

## HB 2740 -2 STAFF MEASURE SUMMARY

### House Committee On Higher Education

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**Prepared By:** Ellen O'Brien, LPRO Analyst

**Meeting Dates:** 2/9, 3/30

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#### WHAT THE MEASURE DOES:

Establishes a uniform level of health care benefit eligibility for part-time faculty at public institutions of higher education. Calculates hours of employment as number of hours of lecture time or classroom time weighted by factor of 4.35, and sets eligibility for health care benefits at 600 hours of work per calendar year across any number of institutions. Applies 4.35 weight to hours worked by part-time faculty at community colleges for purposes of Public Employees Retirement System (PERS) and Oregon Public Service Retirement Plan (OPSRP) eligibility. Applies eligibility level to health benefit plans offered on or after January 1, 2024. Requires that terms of collective bargaining agreements and other contracts entered into before the effective date supersede the act.

#### ISSUES DISCUSSED:

- Local control for community colleges to determine full-time equivalency
- Number of hours worked outside of classroom

#### EFFECT OF AMENDMENT:

-2 Removes provisions related to health care benefit eligibility for part-time faculty at public institutions of higher education. Applies 2.67 weight to hours worked by part-time faculty at community colleges for purposes of Public Employees Retirement System (PERS) and Oregon Public Service Retirement Plan (OPSRP) eligibility.

#### BACKGROUND:

Under ORS 238.005, a public employee qualifies for PERS membership if they work 600 or more hours for public employers in a given year. ORS 238.074, which governs the Public Employees Retirement System (PERS), and ORS 238A.142, which governs the Oregon Public Service Retirement Plan (OPSRP), currently treat part-time faculty at community colleges who are employed 0.375 full-time equivalent (FTE) for 12 months or 0.50 FTE for 9 months as having worked 600 hours for the purposes of eligibility.

The Higher Education Coordinating Commission's (HECC) [Senate Bill 113 Report](#), published in November 2015, reported that community colleges and public universities used widely varied formulas to calculate hours for the purposes of PERS and full-time equivalency, and that these formulas were governed by collective bargaining agreements and/or institutional policies. For example:

- Klamath Community College and Linn-Benton Community College both calculated PERS hours based on credit hours taught, number of weeks, and a weight. The weight applied by Klamath Community College was 2.5, and the weight applied by Linn-Benton was 2.0.
- Columbia Gorge Community College and Oregon Coast Community College applied different weights for lecture hours and other hours.
- Southwestern Community College calculated eligibility using only actual hours in the classroom.
- Clatsop Community College determined eligibility based on contract hours.

These different formulas resulted in the same hypothetical part-time faculty member qualifying for 66 PERS hours at Southwestern Community College and over 128 PERS hours at Columbia Gorge Community College. According to the 2015 Senate Bill 113 Report, the Oregon Education Benefits Board (OEBB) received and reviewed an aggregated list of faculty members who worked a total of 600 PERS hours across any number of higher education

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institutions, and determined which were eligible to purchase benefits. At that time, the system was utilized by approximately 40 faculty members across the state.

House Bill 2740 sets a uniform level of health care benefits and retirement benefits eligibility for part-time faculty at 600 hours worked, calculated as 4.35 times the hours of lecture or classroom time.

PRELIMINARY