

A-Engrossed
Senate Bill 639

Ordered by the Senate May 17
Including Senate Amendments dated May 17

Sponsored by Senator DECKERT

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.

Establishes Oregon Educators Benefit Board. Requires Governor to appoint members of board for four-year terms. Authorizes board to contract for health and dental benefits plans and other benefits for employees of certain school districts, education service districts and community college districts. Requires board to adopt rules. Permits payroll officers to deduct from employee wages amounts for benefit plans.

Creates Oregon Educators Benefit Account and Oregon Educators Revolving Fund. Appropriates to board amount not to exceed two percent of monthly employer and employee contributions for benefits to cover administrative expenses.

Prohibits districts, on or after *[July]* **October** 1, 2006, from providing or contracting for benefit plans other than benefit plans provided by board. Provides exceptions.

Requires board, before *[July]* **October** 1, 2006, to enter into contracts for health and dental benefit plans.

Creates Task Force on Teacher Health Benefits. Requires task force to report to legislative interim committee no later than October 1, 2010.

Appropriates contributed moneys to task force for purposes of carrying out duties of task force. Declares emergency, effective July 1, 2005.

A BILL FOR AN ACT

1
2 Relating to benefit plans for education district employees; creating new provisions; amending ORS
3 279A.025; appropriating money; and declaring an emergency.

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

5 **SECTION 1. As used in sections 1 to 16 of this 2005 Act, unless the context requires**
6 **otherwise:**

7 (1) **"Benefit plan" includes but is not limited to:**

8 (a) **Contracts for insurance or other benefits, including medical, dental, vision, life, dis-**
9 **ability and other health care recognized by state law, and related services and supplies;**

10 (b) **Comparable benefits for employees who rely on spiritual means of healing; and**

11 (c) **Self-insurance programs managed by the Oregon Educators Benefit Board.**

12 (2) **"Board" means the Oregon Educators Benefit Board.**

13 (3) **"Carrier" means an insurance company or health care service contractor holding a**
14 **valid certificate of authority from the Director of the Department of Consumer and Business**
15 **Services, or two or more companies or contractors acting together pursuant to a joint ven-**
16 **ture, partnership or other joint means of operation, or a board-approved guarantor of benefit**
17 **plan coverage and compensation.**

18 (4) **"District" means a common or union high school district, an education service dis-**
19 **trict, as defined in ORS 334.003, or a community college district, as defined in ORS 341.005.**

20 (5)(a) **"Eligible employee" includes:**

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 (A) An officer or employee of a district who elects to participate in one of the benefit
2 plans described in sections 3 to 8 of this 2005 Act; and

3 (B) An officer or employee of a district, whether or not retired, who:

4 (i) Is receiving a service retirement allowance, a disability retirement allowance or a
5 pension under the Public Employees Retirement System or is receiving a service retirement
6 allowance, a disability retirement allowance or a pension under any other retirement or dis-
7 ability benefit plan or system offered by the district for its officers and employees;

8 (ii) Is eligible to receive a service retirement allowance under the Public Employees Re-
9 tirement System and has reached earliest service retirement age under ORS chapter 238;

10 (iii) Is eligible to receive a pension under ORS 238A.100 to 238A.245 and has reached ear-
11 liest retirement age as described in ORS 238A.165; or

12 (iv) Is eligible to receive a service retirement allowance or pension under any other re-
13 tirement benefit plan or system offered by the district and has attained earliest retirement
14 age under the plan or system.

15 (b) Except as provided in paragraph (a)(B) of this subsection and notwithstanding para-
16 graph (a)(A) of this subsection, "eligible employee" does not include an individual:

17 (A) Who is engaged as an independent contractor;

18 (B) Whose periods of employment in emergency work are on an intermittent or irregular
19 basis;

20 (C) Who is employed on less than a half-time basis unless the individual is employed in
21 a position classified as a job-sharing position or unless the individual is defined as eligible
22 under rules of the Oregon Educators Benefit Board or under a collective bargaining agree-
23 ment; or

24 (D) Who is employed by a community college and is not included as an eligible employee
25 under policies adopted by the board of education of the community college district or under
26 a collective bargaining agreement.

