

**PROPOSED AMENDMENTS TO
HOUSE BILL 4157**

1 On page 1 of the printed bill, delete lines 9 through 28 and delete pages
2 2 through 18 and insert:

3

4

“INDUSTRIES FOR THE BLIND PROGRAM

5

6 **“SECTION 1. ORS 346.190 and 346.230 are repealed.**

7 **“SECTION 2. ORS 238.005 is amended to read:**

8 “238.005. For purposes of this chapter:

9 “(1) ‘Active member’ means a member who is presently employed by a
10 participating public employer in a qualifying position and who has completed
11 the six-month period of service required by ORS 238.015.

12 “(2) ‘Annuity’ means payments for life derived from contributions made
13 by a member as provided in this chapter.

14 “(3) ‘Board’ means the Public Employees Retirement Board.

15 “(4) ‘Calendar year’ means 12 calendar months commencing on January
16 1 and ending on December 31 following.

17 “(5) ‘Continuous service’ means service not interrupted for more than five
18 years, except that such continuous service shall be computed without regard
19 to interruptions in the case of:

20 “(a) An employee who had returned to the service of the employer as of
21 January 1, 1945, and who remained in that employment until having estab-
22 lished membership in the Public Employees Retirement System.

1 “(b) An employee who was in the armed services on January 1, 1945, and
2 returned to the service of the employer within one year of the date of being
3 otherwise than dishonorably discharged and remained in that employment
4 until having established membership in the Public Employees Retirement
5 System.

6 “(6) ‘Creditable service’ means any period of time during which an active
7 member is being paid a salary by a participating public employer and for
8 which benefits under this chapter are funded by employer contributions and
9 earnings on the fund. For purposes of computing years of ‘creditable
10 service,’ full months and major fractions of a month shall be considered to
11 be one-twelfth of a year and shall be added to all full years. ‘Creditable
12 service’ includes all retirement credit received by a member.

13 “(7) ‘Earliest service retirement age’ means the age attained by a member
14 when the member could first make application for retirement under the pro-
15 visions of ORS 238.280.

16 “(8) ‘Employee’ includes, in addition to employees, public officers, but
17 does not include:

18 “(a) Persons engaged as independent contractors.

19 “(b) Seasonal, emergency or casual workers whose periods of employment
20 with any public employer or public employers do not total 600 hours in any
21 calendar year.

22 “(c) Persons[, *other than workers in the Oregon Industries for the Blind*
23 *under ORS 346.190,*] provided sheltered employment or made-work by a public
24 employer in an employment or industries program maintained for the benefit
25 of such persons.

26 “(d) Persons employed and paid from federal funds received under a fed-
27 eral program intended primarily to alleviate unemployment. However, any
28 such person shall be considered an ‘employee’ if not otherwise excluded by
29 paragraphs (a) to (c) of this subsection and the public employer elects to
30 have the person so considered by an irrevocable written notice to the board.

1 “(e) Persons who are employees of a railroad, as defined in ORS 824.020,
2 and who, as such employees, are included in a retirement plan under federal
3 railroad retirement statutes. This paragraph shall be deemed to have been
4 in effect since the inception of the system.

5 “(9) ‘Final average salary’ means whichever of the following is greater:

6 “(a) The average salary per calendar year paid by one or more partic-
7 ipating public employers to an employee who is an active member of the
8 system in three of the calendar years of membership before the effective date
9 of retirement of the employee, in which three years the employee was paid
10 the highest salary. The three calendar years in which the employee was paid
11 the largest total salary may include calendar years in which the employee
12 was employed for less than a full calendar year. If the number of calendar
13 years of active membership before the effective date of retirement of the
14 employee is three or fewer, the final average salary for the employee is the
15 average salary per calendar year paid by one or more participating public
16 employers to the employee in all of those years, without regard to whether
17 the employee was employed for the full calendar year.

18 “(b) One-third of the total salary paid by a participating public employer
19 to an employee who is an active member of the system in the last 36 calendar
20 months of active membership before the effective date of retirement of the
21 employee.

22 “(10) ‘Firefighter’ does not include a volunteer firefighter, but does in-
23 clude:

24 “(a) The State Fire Marshal, the chief deputy fire marshal and deputy
25 state fire marshals; and

26 “(b) An employee of the State Forestry Department who is certified by the
27 State Forester as a professional wildland firefighter and whose primary du-
28 ties include the abatement of uncontrolled fires as described in ORS 477.064.

29 “(11) ‘Fiscal year’ means 12 calendar months commencing on July 1 and
30 ending on June 30 following.

1 “(12) ‘Fund’ means the Public Employees Retirement Fund.

2 “(13) ‘Inactive member’ means a member who is not employed in a quali-
3 fying position, whose membership has not been terminated in the manner
4 described by ORS 238.095 and who is not retired for service or disability.

5 “(14) ‘Institution of higher education’ means a public university listed in
6 ORS 352.002, the Oregon Health and Science University and a community
7 college, as defined in ORS 341.005.

8 “(15) ‘Member’ means a person who has established membership in the
9 system and whose membership has not been terminated as described in ORS
10 238.095. ‘Member’ includes active, inactive and retired members.

11 “(16) ‘Member account’ means the regular account and the variable ac-
12 count.

13 “(17) ‘Normal retirement age’ means:

14 “(a) For a person who establishes membership in the system before Jan-
15 uary 1, 1996, as described in ORS 238.430, 55 years of age if the employee
16 retires at that age as a police officer or firefighter or 58 years of age if the
17 employee retires at that age as other than a police officer or firefighter.

18 “(b) For a person who establishes membership in the system on or after
19 January 1, 1996, as described in ORS 238.430, 55 years of age if the employee
20 retires at that age as a police officer or firefighter or 60 years of age if the
21 employee retires at that age as other than a police officer or firefighter.

22 “(18) ‘Pension’ means annual payments for life derived from contributions
23 by one or more public employers.

24 “(19) ‘Police officer’ includes:

25 “(a) Employees of institutions defined in ORS 421.005 as Department of
26 Corrections institutions whose duties, as assigned by the Director of the
27 Department of Corrections, include the custody of persons committed to the
28 custody of or transferred to the Department of Corrections and employees
29 of the Department of Corrections who were classified as police officers on
30 or before July 27, 1989, whether or not such classification was authorized

1 by law.

2 “(b) Employees of the Department of State Police who are classified as
3 police officers by the Superintendent of State Police.

4 “(c) Employees of the Oregon Liquor Control Commission who are clas-
5 sified as liquor enforcement inspectors by the administrator of the commis-
6 sion.

7 “(d) Sheriffs and those deputy sheriffs or other employees of a sheriff
8 whose duties, as classified by the sheriff, are the regular duties of police
9 officers or corrections officers.

10 “(e) Police chiefs and police personnel of a city who are classified as po-
11 lice officers by the council or other governing body of the city.

12 “(f) Police officers who are commissioned by a university under ORS
13 352.383 or 353.125 and who are classified as police officers by the university.

14 “(g) Parole and probation officers employed by the Department of Cor-
15 rections, parole and probation officers who are transferred to county em-
16 ployment under ORS 423.549 and adult parole and probation officers, as
17 defined in ORS 181.610, who are classified as police officers for the purposes
18 of this chapter by the county governing body. If a county classifies adult
19 parole and probation officers as police officers for the purposes of this
20 chapter, and the employees so classified are represented by a labor organ-
21 ization, any proposal by the county to change that classification or to cease
22 to classify adult parole and probation officers as police officers for the pur-
23 poses of this chapter is a mandatory subject of bargaining.

