

Minority Report
A-Engrossed
Senate Bill 789

Ordered by the Senate June 20
Including Senate Minority Report Amendments dated June 20

Sponsored by nonconcurring members of the Senate Committee on Rules: Senators STARR, FERRIOLI

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Clarifies that only certain districts claiming exception from requirement to offer benefits provided and administered by Oregon Educators Benefit Board must undergo actuarial analysis by board to maintain exception.

Allows additional districts to claim exception from requirement to offer benefits provided and administered by board under certain circumstances.

[Limits requirement that] **Modifies requirements for when** board must conduct actuarial analysis of certain exempt districts *[to first six years that districts claim exception]*.

A BILL FOR AN ACT

1
2 Relating to Oregon Educators Benefit Board; creating new provisions; and amending ORS 243.886.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 243.886, as amended by section 9, chapter 38, Oregon Laws 2012, is amended
5 to read:

6 243.886. (1) Except as provided in subsections (2), (3) and (4) of this section, a district may not
7 provide or contract for a benefit plan and eligible employees of districts may not participate in a
8 benefit plan unless the benefit plan:

9 (a) Is provided and administered by the Oregon Educators Benefit Board under ORS 243.860 to
10 243.886; or

11 (b) On or after October 1, 2015, is offered through the health insurance exchange under ORS
12 741.310 (1)(b).

13 (2)(a) Except for community college districts, a district that was self-insured before January 1,
14 2007, or a district that had an independent health insurance trust established and functioning before
15 January 1, 2007, may provide or contract for benefit plans other than benefit plans provided and
16 administered by the board if the premiums for the benefit plans provided or contracted for by the
17 district are equal to or less than the premiums for comparable benefit plans provided and adminis-
18 tered by the board.

19 (b) A community college district may provide or contract for benefit plans other than benefit
20 plans provided and administered by the board.

21 (c) In accordance with procedures adopted by the board to extend benefit plan coverage under
22 ORS 243.864 to 243.874 to eligible employees of a self-insured district, a district with an independent
23 health insurance trust or a community college district, these districts may choose to offer benefit
24 plans that are provided and administered by the board. Once employees of a district participate in

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 benefit plans provided and administered by the board, the district may not thereafter provide or
 2 contract for benefit plans other than those provided and administered by the board.

3 (3)(a) A district, **other than a district claiming the exception in subsection (2)(a) of this**
 4 **section**, that has not offered benefit plans provided and administered by the board before June 23,
 5 2009, may provide or contract for benefit plans other than benefit plans provided and administered
 6 by the board if the premiums for the benefit plans provided or contracted for by the district are
 7 equal to or less than the premiums for comparable benefit plans provided and administered by the
 8 board. Once employees of a district or an employee group within a district participates in benefit
 9 plans provided and administered by the board, the district may not thereafter provide or contract
 10 for benefit plans for those employees or employee groups other than those provided and administered
 11 by the board.

12 **(b) Notwithstanding paragraph (a) of this subsection, a district may provide or contract**
 13 **for benefit plans other than benefit plans provided and administered by the board if the dis-**
 14 **trict determines that the premiums for the benefit plans provided or contracted for by the**
 15 **district are equal to or less than the premiums for comparable benefit plans provided and**
 16 **administered by the board.**

17 [(b)] (c) [To maintain the exception created in this subsection, the board must perform an actuarial
 18 analysis of the district at least once every two years.] If requested by the district or a labor organ-
 19 ization representing eligible employees of the district, the board shall perform [the] **an** actuarial
 20 analysis [annually] **of the district.**

21 [(c)] (d) As used in this subsection, “district” does not include a community college district.

22 (4) Nothing in ORS 243.860 to 243.886 may be construed to expand or contract collective bar-
 23 gaining rights or collective bargaining obligations.

24 **SECTION 2.** ORS 243.886, as amended by sections 9 and 13, chapter 38, Oregon Laws 2012, is
 25 amended to read:

26 243.886. (1) Except as provided in subsections (2), (3) and (4) of this section, a district may not
 27 provide or contract for a benefit plan and eligible employees of districts may not participate in a
 28 benefit plan unless the benefit plan:

29 (a) Is provided and administered by the Oregon Educators Benefit Board under ORS 243.860 to
 30 243.886; or

31 (b) Is offered through the health insurance exchange under ORS 741.310 (1)(c).

32 (2)(a) Except for community college districts, a district that was self-insured before January 1,
 33 2007, or a district that had an independent health insurance trust established and functioning before
 34 January 1, 2007, may provide or contract for benefit plans other than benefit plans provided and
 35 administered by the board if the premiums for the benefit plans provided or contracted for by the
 36 district are equal to or less than the premiums for comparable benefit plans provided and adminis-
 37 tered by the board.

38 (b) A community college district may provide or contract for benefit plans other than benefit
 39 plans provided and administered by the board.

40 (c) In accordance with procedures adopted by the board to extend benefit plan coverage under
 41 ORS 243.864 to 243.874 to eligible employees of a self-insured district, a district with an independent
 42 health insurance trust or a community college district, these districts may choose to offer benefit
 43 plans that are provided and administered by the board. Once employees of a district participate in
 44 benefit plans provided and administered by the board, the district may not thereafter provide or
 45 contract for benefit plans other than those provided and administered by the board.

1 (3)(a) A district, **other than a district claiming the exception in subsection (2)(a) of this**
2 **section**, that has not offered benefit plans provided and administered by the board before June 23,
3 2009, may provide or contract for benefit plans other than benefit plans provided and administered
4 by the board if the premiums for the benefit plans provided or contracted for by the district are
5 equal to or less than the premiums for comparable benefit plans provided and administered by the
6 board. Once employees of a district or an employee group within a district participates in benefit
7 plans provided and administered by the board, the district may not thereafter provide or contract
8 for benefit plans for those employees or employee groups other than those provided and administered
9 by the board.

10 **(b) Notwithstanding paragraph (a) of this subsection, a district may provide or contract**
11 **for benefit plans other than benefit plans provided and administered by the board if the dis-**
12 **trict determines that the premiums for the benefit plans provided or contracted for by the**
13 **district are equal to or less than the premiums for comparable benefit plans provided and**
14 **administered by the board.**

15 [(b)] (c) *[To maintain the exception created in this subsection, the board must perform an actuarial*
16 *analysis of the district at least once every two years.]* If requested by the district or a labor organ-
17 ization representing eligible employees of the district, the board shall perform [*the*] **an** actuarial
18 analysis [*annually*] **of the district.**

19 [(c)] (d) As used in this subsection, “district” does not include a community college district.

20 (4) Nothing in ORS 243.860 to 243.886 may be construed to expand or contract collective bar-
21 gaining rights or collective bargaining obligations.

22 **SECTION 3. The amendments to ORS 243.886 by sections 1 and 2 of this 2013 Act apply**
23 **to districts claiming exceptions under ORS 243.886 (2)(a) or (3)(a) before, on or after the ef-**
24 **fective date of this 2013 Act.**