27 (6) "Family member" means an eligible employee's spouse or domestic partner and any
28 unmarried child or stepchild within age limits and other conditions imposed by the board
29 with regard to unmarried children or stepchildren.

30 (7) "Payroll disbursing officer" means the officer or official authorized to disburse mon-
31 eys in payment of salaries and wages of employees of a district.

32 (8) "Premium" means the monthly or other periodic charge for a benefit plan.

33 **SECTION 2.** (1) There is established in the Oregon Department of Administrative Ser-
34 vices an Oregon Educators Benefit Board consisting of 10 members appointed by the Gover-
35 nor, including:

36 (a) Two members representing district boards;

37 (b) Two members representing district management;

38 (c) Two members representing nonmanagement district employees from the largest labor
39 organization representing district employees;

40 (d) One member representing nonmanagement district employees from the second largest
41 labor organization representing district employees;

42 (e) One member representing nonmanagement district employees who are not repres-
43 ented by labor organizations described in paragraphs (c) and (d) of this subsection; and

44 (f) Two members with expertise in health policy and risk management.

45 (2) The term of office of each member is four years, but a member serves at the pleasure

1 of the Governor. Before the expiration of the term of a member, the Governor shall appoint
2 a successor to take office upon the date of that expiration. A member is eligible for reap-
3 pointment. If there is a vacancy for any cause, the Governor shall make an appointment to
4 become immediately effective for the unexpired term.

5 (3) A member of the board is not entitled to compensation, but may be reimbursed from
6 funds available to the board for actual and necessary travel and other expenses incurred by
7 the member in the performance of the member's official duties in the manner and amount
8 provided in ORS 292.495.

9 (4) The board shall select one of its members as chairperson and another as vice chair-
10 person, for such terms and with duties and powers necessary for the performance of the
11 functions of such duties as the board determines.

12 (5) A majority of the members of the board constitutes a quorum for the transaction of
13 business.

14 (6) The board shall meet at times and places specified by the call of the chairperson or
15 of a majority of the members of the board.

16 **SECTION 3.** (1) The Oregon Educators Benefit Board shall adopt rules for the conduct
17 of its business. The board shall study all matters connected with the providing of adequate
18 benefit plan coverage for eligible employees on the best basis possible with relation both to
19 the welfare of the employees and to the districts. The board shall design benefits, devise
20 specifications, analyze carrier responses to advertisements for bids and decide on the award
21 of contracts. Contracts shall be signed by the chairperson on behalf of the board.

22 (2) In carrying out its duties under subsection (1) of this section, the goal of the board
23 shall be to provide a high-quality plan of health and other benefits for eligible employees at
24 a cost affordable to both the districts and the employees.

25 (3) Subject to ORS chapter 183, the board may adopt rules not inconsistent with sections
26 1 to 16 of this 2005 Act to determine the terms and conditions of eligible employee partic-
27 ipation and coverage.

28 (4) The board shall prepare specifications, invite bids and take actions necessary to award
29 contracts for health benefit plan and dental benefit plan coverage of eligible employees in
30 accordance with the criteria set forth in section 4 (1) of this 2005 Act. The Public Contracting
31 Code does not apply to contracts for benefit plans provided under sections 1 to 16 of this 2005
32 Act. The board may not exclude from competition to contract for a benefit plan an Oregon
33 carrier solely because the carrier does not serve all counties in Oregon.

34 (5) At least biennially, the board shall establish a maximum premium cost per benefit
35 plan.

36 (6) The board may retain consultants, brokers or other advisory personnel when neces-
37 sary and shall employ such personnel as are required to perform the functions of the board.

