

**A-Engrossed**  
**Senate Bill 426**

Ordered by the Senate February 2  
Including Senate Amendments dated February 2

Sponsored by Senator DECKERT (at the request of Governor Theodore R. Kulongoski)

**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.

Establishes Oregon Educators Benefit Board. Requires Governor to appoint members of board for four-year terms. Authorizes board to contract for health and dental benefit plans and other benefits for employees of certain school districts, education service districts and community college districts. Requires board to adopt rules. Permits payroll officers to deduct amounts for benefit plans from employee wages.

Creates Oregon Educators Benefit Account and Oregon Educators Revolving Fund. Requires amount not to exceed two percent of monthly employer and employee contributions for benefit plans to be deposited in account. Appropriates to board moneys to cover administrative expenses.

Prohibits districts, on or after October 1, 2008, from offering benefit plans other than benefit plans provided by board. Provides exceptions.

Requires board, before October 1, 2008, to enter into contracts for health and dental benefit plans. Requires board to offer range of benefit plan designs sufficient to ensure that, when benefit plans are first provided to district, district and district employees can choose benefit plans that are comparable in design to, and are not more expensive than comparable costs of, benefit plans provided by district immediately before purchase of benefit plans provided by board.

Creates Task Force on Teacher Health Benefits. Requires task force to report to legislative interim committee no later than October 1, 2012. Appropriates contributed moneys to task force for purposes of carrying out duties of task force.

Declares emergency, effective July 1, 2007.

**A BILL FOR AN ACT**

1  
2 Relating to benefit plans for education district employees; creating new provisions; amending ORS  
3 279A.025; appropriating money; and declaring an emergency.

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

5 **SECTION 1. As used in sections 1 to 14 of this 2007 Act, unless the context requires**  
6 **otherwise:**

7 (1) **"Benefit plan" includes but is not limited to:**

8 (a) **Contracts for insurance or other benefits, including medical, dental, vision, life, dis-**  
9 **ability and other health care recognized by state law, and related services and supplies;**

10 (b) **Self-insurance programs managed by the Oregon Educators Benefit Board; and**

11 (c) **Comparable benefits for employees who rely on spiritual means of healing.**

12 (2) **"Carrier" means an insurance company or health care service contractor holding a**  
13 **valid certificate of authority from the Director of the Department of Consumer and Business**  
14 **Services, or two or more companies or contractors acting together pursuant to a joint ven-**  
15 **ture, partnership or other joint means of operation, or a board-approved provider or**  
16 **guarantor of benefit plan coverage and compensation.**

17 (3) **"District" means a common school district, a union high school district, an education**  
18 **service district, as defined in ORS 334.003, or a community college district, as defined in ORS**

**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 **341.005.**

2 (4)(a) **“Eligible employee” includes:**

3 (A) **An officer or employee of a district who elects to participate in one of the benefit**  
4 **plans described in sections 3 to 8 of this 2007 Act; and**

5 (B) **An officer or employee of a district, whether or not retired, who:**

6 (i) **Is receiving a service retirement allowance, a disability retirement allowance or a**  
7 **pension under the Public Employees Retirement System or is receiving a service retirement**  
8 **allowance, a disability retirement allowance or a pension under any other retirement or dis-**  
9 **ability benefit plan or system offered by the district for its officers and employees;**

10 (ii) **Is eligible to receive a service retirement allowance under the Public Employees Re-**  
11 **irement System and has reached earliest service retirement age under ORS chapter 238;**

12 (iii) **Is eligible to receive a pension under ORS 238A.100 to 238A.245 and has reached ear-**  
13 **liest retirement age as described in ORS 238A.165; or**

14 (iv) **Is eligible to receive a service retirement allowance or pension under any other re-**  
15 **irement benefit plan or system offered by the district and has attained earliest retirement**  
16 **age under the plan or system.**

17 (b) **Except as provided in paragraph (a)(B) of this subsection, “eligible employee” does**  
18 **not include an individual:**

