

# Enrolled Senate Bill 789

Sponsored by Senator HASS; Senators BATES, EDWARDS, STEINER HAYWARD, Representatives BARKER, HARKER, PARRISH, READ, SPRENGER

CHAPTER .....

AN ACT

Relating to Oregon Educators Benefit Board; creating new provisions; and 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) 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, **other than a district claiming the exception in subsection (2)(a) of this section**, 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 administered by the board. Once employees of a district or an employee group within a district participates in benefit plans provided and administered by the board, the district may not thereafter provide or contract

for benefit plans for those employees or employee groups other than those provided and administered by the board.

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

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

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

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

243.886. (1) Except as provided in subsections (2), (3) and (4) 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) Is offered through the health insurance exchange under ORS 741.310 (1)(c).

(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, **other than a district claiming the exception in subsection (2)(a) of this section**, 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 administered by the board. Once employees of a district or an employee group within a district participates in benefit plans provided and administered by the board, the district may not thereafter provide or contract for benefit plans for those employees or employee groups other than those provided and administered by the board.

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

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

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

**SECTION 3. The amendments to ORS 243.886 by sections 1 and 2 of this 2013 Act apply to districts claiming exceptions under ORS 243.886 (2)(a) or (3)(a) before, on or after the effective date of this 2013 Act.**

**Passed by Senate June 24, 2013**

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

**Passed by House June 28, 2013**

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Tina Kotek, Speaker of House

**Received by Governor:**

.....M,....., 2013

**Approved:**

.....M,....., 2013

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John Kitzhaber, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2013

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Kate Brown, Secretary of State