38 **SECTION 4.** (1) Notwithstanding any other benefit plan contracted for and offered by the
39 Oregon Educators Benefit Board, the board shall contract for a health benefit plan or plans
40 best designed to meet the needs and provide for the welfare of eligible employees and the
41 districts. In considering whether to enter into a contract for a plan, the board shall place
42 emphasis on:

- 43 (a) Employee choice among high-quality plans;
- 44 (b) A competitive marketplace;
- 45 (c) Plan performance and information;

- 1 (d) Employer flexibility in plan design and contracting;
- 2 (e) Quality customer service;
- 3 (f) Creativity and innovation;
- 4 (g) Plan benefits as part of total employee compensation; and
- 5 (h) The improvement of employee health.

6 (2) The board may approve more than one carrier for each type of plan contracted for
7 and offered, but the board shall hold the number of carriers to a number consistent with
8 adequate service to eligible employees and their family members.

9 (3) When appropriate for a contracted and offered health benefit plan, the board shall
10 provide options under which an eligible employee may arrange coverage for family members.

11 (4) Payroll deductions for such costs as are not payable by a district may be made upon
12 receipt of a signed authorization from the employee indicating an election to participate in
13 the plan or plans selected and the deduction of a certain sum from the employee's pay.

14 (5) In developing any health benefit plan, the board may provide an option of additional
15 coverage for eligible employees and their family members at an additional cost or premium.

16 (6) Transfer of enrollment from one plan to another is open to all eligible employees and
17 their family members under rules adopted by the board. Because of the special problems that
18 may arise in individual instances under comprehensive group practice plan coverage involv-
19 ing acceptable physician-patient relations between a particular panel of physicians and par-
20 ticular eligible employees and their family members, the board shall provide a procedure
21 under which any eligible employee may apply at any time to substitute a health service
22 benefit plan for participation in a comprehensive group practice benefit plan.

23 **SECTION 5.** (1) The Oregon Educators Benefit Board may employ whatever means are
24 reasonably necessary to carry out the purposes of sections 1 to 16 of this 2005 Act. Such
25 authority includes but is not limited to authority to self-insure and to seek clarification,
26 amendment, modification, suspension or termination of any agreement or contract that in
27 the board's judgment requires such action.

28 (2) Upon providing specific notice in writing to the carrier, the affected labor organiza-
29 tion or organizations, the districts, the Oregon Department of Administrative Services and
30 affected, eligible employees, and after affording opportunity for a public hearing upon the
31 issues that may be involved, the board may enter an order withdrawing approval of any
32 benefit plan. Thirty days after entry of the order, the board shall terminate all withholding
33 authorizations of eligible employees and terminate all board-approved participation in the
34 plan.

35 (3) The board by order may terminate the participation of any district if within three
36 months the district fails to perform any action required by sections 1 to 16 of this 2005 Act
37 or by board rule.

38 **SECTION 6.** (1) In addition to the powers and duties otherwise provided by law to provide
39 employee benefits, the Oregon Educators Benefit Board may provide, administer and main-
40 tain flexible benefit plans under which eligible employees may choose among taxable and
41 nontaxable benefits as provided in the federal Internal Revenue Code.

42 (2) In providing flexible benefit plans, the board may offer:

43 (a) Health or dental benefits as described in sections 3 and 4 of this 2005 Act.

44 (b) Other insurance benefits as described in section 8 of this 2005 Act.

45 (c) Any other benefit that may be excluded from an employee's gross income under the

1 federal Internal Revenue Code.

2 (d) Any part or all of the district contribution for employee benefits in cash to the em-
3 ployee.

4 (3) In developing flexible benefit plans under this section, the board shall design the plan
5 on the best basis possible with relation to the welfare of employees and to the districts.

6 **SECTION 7.** (1) In providing flexible benefit plans under section 6 of this 2005 Act, the
7 Oregon Educators Benefit Board shall adopt rules as the board considers necessary for the
8 establishment and administration of the plans.

9 (2) The board may assess a charge as part of the premium to pay the cost of adminis-
10 tering the plans and may pay some or all of the cost from funds authorized to pay general
11 administrative expenses incurred by the board.

12 (3) The board may contract with private organizations for administration of flexible
13 benefit plans in accordance with rules adopted under subsection (1) of this section.