19 (A) **Engaged as an independent contractor;**

20 (B) **Whose periods of employment in emergency work are on an intermittent or irregular**  
21 **basis; or**

22 (C) **Who is employed on less than a half-time basis unless the individual is employed in**  
23 **a position classified as a job-sharing position or unless the individual is defined as eligible**  
24 **under rules of the Oregon Educators Benefit Board or under a collective bargaining agree-**  
25 **ment.**

26 (5) **“Family member” means an eligible employee’s spouse or domestic partner and any**  
27 **unmarried child or stepchild of an eligible employee within age limits and other conditions**  
28 **imposed by the Oregon Educators Benefit Board with regard to unmarried children or**  
29 **stepchildren.**

30 (6) **“Payroll disbursing officer” means the officer or official authorized to disburse mon-**  
31 **ey in payment of salaries and wages of officers and employees of a district.**

32 (7) **“Premium” means the monthly or other periodic charge, including administrative fees**  
33 **of the Oregon Educators Benefit Board, for a benefit plan.**

34 **SECTION 2. (1) There is established in the Oregon Department of Administrative Ser-**  
35 **VICES an Oregon Educators Benefit Board consisting of 10 members appointed by the Gover-**  
36 **nor, including:**

37 (a) **Two members representing district boards;**

38 (b) **Two members representing district management;**

39 (c) **Two members representing nonmanagement district employees from the largest labor**  
40 **organization representing district employees;**

41 (d) **One member representing nonmanagement district employees from the second largest**  
42 **labor organization representing district employees;**

43 (e) **One member representing nonmanagement district employees who are not repres-**  
44 **ented by labor organizations described in paragraphs (c) and (d) of this subsection; and**

45 (f) **Two members with expertise in health policy or risk management.**

1           (2) The term of office of each member is four years, but a member serves at the pleasure  
2 of the Governor. Before the expiration of the term of a member, the Governor shall appoint  
3 a successor to take office upon the date of that expiration. A member is eligible for reap-  
4 pointment. If there is a vacancy for any cause, the Governor shall make an appointment to  
5 become immediately effective for the unexpired term.

6           (3) A member of the board is not entitled to compensation, but may be reimbursed from  
7 funds available to the board for actual and necessary travel and other expenses incurred by  
8 the member in the performance of the member's official duties in the manner and amount  
9 provided in ORS 292.495.

10          (4) The board shall select one of its members as chairperson and another as vice chair-  
11 person, for such terms and with duties and powers necessary for the performance of the  
12 functions of such offices as the board determines.

13          (5) A majority of the members of the board constitutes a quorum for the transaction of  
14 business.

15          (6) The board shall meet at times and places specified by the call of the chairperson or  
16 of a majority of the members of the board.

17          (7) Appointments of members to the board by the Governor are subject to confirmation  
18 by the Senate in the manner prescribed in ORS 171.562 and 171.565.

19          **SECTION 3. (1) The Oregon Educators Benefit Board:**

20           (a) Shall adopt rules for the conduct of its business; and

21           (b) May adopt rules not inconsistent with sections 1 to 14 of this 2007 Act to determine  
22 the terms and conditions of eligible employee participation in and coverage under benefit  
23 plans.

24          (2) The board shall study all matters connected with the provision of adequate benefit  
25 plan coverage for eligible employees on the best basis possible with regard to the welfare of  
26 the employees and affordability for the districts. The board shall design benefits, prepare  
27 specifications, analyze carrier responses to advertisements for bids and award contracts.  
28 Contracts shall be signed by the chairperson on behalf of the board.

29          (3) In carrying out its duties under subsections (1) and (2) of this section, the goal of the  
30 board is to provide high-quality health, dental and other benefit plans for eligible employees  
31 at a cost affordable to the districts, the employees and the taxpayers of Oregon.