24 “(h) Police officers appointed under ORS 276.021 or 276.023.

25 “(i) Employees of the Port of Portland who are classified as airport police
26 by the Board of Commissioners of the Port of Portland.

27 “(j) Employees of the State Department of Agriculture who are classified
28 as livestock police officers by the Director of Agriculture.

29 “(k) Employees of the Department of Public Safety Standards and Train-
30 ing who are classified by the department as other than secretarial or clerical

1 personnel.

2 “(L) Investigators of the Criminal Justice Division of the Department of
3 Justice.

4 “(m) Corrections officers as defined in ORS 181.610.

5 “(n) Employees of the Oregon State Lottery Commission who are classi-
6 fied by the Director of the Oregon State Lottery as enforcement agents pur-
7 suant to ORS 461.110.

8 “(o) The Director of the Department of Corrections.

9 “(p) An employee who for seven consecutive years has been classified as
10 a police officer as defined by this section, and who is employed or transferred
11 by the Department of Corrections to fill a position designated by the Direc-
12 tor of the Department of Corrections as being eligible for police officer sta-
13 tus.

14 “(q) An employee of the Department of Corrections classified as a police
15 officer on or prior to July 27, 1989, whether or not that classification was
16 authorized by law, as long as the employee remains in the position held on
17 July 27, 1989. The initial classification of an employee under a system im-
18 plemented pursuant to ORS 240.190 does not affect police officer status.

19 “(r) Employees of a school district who are appointed and duly sworn
20 members of a law enforcement agency of the district as provided in ORS
21 332.531 or otherwise employed full-time as police officers commissioned by
22 the district.

23 “(s) Employees at youth correction facilities and juvenile detention facil-
24 ities under ORS 419A.050, 419A.052 and 420.005 to 420.915 who are required
25 to hold valid Oregon teaching licenses and who have supervisory, control or
26 teaching responsibilities over juveniles committed to the custody of the De-
27 partment of Corrections or the Oregon Youth Authority.

28 “(t) Employees at youth correction facilities as defined in ORS 420.005
29 whose primary job description involves the custody, control, treatment, in-
30 vestigation or supervision of juveniles placed in such facilities.

1 “(u) Employees of the Oregon Youth Authority who are classified as ju-
2 venile parole and probation officers.

3 “(20) ‘Prior service credit’ means credit provided under ORS 238.442 or
4 under ORS 238.225 (2) to (6) (1999 Edition).

5 “(21) ‘Public employer’ means the state, one of its agencies, any city,
6 county, or municipal or public corporation, any political subdivision of the
7 state or any instrumentality thereof, or an agency created by one or more
8 such governmental organizations to provide governmental services. For pur-
9 poses of this chapter, such agency created by one or more governmental or-
10 ganizations is a governmental instrumentality and a legal entity with power
11 to enter into contracts, hold property and sue and be sued.

12 “(22) ‘Qualifying position’ means one or more jobs with one or more par-
13 ticipating public employers in which an employee performs 600 or more hours
14 of service in a calendar year, excluding any service in a job for which a
15 participating public employer does not provide benefits under this chapter
16 pursuant to an application made under ORS 238.035.

17 “(23) ‘Regular account’ means the account established for each active and
18 inactive member under ORS 238.250.

19 “(24) ‘Retired member’ means a member who is retired for service or dis-
20 ability.

21 “(25) ‘Retirement credit’ means a period of time that is treated as credit-
22 able service for the purposes of this chapter.

23 “(26)(a) ‘Salary’ means the remuneration paid an employee in cash out of
24 the funds of a public employer in return for services to the employer, plus
25 the monetary value, as determined by the Public Employees Retirement
26 Board, of whatever living quarters, board, lodging, fuel, laundry and other
27 advantages the employer furnishes the employee in return for services.

28 “(b) ‘Salary’ includes but is not limited to:

29 “(A) Payments of employee and employer money into a deferred compen-
30 sation plan, which are deemed salary paid in each month of deferral;

1 “(B) The amount of participation in a tax-sheltered or deferred annuity,
2 which is deemed salary paid in each month of participation;

3 “(C) Retroactive payments described in ORS 238.008; and

4 “(D) Wages of a deceased member paid to a surviving spouse or dependent
5 children under ORS 652.190.

6 “(c) ‘Salary’ or ‘other advantages’ does not include:

7 “(A) Travel or any other expenses incidental to employer’s business which
8 is reimbursed by the employer;

9 “(B) Payments for insurance coverage by an employer on behalf of em-
10 ployee or employee and dependents, for which the employee has no cash op-
11 tion;

12 “(C) Payments made on account of an employee’s death;

13 “(D) Any lump sum payment for accumulated unused sick leave;

14 “(E) Any accelerated payment of an employment contract for a future
15 period or an advance against future wages;

16 “(F) Any retirement incentive, retirement severance pay, retirement bonus
17 or retirement gratuitous payment;

18 “(G) Payments for periods of leave of absence after the date the employer
19 and employee have agreed that no future services qualifying pursuant to ORS
20 238.015 (3) will be performed, except for sick leave and vacation;

21 “(H) Payments for instructional services rendered to public universities
22 listed in ORS 352.002 or the Oregon Health and Science University when
23 such services are in excess of full-time employment subject to this chapter.
24 A person employed under a contract for less than 12 months is subject to this
25 subparagraph only for the months to which the contract pertains; or

26 “(I) Payments made by an employer for insurance coverage provided to a
27 domestic partner of an employee.

28 “(27) ‘School year’ means the period beginning July 1 and ending June 30
29 next following.

30 “(28) ‘System’ means the Public Employees Retirement System.

1 “(29) ‘Variable account’ means the account established for a member who
2 participates in the Variable Annuity Account under ORS 238.260.

3 “(30) ‘Vested’ means being an active member of the system in each of five
4 calendar years.

5 “(31) ‘Volunteer firefighter’ means a firefighter whose position normally
6 requires less than 600 hours of service per year.

7 **“SECTION 3.** ORS 238.005, as operative until July 1, 2014, is amended to
8 read:

9 “238.005. For purposes of this chapter:

10 “(1) ‘Active member’ means a member who is presently employed by a
11 participating public employer in a qualifying position and who has completed
12 the six-month period of service required by ORS 238.015.

13 “(2) ‘Annuity’ means payments for life derived from contributions made
14 by a member as provided in this chapter.

15 “(3) ‘Board’ means the Public Employees Retirement Board.

16 “(4) ‘Calendar year’ means 12 calendar months commencing on January
17 1 and ending on December 31 following.

18 “(5) ‘Continuous service’ means service not interrupted for more than five
19 years, except that such continuous service shall be computed without regard
20 to interruptions in the case of:

21 “(a) An employee who had returned to the service of the employer as of
22 January 1, 1945, and who remained in that employment until having estab-
23 lished membership in the Public Employees Retirement System.

24 “(b) An employee who was in the armed services on January 1, 1945, and
25 returned to the service of the employer within one year of the date of being
26 otherwise than dishonorably discharged and remained in that employment
27 until having established membership in the Public Employees Retirement
28 System.