14 **SECTION 8.** (1) In addition to contracting for health and dental benefit plans, the Oregon
15 Educators Benefit Board may contract with carriers to provide other benefit plans including
16 but not limited to insurance or other benefits based on life, supplemental medical, supple-
17 mental dental, supplemental vision, accidental death or disability insurance plans.

18 (2) The monthly contribution for each eligible employee for other benefit plan or plans
19 coverage, as described in subsection (1) of this section, shall be the total cost per month of
20 the benefit coverage afforded the employee under the plan or plans for which the employee
21 exercises an option, including the cost of enrollment of the eligible employee and adminis-
22 trative expenses therefor.

23 (3) The board may withdraw approval of any such additional benefit plan coverage in the
24 same manner as it withdraws approval of health benefit plans as described and authorized
25 by section 5 of this 2005 Act.

26 (4) If the board does not contract for a benefit plan described in subsection (1) of this
27 section, a district may contract for the benefit plan on behalf of any district employees. The
28 administrative expenses thereof shall be paid in accordance with the district's negotiated
29 agreement with the employees. Such contracts are subject to approval of the board before
30 they become operative. The board may withdraw approval for any such benefit plan in the
31 same manner as it withdraws approval under section 5 of this 2005 Act.

32 **SECTION 9.** (1) The Oregon Educators Benefit Board shall make available one or more
33 fully insured long term care insurance plans. The plans shall be made available to eligible
34 employees, retired employees and family members. Notwithstanding section 1 of this 2005
35 Act, for purposes of this subsection, "family member" includes family members as defined
36 by the board and also includes the parents of the employee or retiree and the parents of the
37 spouse or domestic partner of the employee or retiree.

38 (2) Participation of eligible employees or retired employees in any long term care insur-
39 ance plan made available by the board is voluntary and is subject to reasonable underwriting
40 guidelines and eligibility rules established by the board.

41 (3) The eligible employee or retired employee is responsible, subject to the district's ne-
42 gotiated agreement, for the payment of the long term care premium rates developed by the
43 board. The board is authorized to charge a reasonable administrative fee, in addition to the
44 premium charged by the long term care insurer, to cover the cost of administration and
45 consumer education materials.

1 **SECTION 10.** (1) The Oregon Educators Benefit Board shall develop effective and cost-
2 effective ways to make available the long term care insurance plans described under section
3 9 of this 2005 Act.

4 (2) The board, in consultation with the Public Employees Retirement System, shall de-
5 velop long term care insurance plan design, eligibility rules, underwriting principles and ed-
6 ucational materials in order to:

7 (a) Allow eligible employees to continue to participate in the plans after retirement; and

8 (b) Allow former eligible employees to enroll in the plans after retirement.

9 (3) The board's education program for the eligible employees and retired employees shall
10 provide information on the potential need for long term care, methods of financing long term
11 care and the availability of long term care insurance plans offered by the board.

12 **SECTION 11.** A retired district officer or employee is not required to participate in one
13 of the group health benefit plans described in section 4 of this 2005 Act in order to obtain
14 dental benefit plan coverage. The Oregon Educators Benefit Board shall establish by rule
15 standards of eligibility for retired officers or employees to participate in a dental benefit
16 plan.

17 **SECTION 12.** (1) Upon receipt of the request in writing of an eligible employee, the pay-
18 roll disbursing officer authorized to disburse funds in payment of the salary or wages of the
19 eligible employee may deduct from the salary or wages of the employee an amount of money
20 indicated in the request for payment of the applicable amount set forth in benefit plans se-
21 lected by the employee or selected on the employee's behalf for:

22 (a) Group health and related services and supplies, including such insurance for family
23 members of the eligible employee.

24 (b) Group life insurance, including life insurance for family members of the eligible em-
25 ployee.

26 (c) Group dental and related services and supplies, or any other remedial care recognized
27 by state law and related services and supplies, recognized under state law, including such
28 insurance for family members of the eligible employee.

29 (d) Group indemnity insurance for accidental death and dismemberment and for loss of
30 income due to accident, sickness or other disability, including such insurance for family
31 members of the eligible employee.