32          (4) The board shall prepare specifications, invite bids and take actions necessary to award  
33 contracts for health and dental benefit plan coverage of eligible employees in accordance with  
34 the criteria set forth in section 4 (1) of this 2007 Act. The Public Contracting Code does not  
35 apply to contracts for benefit plans provided under sections 1 to 14 of this 2007 Act. The  
36 board may not exclude from competition to contract for a benefit plan an Oregon carrier  
37 solely because the carrier does not serve all counties in Oregon.

38          (5) The board may retain consultants, brokers or other advisory personnel when neces-  
39 sary and shall employ such personnel as are required to perform the functions of the board.

40          **SECTION 4. (1) The Oregon Educators Benefit Board shall contract for benefit plans best**  
41 **designed to meet the needs and provide for the welfare of eligible employees and the districts.**  
42 **In considering whether to enter into a contract for a benefit plan, the board shall place**  
43 **emphasis on:**

44           (a) Employee choice among high-quality plans;

45           (b) Encouragement of a competitive marketplace;

- 1 (c) Plan performance and information;
- 2 (d) District flexibility in plan design and contracting;
- 3 (e) Quality customer service;
- 4 (f) Creativity and innovation;
- 5 (g) Plan benefits as part of total employee compensation; and
- 6 (h) Improvement of employee health.

7 (2) The board may approve more than one carrier for each type of benefit plan offered,  
8 but the board shall limit the number of carriers to a number consistent with adequate ser-  
9 vice to eligible employees and family members.

10 (3) When appropriate, the board shall provide options under which an eligible employee  
11 may arrange coverage for family members under a benefit plan.

12 (4) A district shall provide that payroll deductions for benefit plan costs that are not  
13 payable by the district may be made upon receipt of a signed authorization from the em-  
14 ployee indicating an election to participate in the benefit plan or plans selected and allowing  
15 the deduction of those costs from the employee's pay.

16 (5) In developing any benefit plan, the board may provide an option of additional coverage  
17 for eligible employees and family members at an additional premium.

18 (6) The board shall adopt rules providing that transfer of enrollment from one benefit  
19 plan to another is open to all eligible employees and family members. Because of the special  
20 problems that may arise involving acceptable physician-patient relations between a particular  
21 panel of physicians and a particular eligible employee or family member under a compre-  
22 hensive group practice benefit plan, the board shall provide a procedure under which any  
23 eligible employee may apply at any time to substitute another benefit plan for participation  
24 in a comprehensive group practice benefit plan.

25 (7) An eligible employee who is retired is not required to participate in a health benefit  
26 plan offered under this section in order to obtain dental benefit plan coverage. The board  
27 shall establish by rule standards of eligibility for retired employees to participate in a dental  
28 benefit plan.

29 **SECTION 5.** (1) In addition to contracting for health and dental benefit plans, the Oregon  
30 Educators Benefit Board may contract with carriers to provide other benefit plans including,  
31 but not limited to, insurance or other benefits based on life, supplemental medical, supple-  
32 mental dental, supplemental vision, accidental death or disability insurance plans.

33 (2) The premium for each eligible employee for coverage under a benefit plan other than  
34 a health or dental benefit plan described in subsection (1) of this section shall be the total  
35 cost per month of the coverage afforded the employee under the plan for which the employee  
36 exercises an option, including the cost of enrollment of the eligible employee and adminis-  
37 trative expenses for the plan.

38 (3) The board may withdraw approval of any additional benefit plan in the same manner  
39 as it withdraws approval of a health or dental benefit plan as described and authorized by  
40 section 10 of this 2007 Act.

41 (4) If the board does not contract for a benefit plan described in subsection (1) of this  
42 section, a district may contract for the benefit plan on behalf of any district employees. The  
43 administrative expenses of the plan shall be paid in accordance with the district's negotiated  
44 agreement with the employees. Benefit plans entered into by a district are subject to ap-  
45 proval by the board before they become operative. The board may withdraw approval of any

1 such benefit plan in the same manner as it withdraws approval of a benefit plan under sec-  
2 tion 10 of this 2007 Act.

