

House Bill 3508

Sponsored by Representative HANNA; Representatives CAMERON, DAVIS, GILLIAM, JOHNSON, KRIEGER, OLSON, PARRISH, THATCHER, WHISNANT

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 **as introduced**.

Authorizes Oregon University System to withdraw from Public Employees' Benefit Board health benefit plan and establish or participate in alternative employee health insurance plans.

A BILL FOR AN ACT

1
2 Relating to benefit plans for employees of the Oregon University System; amending ORS 243.107 and
3 351.094.

4 Whereas the Public Employees' Benefit Board's average monthly cost per member in 2009 was
5 32 percent above the average cost for a large public sector employer; and

6 Whereas the Oregon University System student resident tuition increased 96.75 percent between
7 2003 and 2012; and

8 Whereas the Oregon University System benefits costs have increased 132 percent since the
9 2001-2002 school year; and

10 Whereas the majority of the Oregon University System costs are borne by tuition because of
11 reduced state funding, thus impacting affordability and the achievement of the statewide education
12 goal of 40-40-20; and

13 Whereas the Oregon University System 2012 Health and Welfare Plans Report estimated that
14 the Oregon University System could save approximately \$67 million in two years by using a health
15 insurance program other than the Public Employees' Benefit Board; now, therefore,

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

17 **SECTION 1.** ORS 243.107 is amended to read:

18 243.107. (1)(a) A person employed by a public university listed in ORS 352.002 or the Oregon
19 Health and Science University may be considered an eligible employee for participation in one of
20 the group benefit plans described in ORS 243.135 **if the Oregon University System elects to**
21 **participate in a group benefit plan described in ORS 243.135.**

22 **(b) Notwithstanding paragraph (a) of this subsection, the Oregon University System may**
23 **elect to establish or provide a group benefit plan other than a plan described in ORS 243.135.**

24 **(c) An eligible employee under paragraph (a) of this subsection may participate in a group**
25 **benefit plan described in ORS 243.135 or other group benefit plan established or provided by**
26 **the Oregon University System** if the State Board of Higher Education, or the Oregon Health and
27 Science University Board of Directors for Oregon Health and Science University employees, deter-
28 mines that funds are available therefor and if:

29 *[(1)]* **(2)** Notwithstanding ORS 243.105 (4)(b)(F), the person is a student enrolled in an institution
30 of higher education and is employed as a graduate teaching assistant, graduate research assistant
31 or a fellow at the institution and elects to participate; or

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 [(2)] (3) Notwithstanding ORS 243.105 (4)(b)(B) or (C), the person is employed on a less than
2 half-time basis in an unclassified instructional or research support capacity and elects to participate.

3 **SECTION 2.** ORS 351.094 is amended to read:

4 351.094. (1)(a) The State Board of Higher Education shall provide group insurance to employees
5 of the Oregon University System through the Public Employees' Benefit Board or may elect to pro-
6 vide alternative group health and welfare insurance benefit plans to employees of the Oregon Uni-
7 versity System if the same level of benefits is available at a lower cost than through the Public
8 Employees' Benefit Board.

9 **(b) If the State Board of Higher Education elects to provide a group health and welfare**
10 **insurance benefit plan to Oregon University System employees through the Public**
11 **Employees' Benefit Board, the State Board of Higher Education may subsequently withdraw**
12 **from the plan and establish or provide an alternative group health insurance plan for the**
13 **Oregon University System employees if the alternative group health insurance plan offers**
14 **the same level of benefits at a lower cost than through the Public Employees' Benefit Board.**

15 (2) For the purposes of ORS 243.555 to 243.575, if the State Board of Higher Education chooses
16 not to participate in the benefit plans offered through the Public Employees' Benefit Board, the
17 State Board of Higher Education may have the authority granted to the Public Employees' Benefit
18 Board under ORS 243.555 to 243.575 for the administration of an appropriate expense reimbursement
19 plan.

20 (3) The State Board of Higher Education shall offer one or more deferred compensation plans
21 to employees of the Oregon University System. The Oregon University System shall, at the dis-
22 cretion of the board, choose whether to offer its employees the state deferred compensation plan
23 established under ORS 243.401 to 243.507 or another deferred compensation plan that the board
24 elects to make available to the employees of the Oregon University System.