32 (e) Other benefits, including self-insurance programs, that are approved and provided by
33 the Oregon Educators Benefit Board.

34 (2) Moneys deducted under subsection (1) of this section shall be paid over promptly:

35 (a) To the carriers or persons responsible for payment of premiums to carriers, in ac-
36 cordance with the terms of the contracts made by the eligible employees or on their behalf;
37 or

38 (b) With respect to self-insurance benefits, in accordance with rules, procedures and di-
39 rections of the board.

40 (3) The payroll disbursing officer shall submit reports to the board regarding health care
41 coverage for eligible or participating employees as the board considers desirable.

42 **SECTION 13.** (1) There is created in the General Fund the Oregon Educators Benefit
43 Account, the balances of which are continuously appropriated to the Oregon Educators
44 Benefit Board to cover expenses incurred in connection with the administration of sections
45 1 to 16 of this 2005 Act.

1 (2) There hereby is appropriated to the account, subject to section 14 of this 2005 Act,
2 an amount not to exceed two percent of the monthly employer and employee contributions
3 for any benefit available under sections 1 to 16 of this 2005 Act.

4 **SECTION 14.** Subject to legislative budgetary authorization for operation of the Oregon
5 Educators Benefit Board and its administration of benefit plans and other duties under
6 sections 1 to 16 of this 2005 Act, an amount not to exceed two percent of the employer and
7 employee contributions shall be forwarded by each district payroll disbursing officer to the
8 board and deposited by the board in the State Treasury to the credit of the Oregon Educators
9 Benefit Account to meet administrative and other costs authorized by sections 1 to 16 of this
10 2005 Act. The Oregon Educators Benefit Board shall take action to ensure that the balance
11 in the account does not exceed five percent of the monthly total of employer and employee
12 contributions for more than 120 days.

13 **SECTION 15.** (1) There is created the Oregon Educators Revolving Fund, separate and
14 distinct from the General Fund. Interest earned by the Oregon Educators Revolving Fund
15 shall be credited to the fund. The balances of the Oregon Educators Revolving Fund are
16 continuously appropriated to the Oregon Educators Benefit Board to cover expenses incurred
17 in connection with the administration of sections 1 to 16 of this 2005 Act. Assets of the
18 Oregon Educators Revolving Fund may be retained for limited periods of time as established
19 by the Oregon Educators Benefit Board by rule. Among other purposes, the board may retain
20 the funds to control expenditures, stabilize benefit premium rates and self-insure. The board
21 may establish subaccounts within the Oregon Educators Revolving Fund.

22 (2) All unused employer contributions for employee benefits and all refunds, dividends,
23 unused premiums and other payments attributable to any employee contribution or employer
24 contribution made from any carrier or contractor that has provided employee benefits ad-
25 ministered by the board, and all interest earned on such moneys, shall be deposited in the
26 Oregon Educators Revolving Fund.

27 **SECTION 16.** (1) Except as provided in subsection (2) of this section:

28 (a) A district may not provide or contract for a benefit plan unless the benefit plan is
29 provided, administered and maintained by the Oregon Educators Benefit Board under
30 sections 1 to 16 of this 2005 Act; and

31 (b) Eligible employees of a district may participate in benefit plans provided, administered
32 and maintained by the board.

33 (2)(a) Except for community college districts, a district that was self-insured before
34 January 1, 2005, or a district that had an independent health insurance trust established and
35 functioning before January 1, 2005, may provide or contract for benefit plans other than
36 benefit plans provided, administered and maintained by the board if the premiums for the
37 benefit plans provided or contracted for by the district are equal to or less than the premi-
38 ums for comparable benefit plans provided, administered and maintained by the board.

39 (b) A community college district may provide or contract for benefit plans other than
40 benefit plans provided, administered and maintained by the board.

41 (c) A self-insured district, a district with an independent health insurance trust or a
42 community college district may choose at any time to provide or contract for benefit plans
43 that are provided, administered and maintained by the board. Once employees of a district
44 participate in benefit plans provided, administered and maintained by the board, the district
45 may not thereafter provide or contract for benefit plans other than those provided, admin-

1 istered and maintained by the board.