29 “(6) ‘Creditable service’ means any period of time during which an active
30 member is being paid a salary by a participating public employer and for

1 which benefits under this chapter are funded by employer contributions and
2 earnings on the fund. For purposes of computing years of ‘creditable
3 service,’ full months and major fractions of a month shall be considered to
4 be one-twelfth of a year and shall be added to all full years. ‘Creditable
5 service’ includes all retirement credit received by a member.

6 “(7) ‘Earliest service retirement age’ means the age attained by a member
7 when the member could first make application for retirement under the pro-
8 visions of ORS 238.280.

9 “(8) ‘Employee’ includes, in addition to employees, public officers, but
10 does not include:

11 “(a) Persons engaged as independent contractors.

12 “(b) Seasonal, emergency or casual workers whose periods of employment
13 with any public employer or public employers do not total 600 hours in any
14 calendar year.

15 “(c) Persons[, *other than workers in the Oregon Industries for the Blind*
16 *under ORS 346.190,*] provided sheltered employment or made-work by a public
17 employer in an employment or industries program maintained for the benefit
18 of such persons.

19 “(d) Persons employed and paid from federal funds received under a fed-
20 eral program intended primarily to alleviate unemployment. However, any
21 such person shall be considered an ‘employee’ if not otherwise excluded by
22 paragraphs (a) to (c) of this subsection and the public employer elects to
23 have the person so considered by an irrevocable written notice to the board.

24 “(e) Persons who are employees of a railroad, as defined in ORS 824.020,
25 and who, as such employees, are included in a retirement plan under federal
26 railroad retirement statutes. This paragraph shall be deemed to have been
27 in effect since the inception of the system.

28 “(9) ‘Final average salary’ means whichever of the following is greater:

29 “(a) The average salary per calendar year paid by one or more partic-
30 ipating public employers to an employee who is an active member of the

1 system in three of the calendar years of membership before the effective date
2 of retirement of the employee, in which three years the employee was paid
3 the highest salary. The three calendar years in which the employee was paid
4 the largest total salary may include calendar years in which the employee
5 was employed for less than a full calendar year. If the number of calendar
6 years of active membership before the effective date of retirement of the
7 employee is three or fewer, the final average salary for the employee is the
8 average salary per calendar year paid by one or more participating public
9 employers to the employee in all of those years, without regard to whether
10 the employee was employed for the full calendar year.

11 “(b) One-third of the total salary paid by a participating public employer
12 to an employee who is an active member of the system in the last 36 calendar
13 months of active membership before the effective date of retirement of the
14 employee.

15 “(10) ‘Firefighter’ does not include a volunteer firefighter, but does in-
16 clude:

17 “(a) The State Fire Marshal, the chief deputy fire marshal and deputy
18 state fire marshals; and

19 “(b) An employee of the State Forestry Department who is certified by the
20 State Forester as a professional wildland firefighter and whose primary du-
21 ties include the abatement of uncontrolled fires as described in ORS 477.064.

22 “(11) ‘Fiscal year’ means 12 calendar months commencing on July 1 and
23 ending on June 30 following.

24 “(12) ‘Fund’ means the Public Employees Retirement Fund.

25 “(13) ‘Inactive member’ means a member who is not employed in a quali-
26 fying position, whose membership has not been terminated in the manner
27 described by ORS 238.095 and who is not retired for service or disability.

28 “(14) ‘Institution of higher education’ means a public university listed in
29 ORS 352.002, the Oregon Health and Science University and a community
30 college, as defined in ORS 341.005.

1 “(15) ‘Member’ means a person who has established membership in the
2 system and whose membership has not been terminated as described in ORS
3 238.095. ‘Member’ includes active, inactive and retired members.

4 “(16) ‘Member account’ means the regular account and the variable ac-
5 count.

6 “(17) ‘Normal retirement age’ means:

7 “(a) For a person who establishes membership in the system before Jan-
8 uary 1, 1996, as described in ORS 238.430, 55 years of age if the employee
9 retires at that age as a police officer or firefighter or 58 years of age if the
10 employee retires at that age as other than a police officer or firefighter.

11 “(b) For a person who establishes membership in the system on or after
12 January 1, 1996, as described in ORS 238.430, 55 years of age if the employee
13 retires at that age as a police officer or firefighter or 60 years of age if the
14 employee retires at that age as other than a police officer or firefighter.

15 “(18) ‘Pension’ means annual payments for life derived from contributions
16 by one or more public employers.

17 “(19) ‘Police officer’ includes:

18 “(a) Employees of institutions defined in ORS 421.005 as Department of
19 Corrections institutions whose duties, as assigned by the Director of the
20 Department of Corrections, include the custody of persons committed to the
21 custody of or transferred to the Department of Corrections and employees
22 of the Department of Corrections who were classified as police officers on
23 or before July 27, 1989, whether or not such classification was authorized
24 by law.

25 “(b) Employees of the Department of State Police who are classified as
26 police officers by the Superintendent of State Police.

27 “(c) Employees of the Oregon Liquor Control Commission who are clas-
28 sified as liquor enforcement inspectors by the administrator of the commis-
29 sion.

30 “(d) Sheriffs and those deputy sheriffs or other employees of a sheriff

1 whose duties, as classified by the sheriff, are the regular duties of police
2 officers or corrections officers.

3 “(e) Police chiefs and police personnel of a city who are classified as po-
4 lice officers by the council or other governing body of the city.

5 “(f) Police officers who are commissioned by a university under ORS
6 352.383 or 353.125 and who are classified as police officers by the university.

7 “(g) Parole and probation officers employed by the Department of Cor-
8 rections, parole and probation officers who are transferred to county em-
9 ployment under ORS 423.549 and adult parole and probation officers, as
10 defined in ORS 181.610, who are classified as police officers for the purposes
11 of this chapter by the county governing body. If a county classifies adult
12 parole and probation officers as police officers for the purposes of this
13 chapter, and the employees so classified are represented by a labor organ-
14 ization, any proposal by the county to change that classification or to cease
15 to classify adult parole and probation officers as police officers for the pur-
16 poses of this chapter is a mandatory subject of bargaining.

17 “(h) Police officers appointed under ORS 276.021 or 276.023.

18 “(i) Employees of the Port of Portland who are classified as airport police
19 by the Board of Commissioners of the Port of Portland.

20 “(j) Employees of the State Department of Agriculture who are classified
21 as livestock police officers by the Director of Agriculture.

22 “(k) Employees of the Department of Public Safety Standards and Train-
23 ing who are classified by the department as other than secretarial or clerical
24 personnel.

25 “(L) Investigators of the Criminal Justice Division of the Department of
26 Justice.

27 “(m) Corrections officers as defined in ORS 181.610.

28 “(n) Employees of the Oregon State Lottery Commission who are classi-
29 fied by the Director of the Oregon State Lottery as enforcement agents pur-
30 suant to ORS 461.110.

1 “(o) The Director of the Department of Corrections.

2 “(p) An employee who for seven consecutive years has been classified as
3 a police officer as defined by this section, and who is employed or transferred
4 by the Department of Corrections to fill a position designated by the Direc-
5 tor of the Department of Corrections as being eligible for police officer sta-
6 tus.

7 “(q) An employee of the Department of Corrections classified as a police
8 officer on or prior to July 27, 1989, whether or not that classification was
9 authorized by law, as long as the employee remains in the position held on
10 July 27, 1989. The initial classification of an employee under a system im-
11 plemented pursuant to ORS 240.190 does not affect police officer status.

