

# Senate Bill 789

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

## 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**.

Clarifies that only certain districts claiming exception from requirement to offer benefits provided and administered by Oregon Educators Benefit Board must undergo actuarial analysis by board to maintain exception.

Limits requirement that board must conduct actuarial analysis of certain exempt districts to first six years that districts claim exception.

## A BILL FOR AN ACT

1  
2 Relating to Oregon Educators Benefit Board; creating new provisions; and amending ORS 243.886.

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

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

6 243.886. (1) Except as provided in subsections (2), (3) and (4) of this section, a district may not  
7 provide or contract for a benefit plan and eligible employees of districts may not participate in a  
8 benefit plan unless the benefit plan:

9 (a) Is provided and administered by the Oregon Educators Benefit Board under ORS 243.860 to  
10 243.886; or

11 (b) On or after October 1, 2015, is offered through the health insurance exchange under ORS  
12 741.310 (1)(b).

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

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

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

27 (3)(a) A district, **other than a district claiming the exception in subsection (2)(a) of this**  
28 **section**, that has not offered benefit plans provided and administered by the board before June 23,  
29 2009, may provide or contract for benefit plans other than benefit plans provided and administered

**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 by the board if the premiums for the benefit plans provided or contracted for by the district are  
 2 equal to or less than the premiums for comparable benefit plans provided and administered by the  
 3 board. Once employees of a district or an employee group within a district participates in benefit  
 4 plans provided and administered by the board, the district may not thereafter provide or contract  
 5 for benefit plans for those employees or employee groups other than those provided and administered  
 6 by the board.

7 (b) To maintain the exception created in this subsection, the board must perform an actuarial  
 8 analysis of the district at least once every two years **for the first six years that the district**  
 9 **claims the exception.** If requested by the district or a labor organization representing eligible em-  
 10 ployees of the district, the board shall perform the actuarial analysis annually.

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

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

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

16 243.886. (1) Except as provided in subsections (2), (3) and (4) of this section, a district may not  
 17 provide or contract for a benefit plan and eligible employees of districts may not participate in a  
 18 benefit plan unless the benefit plan:

19 (a) Is provided and administered by the Oregon Educators Benefit Board under ORS 243.860 to  
 20 243.886; or

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

22 (2)(a) Except for community college districts, a district that was self-insured before January 1,  
 23 2007, or a district that had an independent health insurance trust established and functioning before  
 24 January 1, 2007, may provide or contract for benefit plans other than benefit plans provided and  
 25 administered by the board if the premiums for the benefit plans provided or contracted for by the  
 26 district are equal to or less than the premiums for comparable benefit plans provided and adminis-  
 27 tered by the board.

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 31 ORS 243.864 to 243.874 to eligible employees of a self-insured district, a district with an independent  
 32 health insurance trust or a community college district, these districts may choose to offer benefit  
 33 plans that are provided and administered by the board. Once employees of a district participate in  
 34 benefit plans provided and administered by the board, the district may not thereafter provide or  
 35 contract for benefit plans other than those provided and administered by the board.

36 (3)(a) A district, **other than a district claiming the exception in subsection (2)(a) of this**  
 37 **section,** that has not offered benefit plans provided and administered by the board before June 23,  
 38 2009, may provide or contract for benefit plans other than benefit plans provided and administered  
 39 by the board if the premiums for the benefit plans provided or contracted for by the district are  
 40 equal to or less than the premiums for comparable benefit plans provided and administered by the  
 41 board. Once employees of a district or an employee group within a district participates in benefit  
 42 plans provided and administered by the board, the district may not thereafter provide or contract  
 43 for benefit plans for those employees or employee groups other than those provided and administered  
 44 by the board.

45 (b) To maintain the exception created in this subsection, the board must perform an actuarial

1 analysis of the district at least once every two years **for the first six years that the district**  
2 **claims the exception.** If requested by the district or a labor organization representing eligible em-  
3 ployees of the district, the board shall perform the actuarial analysis annually.

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

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

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

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