2 (3) A district is obligated to bargain with employees of the district or with the exclusive
3 representative of the employees concerning the district's costs of benefit plans.

4 **SECTION 17.** As used in sections 18 and 19 of this 2005 Act, "benefit plan," "board,"
5 "carrier," "district" and "eligible employee" have the meanings given those terms in section
6 1 of this 2005 Act.

7 **SECTION 18.** Notwithstanding section 16 of this 2005 Act:

8 (1) Before October 1, 2006, a district is not required to provide or contract for benefit
9 plans that are provided, administered and maintained by the Oregon Educators Benefit Board
10 under sections 1 to 16 of this 2005 Act.

11 (2) Except as provided in subsections (3) and (4) of this section, on and after October 1,
12 2006:

13 (a) A district may not provide or contract for a benefit plan unless the benefit plan is
14 provided, administered and maintained by the board; and

15 (b) Eligible employees of a district may participate only in benefit plans provided, ad-
16 ministered and maintained by the board.

17 (3)(a) If a collective bargaining agreement exists between a district and employees of the
18 district and the agreement expires after July 1, 2006, subsection (2) of this section does not
19 apply to the district or employees of the district. However:

20 (A) Upon expiration of the collective bargaining agreement, subsection (2) of this section
21 does apply to the district and employees of the district, except as provided in subparagraph
22 (B) of this paragraph and subsection (4) of this section.

23 (B) When a contract exists between the district and a carrier, and the contract expires
24 before the collective bargaining agreement expires, upon expiration of the contract, sub-
25 section (2) of this section does apply to the district and employees of the district, except as
26 provided in subsection (4) of this section.

27 (b) If no collective bargaining agreement exists between the district and employees of the
28 district, and if a contract exists between the district and a carrier and the contract expires
29 after October 1, 2006, subsection (2) of this section does not apply to the district or employ-
30 ees of the district. However, upon expiration of the contract, subsection (2) of this section
31 does apply to the district and employees of the district, except as provided in subsection (4)
32 of this section.

33 (4)(a) Except for community college districts, until October 1, 2008, a self-insured district
34 or a district with an independent health insurance trust may provide or contract for benefit
35 plans other than benefit plans provided, administered and maintained by the board. On and
36 after October 1, 2008, benefit plans provided or contracted for by the district must meet the
37 condition provided in section 16 (2)(a) of this 2005 Act.

38 (b) A community college district may provide or contract for benefit plans other than
39 benefit plans provided, administered and maintained by the board.

40 (c) A self-insured district, a district with an independent health insurance trust or a
41 community college district may choose at any time to provide or contract for benefit plans
42 that are provided, administered and maintained by the board. Once employees of a district
43 participate in benefit plans provided, administered and maintained by the board, the district
44 may not thereafter provide or contract for benefit plans other than those provided, admin-
45 istered and maintained by the board.

1 **SECTION 19.** (1) Before October 1, 2006, the Oregon Educators Benefit Board shall enter
2 into contracts for health benefit plan and dental benefit plan coverage of eligible employees
3 in accordance with section 3 (4) of this 2005 Act and the criteria set forth in section 4 (1) of
4 this 2005 Act.

5 (2) The board shall offer a range of benefit plan designs sufficient to ensure that, when
6 benefit plans are first provided by the board to a district, the district and district employees
7 can choose benefit plans that are comparable in design to, and are not more expensive than
8 the comparable costs of, the benefit plans the district provided immediately before the pur-
9 chase of the benefit plans provided by the board. The board shall determine rates for benefit
10 plans based on the benefit plan designs and the aggregated experience of all districts partic-
11 ipating in the benefit plans.

12 **SECTION 20.** Notwithstanding the term of office specified in section 2 of this 2005 Act,
13 of the members first appointed to the Oregon Educators Benefit Board:

14 (1) Two shall serve for terms ending July 1, 2006.

15 (2) Three shall serve for terms ending July 1, 2007.