12 “(r) Employees of a school district who are appointed and duly sworn
13 members of a law enforcement agency of the district as provided in ORS
14 332.531 or otherwise employed full-time as police officers commissioned by
15 the district.

16 “(s) Employees at youth correction facilities and juvenile detention facil-
17 ities under ORS 419A.050, 419A.052 and 420.005 to 420.915 who are required
18 to hold valid Oregon teaching licenses and who have supervisory, control or
19 teaching responsibilities over juveniles committed to the custody of the De-
20 partment of Corrections or the Oregon Youth Authority.

21 “(t) Employees at youth correction facilities as defined in ORS 420.005
22 whose primary job description involves the custody, control, treatment, in-
23 vestigation or supervision of juveniles placed in such facilities.

24 “(u) Employees of the Oregon Youth Authority who are classified as ju-
25 venile parole and probation officers.

26 “(20) ‘Prior service credit’ means credit provided under ORS 238.442 or
27 under ORS 238.225 (2) to (6) (1999 Edition).

28 “(21) ‘Public employer’ means the state, one of its agencies, any city,
29 county, or municipal or public corporation, any political subdivision of the
30 state or any instrumentality thereof, or an agency created by one or more

1 such governmental organizations to provide governmental services. For pur-
2 poses of this chapter, such agency created by one or more governmental or-
3 ganizations is a governmental instrumentality and a legal entity with power
4 to enter into contracts, hold property and sue and be sued.

5 “(22) ‘Qualifying position’ means one or more jobs with one or more par-
6 ticipating public employers in which an employee performs 600 or more hours
7 of service in a calendar year, excluding any service in a job for which a
8 participating public employer does not provide benefits under this chapter
9 pursuant to an application made under ORS 238.035.

10 “(23) ‘Regular account’ means the account established for each active and
11 inactive member under ORS 238.250.

12 “(24) ‘Retired member’ means a member who is retired for service or dis-
13 ability.

14 “(25) ‘Retirement credit’ means a period of time that is treated as credit-
15 able service for the purposes of this chapter.

16 “(26)(a) ‘Salary’ means the remuneration paid an employee in cash out of
17 the funds of a public employer in return for services to the employer, plus
18 the monetary value, as determined by the Public Employees Retirement
19 Board, of whatever living quarters, board, lodging, fuel, laundry and other
20 advantages the employer furnishes the employee in return for services.

21 “(b) ‘Salary’ includes but is not limited to:

22 “(A) Payments of employee and employer money into a deferred compen-
23 sation plan, which are deemed salary paid in each month of deferral;

24 “(B) The amount of participation in a tax-sheltered or deferred annuity,
25 which is deemed salary paid in each month of participation;

26 “(C) Retroactive payments described in ORS 238.008; and

27 “(D) Wages of a deceased member paid to a surviving spouse or dependent
28 children under ORS 652.190.

29 “(c) ‘Salary’ or ‘other advantages’ does not include:

30 “(A) Travel or any other expenses incidental to employer’s business which

1 is reimbursed by the employer;

2 “(B) Payments for insurance coverage by an employer on behalf of em-
3 ployee or employee and dependents, for which the employee has no cash op-
4 tion;

5 “(C) Payments made on account of an employee’s death;

6 “(D) Any lump sum payment for accumulated unused sick leave;

7 “(E) Any accelerated payment of an employment contract for a future
8 period or an advance against future wages;

9 “(F) Any retirement incentive, retirement severance pay, retirement bonus
10 or retirement gratuitous payment;

11 “(G) Payments for periods of leave of absence after the date the employer
12 and employee have agreed that no future services qualifying pursuant to ORS
13 238.015 (3) will be performed, except for sick leave and vacation;

14 “(H) Payments for instructional services rendered to public universities
15 of the Oregon University System or the Oregon Health and Science Univer-
16 sity when such services are in excess of full-time employment subject to this
17 chapter. A person employed under a contract for less than 12 months is
18 subject to this subparagraph only for the months to which the contract per-
19 tains; or

20 “(I) Payments made by an employer for insurance coverage provided to a
21 domestic partner of an employee.

22 “(27) ‘School year’ means the period beginning July 1 and ending June 30
23 next following.

24 “(28) ‘System’ means the Public Employees Retirement System.

25 “(29) ‘Variable account’ means the account established for a member who
26 participates in the Variable Annuity Account under ORS 238.260.

27 “(30) ‘Vested’ means being an active member of the system in each of five
28 calendar years.

29 “(31) ‘Volunteer firefighter’ means a firefighter whose position normally
30 requires less than 600 hours of service per year.

1 **“SECTION 4.** ORS 238A.005 is amended to read:

2 “238A.005. For the purposes of this chapter:

3 “(1) ‘Active member’ means a member of the pension program or the in-
4 dividual account program of the Oregon Public Service Retirement Plan who
5 is actively employed in a qualifying position.

6 “(2) ‘Actuarial equivalent’ means a payment or series of payments having
7 the same value as the payment or series of payments replaced, computed on
8 the basis of interest rate and mortality assumptions adopted by the board.

9 “(3) ‘Board’ means the Public Employees Retirement Board.

10 “(4) ‘Eligible employee’ means a person who performs services for a par-
11 ticipating public employer, including elected officials other than judges. ‘El-
12 igible employee’ does not include:

13 “(a) Persons engaged as independent contractors;

14 “(b) Aliens working under a training or educational visa;

15 “(c) Persons[, *other than workers in the Industries for the Blind Program*
16 *under ORS 346.190,*] provided sheltered employment or make-work by a public
17 employer;

18 “(d) Persons categorized by a participating public employer as student
19 employees;

20 “(e) Any person who is an inmate of a state institution;

21 “(f) Employees of foreign trade offices of the Oregon Business Develop-
22 ment Department who live and perform services in foreign countries under
23 the provisions of ORS 285A.075 (1)(g);

24 “(g) An employee actively participating in an alternative retirement pro-
25 gram established under ORS 353.250 or an optional retirement plan estab-
26 lished under ORS 341.551;

27 “(h) Employees of a public university listed in ORS 352.002 who are ac-
28 tively participating in an optional retirement plan offered under ORS 243.800;

29 “(i) Any employee who belongs to a class of employees that was not eli-
30 gible on August 28, 2003, for membership in the system under the provisions

1 of ORS chapter 238 or other law;

2 “(j) Any person who belongs to a class of employees who are not eligible
3 to become members of the Oregon Public Service Retirement Plan under the
4 provisions of ORS 238A.070 (2);

5 “(k) Any person who is retired under ORS 238A.100 to 238A.250 or ORS
6 chapter 238 and who continues to receive retirement benefits while employed;
7 and

8 “(L) Judges.

9 “(5) ‘Firefighter’ means:

10 “(a) A person employed by a local government, as defined in ORS 174.116,
11 whose primary job duties include the fighting of fires;

12 “(b) The State Fire Marshal, the chief deputy state fire marshal and
13 deputy state fire marshals; and

14 “(c) An employee of the State Forestry Department who is certified by the
15 State Forester as a professional wildland firefighter and whose primary du-
16 ties include the abatement of uncontrolled fires as described in ORS 477.064.