3 **SECTION 6.** (1) The Oregon Educators Benefit Board shall make available to eligible  
4 employees and family members one or more fully insured long term care benefit plans.  
5 Notwithstanding section 1 of this 2007 Act, for purposes of this subsection, “family  
6 member” includes family members, as defined by the board, the parents of the eligible em-  
7 ployee and the parents of the spouse or domestic partner of the eligible employee.

8 (2) Participation of eligible employees in any long term care benefit plan made available  
9 by the board is voluntary and is subject to reasonable underwriting guidelines and eligibility  
10 rules established by the board.

11 (3) Unless otherwise agreed to by the employer, the eligible employee is responsible for  
12 the payment of the long term care benefit plan premium developed by the board.

13 **SECTION 7.** (1) The Oregon Educators Benefit Board shall develop effective and cost-  
14 effective ways to make available the long term care benefit plans described in section 6 of  
15 this 2007 Act.

16 (2) The board, in consultation with the Public Employees Retirement System, shall de-  
17 velop long term care benefit plan specifications, eligibility rules, underwriting guidelines and  
18 consumer educational materials.

19 (3) The board’s educational materials for eligible employees shall provide information on  
20 the potential need for long term care, methods of financing long term care and the avail-  
21 ability of long term care benefit plans offered by the board.

22 **SECTION 8.** (1) In addition to the powers and duties otherwise provided by law to provide  
23 benefit plans for eligible employees, the Oregon Educators Benefit Board may provide and  
24 administer flexible benefit plans under which eligible employees may choose among taxable  
25 and nontaxable benefits as provided in the federal Internal Revenue Code.

26 (2) In providing flexible benefit plans, the board may offer:

27 (a) Health or dental benefits as described in sections 3 and 4 of this 2007 Act.

28 (b) Other insurance benefits as described in section 5 of this 2007 Act.

29 (c) Any other benefit that may be excluded from an employee’s gross income under the  
30 federal Internal Revenue Code.

31 (d) Any part or all of the district contribution for employee benefits in cash to the em-  
32 ployee.

33 (3) In developing flexible benefit plans, the board shall design the plans on the best basis  
34 possible with regard to the welfare of the employees and affordability for the districts.

35 (4) The board may pay some or all of the cost of administering flexible benefit plans from  
36 funds authorized to pay general administrative expenses incurred by the board.

37 (5) The board shall adopt rules as the board considers necessary for the establishment  
38 and administration of flexible benefit plans.

39 (6) The board may contract with private organizations for administration of flexible  
40 benefit plans in accordance with rules adopted under subsection (5) of this section.

41 **SECTION 9.** (1) Upon receipt of a request in writing from an eligible employee, the payroll  
42 disbursing officer may deduct from the salary or wages of the employee an amount of money  
43 indicated in the request for payment of the amount set forth in benefit plans selected by the  
44 employee for the employee and family members.

45 (2) Amounts deducted under subsection (1) of this section shall be paid over promptly:

1 (a) To the Oregon Educators Benefit Board, the carriers or the persons responsible for  
2 payment of premiums to carriers in accordance with the terms of contracts for benefit plans;  
3 or

4 (b) With respect to self-insurance benefits, in accordance with rules and procedures  
5 adopted by the board.

6 (3) The payroll disbursing officer shall submit reports to the board regarding claims ex-  
7 perience and benefit plan coverage for eligible employees as the board considers desirable.

8 **SECTION 10.** (1) The Oregon Educators Benefit Board may employ whatever means are  
9 reasonably necessary to carry out the purposes of sections 1 to 14 of this 2007 Act. This au-  
10 thority includes, but is not limited to, authority to self-insure and to seek clarification,  
11 amendment, modification, suspension or termination of any agreement or contract.

12 (2) Upon providing specific notice in writing to the carrier, the affected labor organiza-  
13 tion or organizations, the districts, the Oregon Department of Administrative Services and  
14 the affected eligible employees, and after affording opportunity for a public hearing on the  
15 issues that may be involved, the board may enter an order withdrawing approval of a benefit  
16 plan. Thirty days after entry of the order, the board shall terminate all withholding author-  
17 izations of eligible employees and terminate all board-approved participation in the plan.