16 (3) Two shall serve for terms ending July 1, 2008.

17 (4) Three shall serve for terms ending July 1, 2009.

18 **SECTION 21.** ORS 279A.025 is amended to read:

19 279A.025. (1) Except as provided in subsections (2) to (4) of this section, the Public Contracting
20 Code applies to all public contracting.

21 (2) The Public Contracting Code does not apply to:

22 (a) Contracts between contracting agencies or between contracting agencies and the federal
23 government;

24 (b) Insurance and service contracts as provided for under ORS 414.115, 414.125, 414.135 and
25 414.145 for purposes of source selection;

26 (c) Grants;

27 (d) Contracts for professional or expert witnesses or consultants to provide services or testi-
28 mony relating to existing or potential litigation or legal matters in which a public body is or may
29 become interested;

30 (e) Acquisitions or disposals of real property or interest in real property;

31 (f) Sole-source expenditures when rates are set by law or ordinance for purposes of source se-
32 lection;

33 (g) Contracts for the procurement or distribution of textbooks;

34 (h) Procurements by a contracting agency from an Oregon Corrections Enterprises program;

35 (i) The procurement, transportation or distribution of distilled liquor, as defined in ORS 471.001,
36 or the appointment of agents under ORS 471.750 by the Oregon Liquor Control Commission;

37 (j) Contracts entered into under ORS chapter 180 between the Attorney General and private
38 counsel or special legal assistants;

39 (k) Contracts for the sale of forest products, as defined in ORS 321.005, from lands owned or
40 managed by the State Board of Forestry and the State Forestry Department;

41 (l) Contracts for forest protection or forest related activities, as described in ORS 477.406, by
42 the State Forester or the State Board of Forestry;

43 (m) Sponsorship agreements entered into by the Director of the Oregon State Fair and Exposi-
44 tion Center in accordance with ORS 565.080 (4);

45 (n) Contracts entered into by the Housing and Community Services Department in exercising the

1 department's duties prescribed in ORS chapters 456 and 458, except that the department's public
2 contracting for goods and services, as defined in ORS 279B.005, is subject to ORS chapter 279B;

3 (o) Contracts entered into by the State Treasurer in exercising the powers of that office pre-
4 scribed in ORS chapters 178, 286, 287, 288, 289, 293, 294 and 295, including but not limited to in-
5 vestment contracts and agreements, banking services, clearing house services and collateralization
6 agreements, bond documents, certificates of participation and other debt repayment agreements, and
7 any associated contracts, agreements and documents, regardless of whether the obligations that the
8 contracts, agreements or documents establish are general, special or limited, except that the State
9 Treasurer's public contracting for goods and services, as defined in ORS 279B.005, is subject to ORS
10 chapter 279B;

11 (p) Energy savings performance contracts;

12 (q) Contracts, agreements or other documents entered into, issued or established in connection
13 with:

14 (A) The incurring of debt by a public body, including but not limited to the issuance of bonds,
15 certificates of participation and other debt repayment obligations, and any associated contracts,
16 agreements or other documents, regardless of whether the obligations that the contracts, agreements
17 or other documents establish are general, special or limited;

18 (B) The making of program loans and similar extensions or advances of funds, aid or assistance
19 by a public body to a public or private body for the purpose of carrying out, promoting or sustaining
20 activities or programs authorized by law; or

21 (C) The investment of funds by a public body as authorized by law, and other financial trans-
22 actions of a public body that by their character cannot practically be established under the com-
23 petitive contractor selection procedures of ORS 279B.050 to 279B.085;

24 (r) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221,
25 243.275, 243.291, 243.303 and 243.565; [or]

26 (s) **Contracts for employee benefit plans provided under sections 1 to 16 of this 2005 Act;**
27 **or**

28 [(s)] (t) Any other public contracting of a public body specifically exempted from the code by
29 another provision of law.

