

SENATE AMENDMENTS TO SENATE BILL 1067

By JOINT COMMITTEE ON WAYS AND MEANS

July 4

- 1 On page 1 of the printed bill, line 3, after “173.420,” insert “238.229.”
- 2 On page 3, line 11, delete “biennial” and insert “quarterly”.
- 3 In line 12, delete “vacant” and after “positions” insert “that have remained vacant for a con-
- 4 tinuous period of six months”.
- 5 On page 5, line 22, before “Each” insert “(1)”.
- 6 In line 24, after the first “infrastructure” delete the rest of the line.
- 7 Delete line 25.
- 8 In line 26, delete “fined in ORS 341.005.”.
- 9 After line 27, insert:
- 10 “(2) As used in this section, ‘state-owned buildings and infrastructure’ does not include:
- 11 “(a) Buildings and infrastructure owned by or for the use of a public university listed in ORS
- 12 352.002 or a community college as defined in ORS 341.005; or
- 13 “(b) Transportation infrastructure, including roads and bridges.”.
- 14 On page 7, after line 17, insert:
- 15 “**SECTION 10a.** ORS 238.229 is amended to read:
- 16 “238.229. (1) If a participating public employer is grouped with any other public employer for the
- 17 purpose of computing employer contributions under ORS 238.225 and the individual public employer
- 18 makes a lump sum payment that is in addition to the normal employer contribution of the public
- 19 employer, the Public Employees Retirement Board shall adjust the amount of employer contributions
- 20 to be made by the individual public employer to ensure that the benefit of the lump sum payment
- 21 accrues only to the individual public employer making the payment. An individual public employer
- 22 that makes a lump sum payment under the provisions of this subsection shall remain grouped with
- 23 other public employers as provided by ORS 238.227 and 238A.220 for the purpose of all liabilities
- 24 of the employer that are not paid under this subsection. The board by rule may establish a minimum
- 25 lump sum payment that must be made by an individual public employer before adjusting employer
- 26 contributions under this subsection. Notwithstanding any minimum lump sum payment established
- 27 by the board, the board must allow an individual public employer to make a lump sum payment un-
- 28 der this subsection if the payment is equal to the full amount of the individual public employer’s
- 29 accrued unfunded liabilities under this section and ORS chapter 238A.
- 30 “(2) The board shall establish [*a*] **one or more** separate [*account*] **accounts** within the Public
- 31 Employees Retirement Fund for [*each*] **one or more** lump sum [*payment*] **payments** made under this
- 32 section by an individual public employer. The board shall credit to each account all interest and
- 33 other income received from investment of the account funds during the calendar year. Except as
- 34 provided in subsection (3) of this section, the board may not collect any administrative expense or
- 35 other charge from the account or from earnings on the account. Except as provided in subsections

1 (5) and (6) of this section, the account shall be used to offset contributions to the system that the
2 public employer would otherwise be required to make for the liabilities against which the lump sum
3 payment is applied.

4 “(3) The board may charge a participating public employer expenses for administration of an
5 account established under subsection (2) of this section in an amount not to exceed \$2,500 for the
6 calendar year in which the account is established and for the immediately following two calendar
7 years, and in an amount not to exceed \$1,000 per year for all subsequent years.

8 “(4) If a participating public employer has any liabilities that are attributable to creditable
9 service by employees of the employer before the participating public employer was grouped with
10 other public employers under ORS 238.227, whether under this section or pursuant to board rule,
11 any lump sum payment made under this section must be applied first against those liabilities, with
12 the oldest liability being paid first. Any amounts remaining after application under this subsection
13 must be deposited in a separate account established under subsection (2) of this section.

14 “(5) Except as provided in subsection (6) of this section, if the board determines at any time
15 after an actuarial study that the amounts in an account established under subsection (2) of this
16 section exceed the amounts necessary to fund the employer’s actuarial liabilities under the system,
17 upon request of the employer, the board shall apply the excess amounts to offset contributions to
18 the individual account program that the employer has agreed to pay under ORS 238A.335 or
19 238A.340. The board may apply excess amounts to offset contributions to the individual account
20 program under this subsection only to the extent that the application will not result in the balance
21 in the account being reduced to less than the outstanding principal balance owed on the bonds is-
22 sued to fund the account. If the request is made by a school district, the school district must attach
23 to the request a copy of a resolution adopted by the district school board for the district authorizing
24 the request. The board shall adopt rules governing offsets under the provisions of this subsection.

