

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2557

STATUS: A-Engrossed

SUBJECT: Health care benefits for part-time faculty members eligible for PERS; annual reviews and report of the employment of full-time faculty and of faculty working less than full-time

GOVERNMENT UNIT AFFECTED: Department of Higher Education, Department of Community Colleges and Workforce Development, community colleges, Department of Administrative Services - Oregon Educators Benefit Board

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DATE: May 4, 2009

2009-2011

2011-2013

EXPENDITURES:

See analysis

EFFECTIVE DATE: January 1, 2010

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: The measure provides that a part-time faculty member at a public institution of higher education is eligible for the same health care benefits as full-time faculty members if the part-time faculty member is eligible for membership in the Public Employees Retirement System (PERS) by teaching at a single public institution of higher education or in aggregate at multiple public institutions of higher education during the prior year. The measure directs the part-time faculty member to pay all premiums for health care benefits unless otherwise specified. The measure directs the Department of Administrative Services – Oregon Educators Benefit Board and Public Employees' Benefit Board to adopt rules necessary to implement the provisions of this measure. The measure requires the State Board of Education and the State Board of Higher Education to establish baselines and conduct annual reviews of each public institution of higher education with respect to the employment of full-time faculty and of faculty working less than full-time; the boards shall report the results of these reviews to the Legislative Assembly and the Governor's office prior to October 1 of each year.

This fiscal impact statement is for the purpose of transmitting the measure from the House Committee on Education to the Joint Committee on Ways and Means. The fiscal impact to community colleges and the Department of Higher Education (DHED) will be the potential increased health care costs associated with broadening the eligibility requirements to include part-time faculty that are eligible for PERS. DHED and community colleges report that there would be some administrative costs associated with the measure, specifically the costs to process the enrollment and paperwork of each of the newly eligible employees. The Department of Administrative Services – Oregon Educators Benefit Board (OEBB) also reports a fiscal impact associated with the overall premium costs for OEBB's medical plans.

A more complete fiscal analysis on the bill will be prepared as the measure is considered in the Joint Committee on Ways and Means.