30 (3) The Public Contracting Code does not apply to the public contracting activities of:

31 (a) The Oregon State Lottery Commission;

32 (b) The Oregon University System and member institutions, except as provided in ORS 351.086;

33 (c) The legislative department;

34 (d) The judicial department;

35 (e) Semi-independent state agencies listed in ORS 182.451, 182.452 and 182.454, except as pro-
36 vided in ORS 279.835 to 279.855 and 279A.250 to 279A.290;

37 (f) Oregon Corrections Enterprises;

38 (g) The Oregon Film and Video Office, except as provided in ORS 279A.100 and 279A.250 to
39 279A.290;

40 (h) The Travel Information Council, except as provided in ORS 279A.250 to 279A.290;

41 (i) The Appraiser Certification and Licensure Board, except as provided in ORS 279.835 to
42 279.855 and 279A.250 to 279A.290; or

43 (j) Any other public body specifically exempted from the code by another provision of law.

44 (4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to contracts made with
45 qualified nonprofit agencies providing employment opportunities for disabled individuals under ORS

1 279.835 to 279.855.

2 **SECTION 22. (1) There is created the Task Force on Teacher Health Benefits consisting**
3 **of five members appointed as follows:**

4 (a) **The President of the Senate shall appoint one member from among members of the**
5 **Senate.**

6 (b) **The Speaker of the House of Representatives shall appoint one member from among**
7 **members of the House of Representatives.**

8 (c) **The Governor shall appoint three members as follows:**

9 (A) **One member who is a nonmanagement district employee and who is in a labor or-**
10 **ganization representing district employees; and**

11 (B) **Two members who are not eligible to participate in a benefit plan provided under**
12 **sections 1 to 16 of this 2005 Act and who have known expertise in health insurance or in**
13 **employee benefit plan design or administration.**

14 (2) **The task force shall review the benefit plans provided through the Oregon Educators**
15 **Benefit Board, analyze the benefits provided by and the administration of the benefit plans**
16 **and determine whether the enactment of sections 1 to 16 of this 2005 Act has resulted in cost**
17 **savings to the state.**

18 (3) **A majority of the members of the task force constitutes a quorum for the transaction**
19 **of business.**

20 (4) **Official action by the task force requires the approval of a majority of the members**
21 **of the task force.**

22 (5) **The task force shall elect one of its members to serve as chairperson.**

23 (6) **If there is a vacancy for any cause, the appointing authority shall make an appoint-**
24 **ment to become immediately effective.**

25 (7) **The task force shall meet at times and places specified by the call of the chairperson**
26 **or of a majority of the members of the task force.**

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

28 (9) **The task force shall submit a report, and may include recommendations for legis-**
29 **lation, to an interim committee related to education or public employment, as appropriate,**
30 **no later than October 1, 2010.**

31 (10) **The interim committee shall use the services of permanent legislative staff to the**
32 **greatest extent practicable.**

33 (11) **Members of the task force who are not members of the Legislative Assembly are not**
34 **entitled to compensation, but may be reimbursed for actual and necessary travel and other**
35 **expenses incurred by them in the performance of their official duties in the manner and**
36 **amounts provided for in ORS 292.495. Claims for expenses incurred in performing functions**
37 **of the task force shall be paid out of funds appropriated to Legislative Assembly for that**
38 **purpose.**

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

43 (13) **The Legislative Administrator may accept, on behalf of the task force, contributions**
44 **of moneys and assistance from the United States Government or its agencies or from any**
45 **other source, public or private, and agree to conditions placed on the moneys not inconsist-**

1 ent with the duties of the task force.

2 (14) All moneys received by the Legislative Administrator under subsection (13) of this
3 section shall be paid into the State Treasury and deposited in the General Fund to the credit
4 of the task force. The moneys are continuously appropriated to the task force for the pur-
5 poses of carrying out the duties of the task force.

6 SECTION 23. Section 22 of this 2005 Act becomes operative on July 1, 2009.

7 SECTION 24. Section 22 of this 2005 Act is repealed on the date of the convening of the
8 regular legislative session of the Seventy-sixth Legislative Assembly.

9 SECTION 25. This 2005 Act being necessary for the immediate preservation of the public
10 peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect
11 July 1, 2005.

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