18 (3) The board by order may terminate the participation of a district in a benefit plan if,  
19 within three months, the district fails to perform an action required by sections 1 to 14 of  
20 this 2007 Act or by board rule.

21 **SECTION 11.** (1) There is created the Oregon Educators Benefit Account, separate and  
22 distinct from the General Fund. Moneys in the account are continuously appropriated to the  
23 Oregon Educators Benefit Board to cover the board's expenses incurred in connection with  
24 the administration of sections 1 to 14 of this 2007 Act.

25 (2) Subject to section 12 of this 2007 Act, an amount not to exceed two percent of the  
26 monthly employer and employee contributions for benefit plans available under sections 1 to  
27 14 of this 2007 Act shall be deposited in the account.

28 **SECTION 12.** Subject to legislative budgetary authorization for operation of the Oregon  
29 Educators Benefit Board and the board's administration of benefit plans and other duties  
30 under sections 1 to 14 of this 2007 Act, an amount not to exceed two percent of the monthly  
31 employer and employee contributions for benefit plans shall be forwarded by each partic-  
32 ipating district to the board and deposited by the board in the State Treasury to the credit  
33 of the Oregon Educators Benefit Account to meet the board's administrative and other costs  
34 authorized by sections 1 to 14 of this 2007 Act. The board shall ensure that the balance in  
35 the account does not exceed five percent of the monthly total of employer and employee  
36 contributions for more than 120 days.

37 **SECTION 13.** (1) There is created the Oregon Educators Revolving Fund, separate and  
38 distinct from the General Fund. Moneys in the Oregon Educators Revolving Fund are con-  
39 tinuously appropriated to the Oregon Educators Benefit Board to cover the board's expenses  
40 incurred in connection with the administration of sections 1 to 14 of this 2007 Act. Moneys  
41 in the Oregon Educators Revolving Fund may be retained for limited periods of time as es-  
42 tablished by the board by rule. Among other purposes, the board may retain the funds to pay  
43 premiums, control expenditures, stabilize premiums and self-insure. The board may establish  
44 subaccounts within the Oregon Educators Revolving Fund.

45 (2) The following moneys shall be paid into the Oregon Educators Revolving Fund:

1 (a) All unused employer contributions for benefit plans;

2 (b) All refunds, dividends, unused premiums and other payments attributable to an em-  
3 ployee contribution or employer contribution made from a carrier that has provided benefit  
4 plans administered by the board; and

5 (c) All interest earned on the moneys in the fund.

6 **SECTION 14.** (1) Except as provided in subsection (2) of this section:

7 (a) A district may not provide or contract for a benefit plan unless the benefit plan is  
8 provided and administered by the Oregon Educators Benefit Board under sections 1 to 14 of  
9 this 2007 Act; and

10 (b) Eligible employees of a district may participate in benefit plans provided and admin-  
11 istered by the board.

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

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

20 (c) In accordance with procedures adopted by the board to extend benefit plan coverage  
21 under sections 3 to 8 of this 2007 Act to eligible employees of a self-insured district, a district  
22 with an independent health insurance trust or a community college district, these districts  
23 may choose to offer benefit plans that are provided and administered by the board. Once  
24 employees of a district participate in benefit plans provided and administered by the board,  
25 the district may not thereafter provide or contract for benefit plans other than those pro-  
26 vided and administered by the board.

27 (3) A district is obligated to bargain with employees of the district or with the exclusive  
28 representative of the employees concerning the district's costs of benefit plans.

29 **SECTION 15.** As used in sections 16 and 17 of this 2007 Act, "benefit plan," "carrier,"  
30 "district," "eligible employee" and "premium" have the meanings given those terms in sec-  
31 tion 1 of this 2007 Act.