17 “(6) ‘Fund’ means the Public Employees Retirement Fund.

18 “(7)(a) ‘Hour of service’ means:

19 “(A) An hour for which an eligible employee is directly or indirectly paid
20 or entitled to payment by a participating public employer for performance
21 of duties in a qualifying position; and

22 “(B) An hour of vacation, holiday, illness, incapacity, jury duty, military
23 duty or authorized leave during which an employee does not perform duties
24 but for which the employee is directly or indirectly paid or entitled to pay-
25 ment by a participating public employer for services in a qualifying position,
26 as long as the hour is within the number of hours regularly scheduled for
27 the performance of duties during the period of vacation, holiday, illness, in-
28 capacity, jury duty, military duty or authorized leave.

29 “(b) ‘Hour of service’ does not include any hour for which payment is
30 made or due under a plan maintained solely for the purpose of complying

1 with applicable workers' compensation laws or unemployment compensation
2 laws.

3 “(8) ‘Inactive member’ means a member of the pension program or the
4 individual account program of the Oregon Public Service Retirement Plan
5 whose membership has not been terminated, who is not a retired member and
6 who is not employed in a qualifying position.

7 “(9) ‘Individual account program’ means the defined contribution individ-
8 ual account program of the Oregon Public Service Retirement Plan estab-
9 lished under ORS 238A.025.

10 “(10) ‘Institution of higher education’ means a public university listed in
11 ORS 352.002, the Oregon Health and Science University or a community
12 college, as defined in ORS 341.005.

13 “(11) ‘Member’ means an eligible employee who has established member-
14 ship in the pension program or the individual account program of the Oregon
15 Public Service Retirement Plan and whose membership has not been termi-
16 nated under ORS 238A.110 or 238A.310.

17 “(12) ‘Participating public employer’ means a public employer as defined
18 in ORS 238.005 that provides retirement benefits for employees of the public
19 employer under the system.

20 “(13) ‘Pension program’ means the defined benefit pension program of the
21 Oregon Public Service Retirement Plan established under ORS 238A.025.

22 “(14) ‘Police officer’ means a police officer as described in ORS 238.005.

23 “(15) ‘Qualifying position’ means one or more jobs with one or more par-
24 ticipating public employers in which an eligible employee performs 600 or
25 more hours of service in a calendar year, excluding any service in a job for
26 which benefits are not provided under the Oregon Public Service Retirement
27 Plan pursuant to ORS 238A.070 (2).

28 “(16) ‘Retired member’ means a pension program member who is receiving
29 a pension as provided in ORS 238A.180 to 238A.195.

30 “(17)(a) ‘Salary’ means the remuneration paid to an active member in re-

1 turn for services to the participating public employer, including
2 remuneration in the form of living quarters, board or other items of value,
3 to the extent the remuneration is includable in the employee's taxable in-
4 come under Oregon law. 'Salary' includes the additional amounts specified
5 in paragraph (b) of this subsection, but does not include the amounts speci-
6 fied in paragraph (c) of this subsection, regardless of whether those amounts
7 are includable in taxable income.

8 "(b) 'Salary' includes the following amounts:

9 "(A) Payments of employee and employer money into a deferred compen-
10 sation plan that are made at the election of the employee.

11 "(B) Contributions to a tax-sheltered or deferred annuity that are made
12 at the election of the employee.

13 "(C) Any amount that is contributed to a cafeteria plan or qualified
14 transportation fringe benefit plan by the employer at the election of the
15 employee and that is not includable in the taxable income of the employee
16 by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on January 3, 2013.

17 "(D) Any amount that is contributed to a cash or deferred arrangement
18 by the employer at the election of the employee and that is not included in
19 the taxable income of the employee by reason of 26 U.S.C. 402(e)(3), as in
20 effect on January 3, 2013.

21 "(E) Retroactive payments described in ORS 238.008.

22 "(F) The amount of an employee contribution to the individual account
23 program that is paid by the employer and deducted from the compensation
24 of the employee, as provided under ORS 238A.335 (1) and (2)(a).

25 "(G) The amount of an employee contribution to the individual account
26 program that is not paid by the employer under ORS 238A.335.

27 "(H) Wages of a deceased member paid to a surviving spouse or dependent
28 children under ORS 652.190.

29 "(c) 'Salary' does not include the following amounts:

30 "(A) Travel or any other expenses incidental to employer's business which

1 is reimbursed by the employer.

2 “(B) Payments made on account of an employee’s death.

3 “(C) Any lump sum payment for accumulated unused sick leave, vacation
4 leave or other paid leave.

5 “(D) Any severance payment, accelerated payment of an employment
6 contract for a future period or advance against future wages.

7 “(E) Any retirement incentive, retirement bonus or retirement gratuitous
8 payment.

9 “(F) Payment for a leave of absence after the date the employer and em-
10 ployee have agreed that no future services in a qualifying position will be
11 performed.

12 “(G) Payments for instructional services rendered to public universities
13 listed in ORS 352.002 or the Oregon Health and Science University when
14 those services are in excess of full-time employment subject to this chapter.
15 A person employed under a contract for less than 12 months is subject to this
16 subparagraph only for the months covered by the contract.

17 “(H) The amount of an employee contribution to the individual account
18 program that is paid by the employer and is not deducted from the compen-
19 sation of the employee, as provided under ORS 238A.335 (1) and (2)(b).

20 “(I) Any amount in excess of \$200,000 for a calendar year. If any period
21 over which salary is determined is less than 12 months, the \$200,000 limita-
22 tion for that period shall be multiplied by a fraction, the numerator of which
23 is the number of months in the determination period and the denominator
24 of which is 12. The board shall adopt rules adjusting this dollar limit to in-
25 corporate cost-of-living adjustments authorized by the Internal Revenue Ser-
26 vice.

27 “(18) ‘System’ means the Public Employees Retirement System.

28 “**SECTION 5.** ORS 238A.005, as operative until July 1, 2014, is amended
29 to read:

30 “238A.005. For the purposes of this chapter:

1 “(1) ‘Active member’ means a member of the pension program or the in-
2 dividual account program of the Oregon Public Service Retirement Plan who
3 is actively employed in a qualifying position.

4 “(2) ‘Actuarial equivalent’ means a payment or series of payments having
5 the same value as the payment or series of payments replaced, computed on
6 the basis of interest rate and mortality assumptions adopted by the board.

7 “(3) ‘Board’ means the Public Employees Retirement Board.

8 “(4) ‘Eligible employee’ means a person who performs services for a par-
9 ticipating public employer, including elected officials other than judges. ‘El-
10 igible employee’ does not include:

11 “(a) Persons engaged as independent contractors;

12 “(b) Aliens working under a training or educational visa;

13 “(c) Persons[, *other than workers in the Industries for the Blind Program*
14 *under ORS 346.190,*] provided sheltered employment or make-work by a public
15 employer;

16 “(d) Persons categorized by a participating public employer as student
17 employees;

18 “(e) Any person who is an inmate of a state institution;

19 “(f) Employees of foreign trade offices of the Oregon Business Develop-
20 ment Department who live and perform services in foreign countries under
21 the provisions of ORS 285A.075 (1)(g);

22 “(g) An employee actively participating in an alternative retirement pro-
23 gram established under ORS 353.250 or an optional retirement plan estab-
24 lished under ORS 341.551;

25 “(h) Employees of the Oregon University System who are actively partic-
26 ipating in an optional retirement plan offered under ORS 243.800;

27 “(i) Any employee who belongs to a class of employees that was not eli-
28 gible on August 28, 2003, for membership in the system under the provisions
29 of ORS chapter 238 or other law;

30 “(j) Any person who belongs to a class of employees who are not eligible

1 to become members of the Oregon Public Service Retirement Plan under the
2 provisions of ORS 238A.070 (2);

3 “(k) Any person who is retired under ORS 238A.100 to 238A.250 or ORS
4 chapter 238 and who continues to receive retirement benefits while employed;
5 and

6 “(L) Judges.