25 “(6) The board shall apply any excess amounts in an account established under subsection (2)
26 of this section to offset contributions to the individual account program pursuant to subsection (5)
27 of this section only if the board has determined that applying the excess amounts does not cause the
28 system or the Public Employees Retirement Fund to lose qualification as a qualified governmental
29 retirement plan and trust under the Internal Revenue Code and under regulations adopted pursuant
30 to the Internal Revenue Code.”.

31 On page 8, line 45, before “The” insert “(1)”.

32 On page 9, line 6, delete “(1)” and insert “(a)”.

33 In line 10, delete “(2)” and insert “(b)” and delete “, except” and insert a period.

34 Delete line 11 and insert:

35 “(2) This section does not require the Legislative Assembly to prohibit:

36 “(a) Borrowing for ongoing operating expenditures of the state as authorized under ORS
37 286A.045;

38 “(b) Borrowing to finance pension obligations under ORS 238.692 to 238.698;

39 “(c) Borrowing to finance activities related to environmental remediation;

40 “(d) The use of bond proceeds to pay for administration or management of projects or programs
41 funded by the bond proceeds; or

42 “(e) The use of interest or investment earnings on bond proceeds for ongoing operating expen-
43 ditures.”.

44 On page 14, after line 24, insert:

45 “(2) If a state agency reports under subsection (1) of this section that the total ending balance

1 of its liquidated and delinquent accounts is \$50 million or greater, the state agency shall, not later
2 than three months after it submits the report under subsection (1) of this section, submit an addi-
3 tional report to the committees or interim committees of the Legislative Assembly related to ways
4 and means that:

5 “(a) Describes major categories of liquidated and delinquent accounts held by the state agency;

6 “(b) Describes circumstances under which the state agency writes off or adjusts liquidated and
7 delinquent amounts or removes an account from liquidated and delinquent status;

8 “(c) Describes actions undertaken by the state agency to reduce the amount of liquidated and
9 delinquent debt owed to it at the end of each fiscal year; and

10 “(d) Sets forth a plan for future actions that will reduce the amount of liquidated and delinquent
11 debt owed to the state agency at the end of each fiscal year and describes any additional resources
12 that are necessary to carry out the plan.”.

13 In line 25, delete “(2)” and insert “(3)”.

14 In line 30, delete “(3)” and insert “(4)” and delete “(2)” and insert “(3)”.

15 In line 42, delete “(4)” and insert “(5)”.

16 On page 18, line 23, after “(1)” insert “In order to promote efficiency and avoid duplication of
17 effort, the Public Employees’ Benefit Board and the Oregon Educators Benefit Board shall develop
18 a plan for merger as described in this section.

19 “(2)”.

20 In line 27, delete “(2)” and insert “(3)”.

21 In line 31, delete “(3)” and insert “(4)”.

22 In line 33, after “subsection” insert “, as well as a cost-benefit analysis of the plan,”.

23 After line 41, insert:

24 “(3) At least once each year, the executive director shall report to the interim committees of the
25 Legislative Assembly related to health on the status of the merger of the functions and operations
26 of the boards and actions taken by the executive director to carry out the plan developed under
27 section 25 of this 2017 Act.”.

28 On page 19, line 21, after “members” insert “who are not enrolled in another health benefit plan
29 offered by the board or the Oregon Educators Benefit Board. An eligible employee who declines
30 coverage in a health benefit plan offered by the Public Employees’ Benefit Board or the Oregon
31 Educators Board and who is enrolled as a spouse or family member in another health benefit plan
32 offered by the Public Employees’ Benefit Board or the Oregon Educators Benefit Board may not be
33 paid the employer contribution for the plan that was declined”.