32 **SECTION 16.** Notwithstanding section 14 of this 2007 Act:

33 (1) Before October 1, 2008, a district is not required to offer benefit plans that are pro-  
34 vided and administered by the Oregon Educators Benefit Board under sections 1 to 14 of this  
35 2007 Act.

36 (2) Except as provided in subsections (3) and (4) of this section, on and after October 1,  
37 2008:

38 (a) A district may not offer a benefit plan unless the benefit plan is provided and ad-  
39 ministered by the board; and

40 (b) Eligible employees of a district may participate only in benefit plans provided and  
41 administered by the board.

42 (3)(a) If a collective bargaining agreement exists between a district and employees of the  
43 district and the agreement expires after July 1, 2008, subsection (2) of this section does not  
44 apply to the district or employees of the district. However:

45 (A) Upon expiration of the collective bargaining agreement, subsection (2) of this section

1 does apply to the district and employees of the district, except as provided in subparagraph  
2 (B) of this paragraph and subsection (4) of this section.

3 (B) When a contract exists between the district and a carrier, and the contract expires  
4 before the collective bargaining agreement expires, upon expiration of the contract, sub-  
5 section (2) of this section does apply to the district and employees of the district, except as  
6 provided in subsection (4) of this section.

7 (b) If no collective bargaining agreement exists between a district and employees of the  
8 district, and if a contract exists between the district and a carrier and the contract expires  
9 after October 1, 2008, subsection (2) of this section does not apply to the district or employ-  
10 ees of the district. However, upon expiration of the contract, subsection (2) of this section  
11 does apply to the district and employees of the district, except as provided in subsection (4)  
12 of this section.

13 (4)(a) Except for community college districts, until October 1, 2010, a self-insured district  
14 or a district with an independent health insurance trust may provide or contract for benefit  
15 plans other than benefit plans provided and administered by the board. On and after October  
16 1, 2010, benefit plans provided or contracted for by the district must meet the condition  
17 provided in section 14 (2)(a) of this 2007 Act.

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

20 (c) In accordance with procedures adopted by the board to extend benefit plan coverage  
21 under sections 3 to 8 of this 2007 Act to eligible employees of a self-insured district, a district  
22 with an independent health insurance trust or a community college district, these districts  
23 may choose to offer benefit plans that are provided and administered by the board. Once  
24 employees of a district participate in benefit plans provided and administered by the board,  
25 the district may not thereafter provide or contract for benefit plans other than those pro-  
26 vided and administered by the board.

27 **SECTION 17.** (1) Before October 1, 2008, the Oregon Educators Benefit Board shall enter  
28 into contracts for health benefit plan and dental benefit plan coverage of eligible employees  
29 in accordance with section 3 (4) of this 2007 Act and the criteria set forth in section 4 (1) of  
30 this 2007 Act.

31 (2) The board shall offer a range of benefit plan designs sufficient to ensure that, when  
32 benefit plans are first provided by the board to a district, the district and district employees  
33 can choose benefit plans that are comparable in design to, and are not more expensive than  
34 the comparable costs of, the benefit plans the district provided immediately before the pur-  
35 chase of the benefit plans provided by the board. The board shall determine premiums for  
36 benefit plans based on the benefit plan designs and the aggregated experience of all districts  
37 participating in the benefit plans.

38 **SECTION 18.** Notwithstanding the term of office specified in section 2 of this 2007 Act,  
39 of the members first appointed to the Oregon Educators Benefit Board:

40 (1) Two shall serve for terms ending July 1, 2008.

41 (2) Three shall serve for terms ending July 1, 2009.

42 (3) Two shall serve for terms ending July 1, 2010.

43 (4) Three shall serve for terms ending July 1, 2011.