7 “(5) ‘Firefighter’ means:

8 “(a) A person employed by a local government, as defined in ORS 174.116,
9 whose primary job duties include the fighting of fires;

10 “(b) The State Fire Marshal, the chief deputy state fire marshal and
11 deputy state fire marshals; and

12 “(c) An employee of the State Forestry Department who is certified by the
13 State Forester as a professional wildland firefighter and whose primary du-
14 ties include the abatement of uncontrolled fires as described in ORS 477.064.

15 “(6) ‘Fund’ means the Public Employees Retirement Fund.

16 “(7)(a) ‘Hour of service’ means:

17 “(A) An hour for which an eligible employee is directly or indirectly paid
18 or entitled to payment by a participating public employer for performance
19 of duties in a qualifying position; and

20 “(B) An hour of vacation, holiday, illness, incapacity, jury duty, military
21 duty or authorized leave during which an employee does not perform duties
22 but for which the employee is directly or indirectly paid or entitled to pay-
23 ment by a participating public employer for services in a qualifying position,
24 as long as the hour is within the number of hours regularly scheduled for
25 the performance of duties during the period of vacation, holiday, illness, in-
26 capacity, jury duty, military duty or authorized leave.

27 “(b) ‘Hour of service’ does not include any hour for which payment is
28 made or due under a plan maintained solely for the purpose of complying
29 with applicable workers’ compensation laws or unemployment compensation
30 laws.

1 “(8) ‘Inactive member’ means a member of the pension program or the
2 individual account program of the Oregon Public Service Retirement Plan
3 whose membership has not been terminated, who is not a retired member and
4 who is not employed in a qualifying position.

5 “(9) ‘Individual account program’ means the defined contribution individ-
6 ual account program of the Oregon Public Service Retirement Plan estab-
7 lished under ORS 238A.025.

8 “(10) ‘Institution of higher education’ means a public university listed in
9 ORS 352.002, the Oregon Health and Science University or a community
10 college, as defined in ORS 341.005.

11 “(11) ‘Member’ means an eligible employee who has established member-
12 ship in the pension program or the individual account program of the Oregon
13 Public Service Retirement Plan and whose membership has not been termi-
14 nated under ORS 238A.110 or 238A.310.

15 “(12) ‘Participating public employer’ means a public employer as defined
16 in ORS 238.005 that provides retirement benefits for employees of the public
17 employer under the system.

18 “(13) ‘Pension program’ means the defined benefit pension program of the
19 Oregon Public Service Retirement Plan established under ORS 238A.025.

20 “(14) ‘Police officer’ means a police officer as described in ORS 238.005.

21 “(15) ‘Qualifying position’ means one or more jobs with one or more par-
22 ticipating public employers in which an eligible employee performs 600 or
23 more hours of service in a calendar year, excluding any service in a job for
24 which benefits are not provided under the Oregon Public Service Retirement
25 Plan pursuant to ORS 238A.070 (2).

26 “(16) ‘Retired member’ means a pension program member who is receiving
27 a pension as provided in ORS 238A.180 to 238A.195.

28 “(17)(a) ‘Salary’ means the remuneration paid to an active member in re-
29 turn for services to the participating public employer, including
30 remuneration in the form of living quarters, board or other items of value,

1 to the extent the remuneration is includable in the employee's taxable in-
2 come under Oregon law. 'Salary' includes the additional amounts specified
3 in paragraph (b) of this subsection, but does not include the amounts speci-
4 fied in paragraph (c) of this subsection, regardless of whether those amounts
5 are includable in taxable income.

6 "(b) 'Salary' includes the following amounts:

7 "(A) Payments of employee and employer money into a deferred compen-
8 sation plan that are made at the election of the employee.

9 "(B) Contributions to a tax-sheltered or deferred annuity that are made
10 at the election of the employee.

11 "(C) Any amount that is contributed to a cafeteria plan or qualified
12 transportation fringe benefit plan by the employer at the election of the
13 employee and that is not includable in the taxable income of the employee
14 by reason of 26 U.S.C. 125 or 132(f)(4), as in effect on January 3, 2013.

15 "(D) Any amount that is contributed to a cash or deferred arrangement
16 by the employer at the election of the employee and that is not included in
17 the taxable income of the employee by reason of 26 U.S.C. 402(e)(3), as in
18 effect on January 3, 2013.

19 "(E) Retroactive payments described in ORS 238.008.

20 "(F) The amount of an employee contribution to the individual account
21 program that is paid by the employer and deducted from the compensation
22 of the employee, as provided under ORS 238A.335 (1) and (2)(a).

23 "(G) The amount of an employee contribution to the individual account
24 program that is not paid by the employer under ORS 238A.335.

25 "(H) Wages of a deceased member paid to a surviving spouse or dependent
26 children under ORS 652.190.

27 "(c) 'Salary' does not include the following amounts:

28 "(A) Travel or any other expenses incidental to employer's business which
29 is reimbursed by the employer.

30 "(B) Payments made on account of an employee's death.

1 “(C) Any lump sum payment for accumulated unused sick leave, vacation
2 leave or other paid leave.

3 “(D) Any severance payment, accelerated payment of an employment
4 contract for a future period or advance against future wages.

5 “(E) Any retirement incentive, retirement bonus or retirement gratuitous
6 payment.

7 “(F) Payment for a leave of absence after the date the employer and em-
8 ployee have agreed that no future services in a qualifying position will be
9 performed.

10 “(G) Payments for instructional services rendered to public universities
11 of the Oregon University System or the Oregon Health and Science Univer-
12 sity when those services are in excess of full-time employment subject to this
13 chapter. A person employed under a contract for less than 12 months is
14 subject to this subparagraph only for the months covered by the contract.

15 “(H) The amount of an employee contribution to the individual account
16 program that is paid by the employer and is not deducted from the compen-
17 sation of the employee, as provided under ORS 238A.335 (1) and (2)(b).

18 “(I) Any amount in excess of \$200,000 for a calendar year. If any period
19 over which salary is determined is less than 12 months, the \$200,000 limita-
20 tion for that period shall be multiplied by a fraction, the numerator of which
21 is the number of months in the determination period and the denominator
22 of which is 12. The board shall adopt rules adjusting this dollar limit to in-
23 corporate cost-of-living adjustments authorized by the Internal Revenue Ser-
24 vice.

25 “(18) ‘System’ means the Public Employees Retirement System.

26 “**SECTION 6.** ORS 346.240 is amended to read:

27 “346.240. (1) The Oregon Department of Administrative Services may,
28 from time to time, as may be necessary, draw a warrant in favor of the
29 Commission for the Blind for a sum not exceeding \$1,500 in any one amount,
30 [*but not in any event in excess of the amount paid into the State Treasury*]

1 *under ORS 346.230,*] to be used for the purpose of paying for postage,
2 expressage, freight, telegraph, telephone and other incidental expenses for
3 which payment must be made in cash.

