her appointment and must remain an employee  
28 of a public body for the duration of his or her appointment to remain eligible to serve on the board.

29 (C) One member shall represent the interests of retired employees. The member must  
30 meet the definitions of retired employee as defined in section two of this article.

31 (D) One member shall represent the interests of a participating political subdivision. The  
32 member must have been employed by a political subdivision for a period of at least three years  
33 prior to his or her appointment and must remain an employee of a political subdivision for the  
34 duration of his or her appointment to remain eligible to serve on the board. The member may not  
35 be an elected official.

36 (E) Four members must be selected from the public at large, meeting the following  
37 requirements:

38 (i) One member selected from the public at large must generally have knowledge and  
39 expertise relating to the financing, development or management of employee benefit programs;

40 (ii) One member selected from the public at large must have at least three years of  
41 experience in the insurance benefits business;

42 (iii) One member selected from the public at large must be a certified public accountant  
43 with at least three years of experience with financial management and employee benefits program  
44 experience; and

45 (iv) One member selected from the public at large must be a health care actuary or certified  
46 public accountant with at least three years of financial experience with the health care  
47 marketplace.

48 (F) No member may be a registered lobbyist.

49 (2) All appointments shall be selected to represent the different geographical areas within  
50 the state and all members shall be residents of West Virginia. No member may be removed from  
51 office by the Governor except for official misconduct, incompetence, neglect of duty, neglect of  
52 fiduciary duty or other specific responsibility imposed by this article or gross immorality.

53 (c) The Secretary of the Department of Administration shall serve as chair of the finance  
54 board, which shall meet at times and places specified by the call of the chair or upon the written  
55 request to the chair of at least two members. The Director of the Public Employees Insurance  
56 Agency shall serve as staff to the board. Notice of each meeting shall be given in writing to each  
57 member by the director at least three days in advance of the meeting. ~~Six~~ Five members constitute  
58 is a quorum. The board shall pay each member the same compensation and expense  
59 reimbursement that is paid to members of the Legislature for their interim duties for each day or  
60 portion of a day engaged in the discharge of official duties.

61 (d) Upon termination of the board and notwithstanding any provisions in this article to the  
62 contrary, the director is authorized to assess monthly employee premium contributions and to  
63 change the types and levels of costs to employees only in accordance with this subsection. Any  
64 assessments or changes in costs imposed pursuant to this subsection shall be implemented by  
65 legislative rule proposed by the director for promulgation pursuant to the provisions of article  
66 three, chapter twenty-nine-a of this code. Any employee assessments or costs previously  
67 authorized by the finance board shall then remain in effect until amended by rule of the director  
68 promulgated pursuant to this subsection.

CS for SB 622

NOTE: The purpose of this bill is to change the experience requirements for members and reduce the number of members of the Public Employees Insurance Agency Finance Board.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.