

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

Senate Committee on Education

REVENUE: No revenue impact**FISCAL: Minimal fiscal impact, no statement issued****SUBSEQUENT REFERRAL TO: Joint Committee on Ways and Means****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Gretchen Engbring, Administrator**Meeting Dates:** 5/19, 5/26

WHAT THE MEASURE DOES: Extends by four years period during which universities with institutional governing boards must participate in mandated shared services under same terms, conditions, funding, model and policy frameworks as existed in 2013. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Cost effectiveness of sharing certain services
- Disproportionately negative effect of reducing shared services on smaller universities
- Prior legislation required specified shared services continue through June 30, 2015
- Measure extends continuation of specified shared services, including Public Employees Benefits Board, Public Employees Retirement System, and collective bargaining
- Risk management no longer included in bill as a continued shared service
- Amendment clarifies that if entity such as PEBB, PERS Board, or legislature makes changes to listed benefits then universities can implement those changes without being deemed out of compliance
- Concern that continuing shared services may be antithetical to dissolution of Oregon University System and establishment of independent boards in SB 270 (2013)

EFFECT OF COMMITTEE AMENDMENT:

-7 amendments (proposed) specify that during the period a public university is required to participate in shared services, the university must provide the same scope and overall value of certain employee benefits as required by specified statutes.

BACKGROUND: Senate Bill 270 (2013) established the Work Group on University Shared Services, consisting of the presidents of the state's seven public universities to "develop a shared services model that delivers efficient and effective administrative operations to participating post-secondary institutions in a manner that focuses on quality, responsiveness and customer service and that seeks to achieve cost savings, economies of scale, accountability, transparency and streamlining." The Work Group concluded that "No shared services should be mandatory after June 30, 2015, except for the statutorily-required collective bargaining partnership for the purpose of engaging in collective bargaining with the existing statewide employee organization." That recommendation was codified in ORS 352.129. In addition to collective bargaining, the shared services addressed in SB 270 included benefits (i.e., health care and retirement benefits) and risk management.

House Bill 2611-A extends to July 1, 2019 the requirement for universities to continue participation in mandated shared services, with the exception of risk management.

5/26/2015 9:55:00 AM *

This summary has not been adopted or officially endorsed by action of the committee.

Committee Services Form – 2015 Regular Session