4 “(2) The commission shall file with the [*Oregon*] department [*of Admin-*
5 *istrative Services*], from time to time, vouchers [*therefor*] **for any warrants**
6 **to be drawn under subsection (1) of this section.**

7 “(3) Before the commission [*shall receive*] **receives** any moneys to be ex-
8 pended for incidental expenses, the commission shall designate the person to
9 whom the funds [*shall*] **will** be paid.

10 **“SECTION 7.** ORS 346.290 is amended to read:

11 “346.290. (1) There is established in the General Fund of the State Treas-
12 ury an account to be known as the Commission for the Blind Account. Ex-
13 cept for [*Industries for the Blind Program funds designated in ORS 346.230*
14 *and*] funds made available to the Commission **for the Blind** under ORS
15 346.270 or deposited pursuant to ORS 346.540, all moneys received by the
16 commission for promoting the welfare of persons with visual impairments
17 shall be paid into the State Treasury and credited to the Commission for the
18 Blind Account.

19 “(2) All moneys in the Commission for the Blind Account [*hereby are ap-*
20 *propriated continuously for and shall be used*] **are continuously appropri-**
21 **ated to the commission for use** by the commission for the respective
22 purposes authorized by law.

23 “[~~(2)~~] (3) The commission [*for the Blind*] shall keep a record of all moneys
24 deposited in the Commission for the Blind Account. The record shall indicate
25 by separate cumulative accounts the source from which the moneys are de-
26 rived and the individual activity or program against which each withdrawal
27 is charged.

28 **“SECTION 8.** Any moneys remaining in an account described in
29 **ORS 346.230 on the effective date of this 2014 Act are transferred to the**
30 **Commission for the Blind Account established by ORS 346.290.**

1 **“OREGON DEPARTMENT OF ADMINISTRATIVE SERVICES**

2
3 **“SECTION 9.** ORS 291.371 is amended to read:

4 “291.371. (1) As used in this section, ‘legislative review agency’ means the
5 Joint Committee on Ways and Means during the period when the Legislative
6 Assembly is in session and the Emergency Board or the Joint Interim Com-
7 mittee on Ways and Means during the interim period between sessions.

8 “(2) Prior to making any changes in a salary plan, the Oregon Department
9 of Administrative Services shall submit the proposed changes, **including**
10 **step pay increases**, to the legislative review agency.

11 “(3)(a) The Oregon Department of Administrative Services may approve
12 the reallocation of positions or the establishment of new positions not spe-
13 cifically provided for in the budget of the affected agency if it finds that the
14 proposed change:

15 “(A) Can be financed by the agency within the limits of its biennial
16 budget and legislatively approved program;

17 “(B) Will not produce future budgetary increases; and

18 “(C) Conforms to legislatively approved salary policies.

19 “(b) Proposed changes not meeting the requirements of paragraph (a) of
20 this subsection shall be presented to the legislative review agency.

21 “(4) Agencies within the Department of Human Services, the Oregon
22 Health Authority and the Department of Corrections shall report on a
23 biennial basis to the legislative review agency. Each report shall include the
24 number of vacant budgeted positions, including all job categories and clas-
25 sifications, within the agency. The legislative review agency shall order the
26 reporting agency to show cause why the budgeted positions have not been
27 filled and shall assess fully the impact the vacancies have on:

28 “(a) The agency’s delivery of services, accounting for any seasonal fluc-
29 tuation in the need for those services;

30 “(b) The agency’s budget due to increased use of overtime;

1 “(c) The agency’s use of temporary employees; and

2 “(d) Employee workload.

3 “(5) It is declared to be the policy of this state that the total personal
4 services, budget and full-time equivalent positions approved for any state
5 agency shall be the maximum amount necessary to meet the requirements
6 of the agency for the biennium. Notwithstanding ORS 291.232 to 291.260, the
7 Governor and the Oregon Department of Administrative Services may trans-
8 fer vacant position authority among and within state agencies to achieve
9 maximum utilization of authorized positions within agencies.

10

11 **“LEGISLATIVE ASSEMBLY**

12

13 **“SECTION 10. (1) The Task Force on the State Budget Process is**
14 **established. The task force shall consist of:**

15 **“(a) The cochairs of the Joint Committee on Ways and Means;**

16 **“(b) One member of the Senate appointed by the President of the**
17 **Senate and who is a member of a different political party from the**
18 **Senate cochair of the joint committee;**

19 **“(c) One member of the House of Representatives appointed by the**
20 **Speaker of the House of Representatives and who is a member of a**
21 **different political party from the House cochair of the joint commit-**
22 **tee;**

23 **“(d) The Legislative Fiscal Officer;**

24 **“(e) The Legislative Revenue Officer;**

25 **“(f) The director of the Chief Financial Office of the Oregon De-**
26 **partment of Administrative Services; and**

27 **“(g) The Director of the Oregon Department of Administrative**
28 **Services.**

29 **“(2) The task force shall:**

30 **“(a) Review existing statutory provisions governing the process of**

1 **developing the state budget, including but not limited to provisions in**
2 **ORS chapters 291 and 293;**

3 **“(b) Identify current statutory provisions that are outdated, are**
4 **unnecessary or need modification;**

5 **“(c) Identify new provisions that would aid in the development of**
6 **the state budget; and**

7 **“(d) Recommend a comprehensive package of statutory changes**
8 **that will modernize the process of developing the state budget and help**
9 **align the state budgeting process with the desired outcomes recom-**
10 **mended by the Governor and adopted by the Legislative Assembly.**

11 **“(3) A majority of the members of the task force constitutes a**
12 **quorum for the transaction of business.**

13 **“(4) Official action by the task force requires the approval of a**
14 **majority of the members of the task force.**

15 **“(5) The cochairs of the Joint Committee on Ways and Means shall**
16 **serve as chairpersons of the task force.**

17 **“(6) If there is a vacancy for any cause in a position appointed by**
18 **the President of the Senate or the Speaker of the House of Represen-**
19 **tatives, the appointing authority shall make an appointment to be-**
20 **come immediately effective.**

21 **“(7) The task force shall meet at times and places specified by the**
22 **call of the chairpersons or of a majority of the members of the task**
23 **force.**

24 **“(8) The task force may adopt rules necessary for the operation of**
25 **the task force.**

26 **“(9) Not later than November 15, 2014, the task force shall submit**
27 **a report to the Legislative Assembly in the manner provided by ORS**
28 **192.245.**

29 **“(10) The Legislative Administrator shall provide staff support to**
30 **the task force.**

1 “(11) Members of the task force who are not members of the Leg-
2 islative Assembly are not entitled to compensation, but may be reim-
3 bursed for actual and necessary travel and other expenses incurred by
4 them in the performance of their official duties in the manner and
5 amounts provided for in ORS 292.495. Claims for expenses incurred in
6 performing functions of the task force shall be paid out of funds ap-
7 propriated to the Legislative Administration Committee for purposes
8 of the task force.

9 “(12) All agencies of state government, as defined in ORS 174.111,
10 are directed to assist the task force in the performance of its duties
11 and, to the extent permitted by laws relating to confidentiality, to
12 furnish such information and advice as the members of the task force
13 consider necessary to perform their duties.