44 **SECTION 19.** ORS 279A.025 is amended to read:

45 279A.025. (1) Except as provided in subsections (2) to (4) of this section, the Public Contracting



1 Code applies to all public contracting.

2 (2) The Public Contracting Code does not apply to:

3 (a) Contracts between contracting agencies or between contracting agencies and the federal  
4 government;

5 (b) Insurance and service contracts as provided for under ORS 414.115, 414.125, 414.135 and  
6 414.145 for purposes of source selection;

7 (c) Grants;

8 (d) Contracts for professional or expert witnesses or consultants to provide services or testi-  
9 mony relating to existing or potential litigation or legal matters in which a public body is or may  
10 become interested;

11 (e) Acquisitions or disposals of real property or interest in real property;

12 (f) Sole-source expenditures when rates are set by law or ordinance for purposes of source se-  
13 lection;

14 (g) Contracts for the procurement or distribution of textbooks;

15 (h) Procurements by a contracting agency from an Oregon Corrections Enterprises program;

16 (i) The procurement, transportation or distribution of distilled liquor, as defined in ORS 471.001,  
17 or the appointment of agents under ORS 471.750 by the Oregon Liquor Control Commission;

18 (j) Contracts entered into under ORS chapter 180 between the Attorney General and private  
19 counsel or special legal assistants;

20 (k) Contracts for the sale of timber from lands owned or managed by the State Board of Forestry  
21 and the State Forestry Department;

22 (L) Contracts for forest protection or forest related activities, as described in ORS 477.406, by  
23 the State Forester or the State Board of Forestry;

24 (m) Sponsorship agreements entered into by the State Parks and Recreation Director in ac-  
25 cordance with ORS 565.080 (4);

26 (n) Contracts entered into by the Housing and Community Services Department in exercising the  
27 department's duties prescribed in ORS chapters 456 and 458, except that the department's public  
28 contracting for goods and services, as defined in ORS 279B.005, is subject to ORS chapter 279B;

29 (o) Contracts entered into by the State Treasurer in exercising the powers of that office pre-  
30 scribed in ORS chapters 178, 286, 287, 288, 289, 293, 294 and 295, including but not limited to in-  
31 vestment contracts and agreements, banking services, clearing house services and collateralization  
32 agreements, bond documents, certificates of participation and other debt repayment agreements, and  
33 any associated contracts, agreements and documents, regardless of whether the obligations that the  
34 contracts, agreements or documents establish are general, special or limited, except that the State  
35 Treasurer's public contracting for goods and services, as defined in ORS 279B.005, is subject to ORS  
36 chapter 279B;

37 (p) Contracts, agreements or other documents entered into, issued or established in connection  
38 with:

39 (A) The incurring of debt by a public body, including but not limited to the issuance of bonds,  
40 certificates of participation and other debt repayment obligations, and any associated contracts,  
41 agreements or other documents, regardless of whether the obligations that the contracts, agreements  
42 or other documents establish are general, special or limited;

43 (B) The making of program loans and similar extensions or advances of funds, aid or assistance  
44 by a public body to a public or private body for the purpose of carrying out, promoting or sustaining  
45 activities or programs authorized by law; or

1 (C) The investment of funds by a public body as authorized by law, and other financial trans-  
2 actions of a public body that by their character cannot practically be established under the com-  
3 petitive contractor selection procedures of ORS 279B.050 to 279B.085;

4 (q) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221,  
5 243.275, 243.291, 243.303 and 243.565; [or]

6 **(r) Contracts for employee benefit plans as provided in sections 1 to 14 of this 2007 Act;**  
7 **or**

8 [(r)] (s) Any other public contracting of a public body specifically exempted from the code by  
9 another provision of law.

10 (3) The Public Contracting Code does not apply to the public contracting activities of:

11 (a) The Oregon State Lottery Commission;

12 (b) The Oregon University System and member institutions, except as provided in ORS 351.086;

13 (c) The legislative department;

14 (d) The judicial department;

15 (e) Semi-independent state agencies listed in ORS 182.451 and 182.454, except as provided in ORS  
16 279.835 to 279.855 and 279A.250 to 279A.290;

17 (f) Oregon Corrections Enterprises;

18 (g) The Oregon Film and Video Office, except as provided in ORS 279A.100 and 279A.250 to  
19 279A.290;

20 (h) The Travel Information Council, except as provided in ORS 279A.250 to 279A.290;

21 (i) The Oregon 529 College Savings Network and the Oregon 529 College Savings Board;

22 (j) The Oregon Innovation Council; or

23 (k) Any other public body specifically exempted from the code by another provision of law.

