

# Senate Bill 585

Sponsored by Senator STARR; Senators BAERTSCHIGER JR, BOQUIST, CLOSE, FERRIOLI, GEORGE, HANSELL, JOHNSON, KNOPP, KRUSE, OLSEN, THOMSEN, WHITSETT

## 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 school and educational service districts to offer benefit plans that are not provided by and administered by Oregon Educators Benefit Board if district determines that premiums for benefit plans offered are less than comparable benefit plans offered by board. Establishes criteria for maintaining authorization.

## A BILL FOR AN ACT

Relating to benefit plans offered to certain educational employees; amending ORS 243.886.

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

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

243.886. (1) Except as provided in subsections (2)[, (3) and (4)] **to (5)** of this section, a district may not provide or contract for a benefit plan and eligible employees of districts may not participate in a benefit plan unless the benefit plan:

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

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

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

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

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

(3)(a) A district that has not offered benefit plans provided and administered by the board before June 23, 2009, may provide or contract for benefit plans other than benefit plans provided and administered by the board if the premiums for the benefit plans provided or contracted for by the district are equal to or less than the premiums for comparable benefit plans provided and adminis-

**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 tered by the board. Once employees of a district or an employee group within a district participates  
 2 in benefit plans provided and administered by the board, the district may not thereafter provide or  
 3 contract for benefit plans for those employees or employee groups other than those provided and  
 4 administered by the board.

5 (b) To maintain the exception created in this subsection, the board must perform an actuarial  
 6 analysis of the district at least once every two years. If requested by the district or a labor organ-  
 7 ization representing eligible employees of the district, the board shall perform the actuarial analysis  
 8 annually.

9 (c) As used in this subsection, "district" does not include a community college district.

10 **(4)(a) A district may provide or contract for benefit plans other than those benefit plans**  
 11 **provided and administered by the board if the district determines that the premiums for the**  
 12 **benefit plans offered are less than premiums for comparable benefit plans provided and ad-**  
 13 **ministered by the board.**

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

18 [(4)] (5) Nothing in ORS 243.860 to 243.886 may be construed to expand or contract collective  
 19 bargaining rights or collective bargaining obligations.

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

22 243.886. (1) Except as provided in subsections (2)[, (3) and (4)] **to (5)** of this section, a district  
 23 may not provide or contract for a benefit plan and eligible employees of districts may not participate  
 24 in a benefit plan unless the benefit plan:

25 (a) Is provided and administered by the Oregon Educators Benefit Board under ORS 243.860 to  
 26 243.886; or

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

28 (2)(a) Except for community college districts, a district that was self-insured before January 1,  
 29 2007, or a district that had an independent health insurance trust established and functioning before  
 30 January 1, 2007, may provide or contract for benefit plans other than benefit plans provided and  
 31 administered by the board if the premiums for the benefit plans provided or contracted for by the  
 32 district are equal to or less than the premiums for comparable benefit plans provided and adminis-  
 33 tered by the board.

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

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

42 (3)(a) A district that has not offered benefit plans provided and administered by the board before  
 43 June 23, 2009, may provide or contract for benefit plans other than benefit plans provided and ad-  
 44 ministered by the board if the premiums for the benefit plans provided or contracted for by the  
 45 district are equal to or less than the premiums for comparable benefit plans provided and adminis-

1 tered by the board. Once employees of a district or an employee group within a district participates  
 2 in benefit plans provided and administered by the board, the district may not thereafter provide or  
 3 contract for benefit plans for those employees or employee groups other than those provided and  
 4 administered by the board.

5 (b) To maintain the exception created in this subsection, the board must perform an actuarial  
 6 analysis of the district at least once every two years. If requested by the district or a labor organ-  
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9 (c) As used in this subsection, “district” does not include a community college district.

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18 [(4)] (5) Nothing in ORS 243.860 to 243.886 may be construed to expand or contract collective  
 19 bargaining rights or collective bargaining obligations.

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