34 After line 40, insert:

35 “(9) A carrier or third party administrator that contracts with the board to provide or admin-
36 ister a health benefit plan shall, at least once each plan year, conduct an audit of the health benefit
37 plan enrollees’ continued eligibility for coverage as spouses or dependents or any other basis that
38 would affect the cost of the premium for the plan.”.

39 On page 20, line 14, after “members” insert “who are not enrolled in another health benefit plan
40 offered by the board or the Public Employees’ Benefit Board. An eligible employee who declines
41 coverage in a health benefit plan offered by the Oregon Educators Benefit Board or the Public
42 Employees’ Benefit Board and who is enrolled as a spouse or family member in another health
43 benefit plan offered by the Oregon Educators Benefit Board or the Public Employees’ Benefit Board
44 may not be paid the employer contribution for the plan that was declined”.

45 After line 38, insert:

1 “(10) A carrier or third party administrator that contracts with the board to provide or admin-
2 ister a health benefit plan shall, at least once each plan year, conduct an audit of the health benefit
3 plan enrollees’ continued eligibility for coverage as spouses or dependents or any other basis that
4 would affect the cost of the premium for the plan.”.

5 On page 21, line 36, delete the second “or”.

6 In line 37, after “315.613” insert “; or

7 “(c) A hospital:

8 “(A) Located in a county with a population of less than 70,000 on the effective date of this 2017
9 Act;

10 “(B) Classified as a sole community hospital by the Centers for Medicare and Medicaid Services;
11 and

12 “(C) With Medicare payments composing at least 40 percent of the hospital’s total annual pa-
13 tient revenue”.

14 On page 22, line 20, after the period insert “If the board contracts for actuarial or technical
15 support to manage the functions of the board, the board shall, no less than every three years, solicit
16 invitations to bid and the proposals must include all of the following:

17 “(a) An explanation of how the bidder has assisted other clients in creating incentives to im-
18 prove the quality of care provided to enrollees;

19 “(b) An explanation of how the bidder will support the board’s efforts to maximize provider ef-
20 ficiencies and achieve more organized systems of care; and

21 “(c) A description of the bidder’s experience in assisting other clients in structuring contracts
22 that use risk-based networks of providers and alternative provider reimbursement methodologies.”.

23 On page 23, line 16, delete the second “or”.

24 In line 17, after “315.613” insert “; or

25 “(c) A hospital:

26 “(A) Located in a county with a population of less than 70,000 on the effective date of this 2017
27 Act;

28 “(B) Classified as a sole community hospital by the Centers for Medicare and Medicaid Services;
29 and

30 “(C) With Medicare payments composing at least 40 percent of the hospital’s total annual pa-
31 tient revenue”.

32 In line 44, after the period insert “If the board contracts for actuarial or technical support to
33 manage the functions of the board, the board shall, no less than every three years, solicit invitations
34 to bid and the proposals must include all of the following:

35 “(a) An explanation of how the bidder has assisted other clients in creating incentives to im-
36 prove the quality of care provided to enrollees;

37 “(b) An explanation of how the bidder will support the board’s efforts to maximize provider ef-
38 ficiencies and achieve more organized systems of care; and

39 “(c) A description of the bidder’s experience in assisting other clients in structuring contracts
40 that use risk-based networks of providers and alternative provider reimbursement methodologies.”.

41 On page 24, delete lines 6 through 11 and insert:

42 “**SECTION 34. (1)(a) The amendments to ORS 243.125 by section 30 of this 2017 Act apply**
43 **to health benefit plans offered by the Public Employees’ Benefit Board on or after January**
44 **1, 2018.**

45 “(b) The amendments to ORS 243.135 and 243.256 by sections 27 and 29 of this 2017 Act

1 apply to health benefit plans offered by the Public Employees' Benefit Board for plan years
2 beginning after July 1, 2019.

3 “(2)(a) The amendments to ORS 243.864 by section 32 of this 2017 Act apply to health
4 benefit plans offered by the Oregon Educators Benefit Board on or after January 1, 2018.

5 “(b) The amendments to ORS 243.866 and 243.879 by sections 28 and 31 of this 2017 Act
6 apply to health benefit plans offered by the Oregon Educators Benefit Board for plan years
7 beginning after July 1, 2019.”.

8