24 (4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to contracts made with  
25 qualified nonprofit agencies providing employment opportunities for disabled individuals under ORS  
26 279.835 to 279.855.

27 **SECTION 20. (1) There is created the Task Force on Teacher Health Benefits consisting**  
28 **of five members appointed as follows:**

29 **(a) The President of the Senate shall appoint one member from among members of the**  
30 **Senate.**

31 **(b) The Speaker of the House of Representatives shall appoint one member from among**  
32 **members of the House of Representatives.**

33 **(c) The Governor shall appoint three members as follows:**

34 **(A) One member who is a nonmanagement district employee and who is in a labor or-**  
35 **ganization representing district employees; and**

36 **(B) Two members who are not eligible to participate in a benefit plan provided under**  
37 **sections 1 to 14 of this 2007 Act and who have expertise in health insurance or in employee**  
38 **benefit plan design or administration.**

39 **(2) The task force shall review the benefit plans provided through the Oregon Educators**  
40 **Benefit Board, analyze the benefits provided by and the administration of the benefit plans**  
41 **and determine whether the enactment of sections 1 to 14 of this 2007 Act has resulted in cost**  
42 **savings to the state.**

43 **(3) A majority of the members of the task force constitutes a quorum for the transaction**  
44 **of business.**

45 **(4) Official action by the task force requires the approval of a majority of the members**

1 of the task force.

2 (5) The task force shall elect one of its members to serve as chairperson.

3 (6) If there is a vacancy for any cause, the appointing authority shall make an appoint-  
4 ment to become immediately effective.

5 (7) The task force shall meet at times and places specified by the call of the chairperson  
6 or of a majority of the members of the task force.

7 (8) The task force may adopt rules necessary for the operation of the task force.

8 (9) The task force shall submit a report, and may include recommendations for legis-  
9 lation, to an interim committee related to education or public employment, as appropriate,  
10 no later than October 1, 2012.

11 (10) The task force shall use the services of permanent legislative staff to the greatest  
12 extent practicable.

13 (11) Members of the task force who are not members of the Legislative Assembly are not  
14 entitled to compensation, but may be reimbursed for actual and necessary travel and other  
15 expenses incurred by them in the performance of their official duties in the manner and  
16 amounts provided for in ORS 292.495. Claims for expenses incurred in performing functions  
17 of the task force shall be paid out of funds appropriated to the Legislative Assembly for that  
18 purpose.

19 (12) All agencies of state government, as defined in ORS 174.111, are directed to assist  
20 the task force in the performance of its duties and, to the extent permitted by laws relating  
21 to confidentiality, to furnish such information and advice as the members of the task force  
22 consider necessary to perform their duties.

23 (13) The Legislative Administrator may accept, on behalf of the task force, contributions  
24 of moneys and assistance from the United States Government or its agencies or from any  
25 other source, public or private, and agree to conditions placed on the moneys not inconsis-  
26 tent with the duties of the task force.

27 (14) All moneys received by the Legislative Administrator under subsection (13) of this  
28 section shall be paid into the State Treasury and deposited in the General Fund to the credit  
29 of the task force. The moneys are continuously appropriated to the task force for the pur-  
30 poses of carrying out the duties of the task force.

31 (15) As used in this section, "district" has the meaning given that term in section 1 of  
32 this 2007 Act.

33 **SECTION 21.** Section 20 of this 2007 Act becomes operative on July 1, 2011.

34 **SECTION 22.** Section 20 of this 2007 Act is repealed on the date of the convening of the  
35 regular legislative session of the Seventy-seventh Legislative Assembly.

36 **SECTION 23.** This 2007 Act being necessary for the immediate preservation of the public  
37 peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect  
38 July 1, 2007.

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