

HB 2740 A STAFF MEASURE SUMMARY

Carrier: Sen. Gelser Blouin, Sen. Dembrow

Senate Committee On Education

Action Date: 05/04/23
Action: Do pass the A-Eng bill.
Vote: 5-0-1-1
Yeas: 5 - Anderson, Dembrow, Frederick, Gelser Blouin, President Wagner
Exc: 1 - Weber
Abs: 1 - Robinson
Fiscal: Fiscal impact issued
Revenue: No revenue impact
Prepared By: Ellen O'Brien, LPRO Analyst
Meeting Dates: 4/27, 5/4

WHAT THE MEASURE DOES:

Establishes uniform level of retirement plan eligibility for part-time faculty at community colleges. Calculates hours of employment as number of hours of lecture time or classroom time multiplied by 2.67 for purposes of Public Employees Retirement System (PERS) or Oregon Public Service Retirement Plan (OPSRP).

ISSUES DISCUSSED:

- Standard formula for calculating hours
- Actual hours worked versus hours in classroom

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Under ORS 238.005, a public employee qualifies for membership in the Public Employees Retirement System (PERS) if they work 600 or more hours for public employers in a given year. ORS 238.074, which governs PERS, and ORS 238A.142, which governs the Oregon Public Service Retirement Plan (OPSRP), currently treat part-time faculty at community colleges who are employed for 0.375 of the full-time equivalent (FTE) for 12 months or 0.50 FTE for 9 months as having worked 600 hours for the purposes of eligibility.

The Higher Education Coordinating Commission's (HECC) [Senate Bill 113 Report](#), published in November 2015, reported that community colleges and public universities used widely varied formulas to calculate hours for the purposes of PERS and full-time equivalency. For example:

- Klamath Community College and Linn-Benton Community College both calculated PERS hours based on credit hours taught, number of weeks, and a weight. The weight applied by Klamath Community College was 2.5, and the weight applied by Linn-Benton was 2.0.
- Columbia Gorge Community College and Oregon Coast Community College applied separate weights for lecture hours and other hours.
- Southwestern Community College calculated eligibility using only actual hours in the classroom.
- Clatsop Community College determined eligibility based on contract hours.

These different formulas resulted in the same hypothetical part-time faculty member qualifying for 66 PERS hours at Southwestern Community College and over 128 PERS hours at Columbia Gorge Community College. According to the 2015 Senate Bill 113 Report, the Oregon Educators Benefit Board (OEBB) received and reviewed an aggregated list of faculty members who worked a total of 600 PERS hours across any number of higher education institutions, and determined which were eligible to purchase benefits. At that time, the system was utilized by

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approximately 40 faculty members across the state.

House Bill 2740 A establishes a uniform level of retirement plan eligibility for part-time faculty at community colleges, calculated as 2.67 multiplied by the number of hours of lecture or classroom time.