14 “SECTION 11. Section 10 of this 2014 Act is repealed on the date of
15 the convening of the 2015 regular session of the Legislative Assembly
16 as specified in ORS 171.010.

17 “SECTION 12. The task force established by section 10 of this 2014
18 Act is a continuation of the Task Force on the State Budget Process
19 established by section 1, chapter 601, Oregon Laws 2013, and not a new
20 task force. The members appointed under section 1, chapter 601,
21 Oregon Laws 2013, and serving on the date of the convening of the 2014
22 regular session of the Legislative Assembly shall continue to serve for
23 purposes of the task force established under section 10 of this 2014 Act.

24
25 **“HOUSING AND COMMUNITY SERVICES**

26
27 “SECTION 13. Section 31, chapter 722, Oregon Laws 2013, is re-
28 pealed.

29
30 **“DEPARTMENT OF CORRECTIONS**

1 **“SECTION 14. (1) There is created the Work Group on Corrections**
2 **Health Care Costs consisting of 13 members as follows:**

3 **“(a) Two members appointed by the President of the Senate from**
4 **among the members of the Senate, including one member from the**
5 **Democratic party and one member recommended by the leadership of**
6 **the Republican party.**

7 **“(b) Two members appointed by the Speaker of the House of Rep-**
8 **resentatives from among the members of the House of Represen-**
9 **tatives, including one member from the Democratic party and one**
10 **member recommended by the leadership of the Republican party.**

11 **“(c) The Director of the Department of Corrections or the director’s**
12 **designee.**

13 **“(d) The Director of the Oregon Health Authority or the director’s**
14 **designee.**

15 **“(e) The Director of the Oregon Youth Authority or the director’s**
16 **designee.**

17 **“(f) Six members appointed by the Governor who have expertise in**
18 **health care, health care costs and corrections, including one member**
19 **from a labor organization representing corrections officers and one**
20 **county sheriff.**

21 **“(2) Under the direction of the Governor, the work group shall re-**
22 **commend legislation to be introduced in the 2015 regular session of the**
23 **Legislative Assembly to establish the appropriate mechanisms to sig-**
24 **nificantly lower the health care costs of the Department of Cor-**
25 **rections. The work group shall prioritize legislative concepts that:**

26 **“(a) Produce the greatest value for the department’s health care**
27 **expenditures;**

28 **“(b) Consolidate health care functions as appropriate; and**

29 **“(c) May be integrated into other initiatives in this state to reduce**
30 **health care costs.**

1 **“(3) A majority of the voting members of the work group consti-**
2 **tutes a quorum for the transaction of business.**

3 **“(4) Official action by the work group requires the approval of a**
4 **majority of the voting members of the work group.**

5 **“(5) The Governor shall select one member of the work group to**
6 **serve as chairperson and another to serve as vice chairperson, for the**
7 **terms and with the duties and powers necessary for the performance**
8 **of the functions of such offices as the Governor determines.**

9 **“(6) If there is a vacancy for any cause, the appointing authority**
10 **shall make an appointment to become immediately effective.**

11 **“(7) Members of the Legislative Assembly appointed to the work**
12 **group are nonvoting members of the work group and may act in an**
13 **advisory capacity only.**

14 **“(8) The work group shall meet at times and places specified by the**
15 **call of the chairperson or of a majority of the voting members of the**
16 **work group.**

17 **“(9) The work group may adopt rules necessary for the operation**
18 **of the work group.**

19 **“(10) The work group shall submit its recommendations for legis-**
20 **lation to the interim committees of the Legislative Assembly related**
21 **to health care no later than January 1, 2015.**

22 **“(11) The Oregon Health Authority and the Department of Cor-**
23 **rections shall provide administrative and technical support to the**
24 **work group.**

25 **“(12) The work group shall have access to nationally recognized**
26 **experts and information from nationally recognized health care pro-**
27 **grams to aid in its deliberations.**

28 **“(13) Members of the work group who are not members of the**
29 **Legislative Assembly are not entitled to compensation, but may be**
30 **reimbursed for actual and necessary travel and other expenses in-**

1 curred by them in the performance of their official duties in the
2 manner and amounts provided for in ORS 292.495. Claims for expenses
3 incurred in performing functions of the work group shall be paid out
4 of funds appropriated to Oregon Health Authority and the Department
5 of Corrections for purposes of the work group.

6 “(14) All agencies of state government, as defined in ORS 174.111,
7 are directed to assist the work group in the performance of its duties
8 and, to the extent permitted by laws relating to confidentiality, to
9 furnish such information and advice as the members of the work
10 group consider necessary to perform their duties.

11 “SECTION 15. Section 14 of this 2014 Act is repealed on the date of
12 the convening of the 2015 regular session of the Legislative Assembly
13 as specified in ORS 171.010.

14 “SECTION 16. The work group established by section 14 of this 2014
15 Act is a continuation of the Work Group on Corrections Health Care
16 Costs created by section 1, chapter 538, Oregon Laws 2013, and not a
17 new work group. The members appointed under section 1, chapter 538,
18 Oregon Laws 2013, and serving on the date of the convening of the 2014
19 regular session of the Legislative Assembly shall continue to serve for
20 purposes of the work group created under section 14 of this 2014 Act.

21
22 “SECRETARY OF STATE

23
24 “SECTION 17. Notwithstanding ORS 56.041 and in addition to the
25 transfers required by ORS 56.041 (4) or any other law, the amount of
26 \$2,200,000 is transferred from the Operating Account to the General
27 Fund for general governmental purposes. The transfer shall be made
28 on June 15, 2015.

29
30 “FINANCIALLY TROUBLED SCHOOL DISTRICTS

1 **“SECTION 18. (1) As used in this section, ‘financially troubled**
2 **school district’ means a school district that:**

3 **“(a) Has an accumulated negative balance for the general fund of**
4 **the school district; and**

5 **“(b) Does not have reserve funds that are sufficient to bring the**
6 **balance of the general fund of the school district to a positive balance.**

7 **“(2) A financially troubled school district may request the Depart-**
8 **ment of Education to provide financial assistance to the school district**
9 **as provided by this section.**

10 **“(3) Upon receiving a request for financial assistance from a finan-**
11 **cially troubled school district, the department shall review the school**
12 **district’s financial condition and the causes that led to the school**
13 **district’s financial situation.**

14 **“(4)(a) If the department agrees with the request made by a finan-**
15 **cially troubled school district for financial assistance, the department**
16 **may recommend to the Superintendent of Public Instruction that fi-**
17 **ancial assistance be provided to the school district.**

18 **“(b) The Superintendent of Public Instruction may provide financial**
19 **assistance to a financially troubled school district by entering into an**
20 **agreement with the school district to make a loan to the school dis-**
21 **trict. A loan made as provided by this paragraph:**

22 **“(A) May not exceed \$400,000;**

23 **“(B) Shall be interest free;**

24 **“(C) Must be repaid within four years after entering into the**
25 **agreement or by December 31, 2018, whichever is earlier; and**

26 **“(D) Must be repaid from amounts that otherwise would have been**
27 **distributed to the school district from the State School Fund.**

28 **“(5) The Superintendent of Public Instruction shall transfer to the**
29 **State School Fund any amounts repaid by a financially troubled school**
30 **district for a loan made under this section.**

