

# Senate Bill 639

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 **as introduced**.

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 1, 2006, from providing or contracting for benefit plans other than benefit plans provided by board. Provides exceptions.

Requires board, before July 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" means an officer or employee of a district who elects to par-**  
21 **ticipate in one of the group benefit plans described in sections 3 and 4 of this 2005 Act.**

22 (b) **"Eligible employee" does not include individuals:**

23 (A) **Engaged as independent contractors;**

24 (B) **Whose periods of employment in emergency work are on an intermittent or irregular**

**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 **basis; or**

2 (C) Who are employed on less than half-time basis unless the individuals are employed  
3 in positions classified as job-sharing positions or unless the individuals are defined as eligible  
4 under rules of the board or under a collective bargaining agreement.

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

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

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

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

14 (a) Two members representing district boards;

15 (b) Two members representing district management;

16 (c) Two members representing nonmanagement district employees from the largest labor  
17 organization representing district employees;

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

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

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

23 (2) The term of office of each member is four years, but a member serves at the pleasure  
24 of the Governor. Before the expiration of the term of a member, the Governor shall appoint  
25 a successor to take office upon the date of that expiration. A member is eligible for reap-  
26 pointment. If there is a vacancy for any cause, the Governor shall make an appointment to  
27 become immediately effective for the unexpired term.

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

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

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

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

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

45 (2) In carrying out its duties under subsection (1) of this section, the goal of the board

1 shall be to provide a high-quality plan of health and other benefits for eligible employees at  
2 a cost affordable to both the districts and the employees.

3 (3) Subject to ORS chapter 183, the board may adopt rules not inconsistent with sections  
4 1 to 16 of this 2005 Act to determine the terms and conditions of eligible employee partic-  
5 ipation and coverage.

6 (4) The board shall prepare specifications, invite bids and take actions necessary to award  
7 contracts for health benefit plan and dental benefit plan coverage of eligible employees in  
8 accordance with the criteria set forth in section 4 (1) of this 2005 Act.

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

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

- 16 (a) Employee choice among high-quality plans;
- 17 (b) A competitive marketplace;
- 18 (c) Plan performance and information;
- 19 (d) Employer flexibility in plan design and contracting;
- 20 (e) Quality customer service;
- 21 (f) Creativity and innovation;
- 22 (g) Plan benefits as part of total employee compensation; and
- 23 (h) The improvement of employee health.

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

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

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

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

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

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

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

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

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

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

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

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

18       (c) Any other benefit that may be excluded from an employee's gross income under the  
19 federal Internal Revenue Code.

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

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

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

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

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

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

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

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

44       (4) If the board does not contract for a benefit plan described in subsection (1) of this  
45 section, a district may contract for the benefit plan on behalf of any district employees. The

1 administrative expenses thereof shall be paid in accordance with the district's negotiated  
2 agreement with the employees. Such contracts are subject to approval of the board before  
3 they become operative. The board may withdraw approval for any such benefit plan in the  
4 same manner as it withdraws approval under section 5 of this 2005 Act.

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

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

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

19 **SECTION 10.** (1) The Oregon Educators Benefit Board shall develop effective and cost-  
20 effective ways to make available the long term care insurance plans described under section  
21 9 of this 2005 Act.

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

- 25 (a) Allow eligible employees to continue to participate in the plans after retirement; and  
26 (b) Allow former eligible employees to enroll in the plans after retirement.

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

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

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

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

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

44 (c) Group dental and related services and supplies, or any other remedial care recognized  
45 by state law and related services and supplies, recognized under state law, including such

1 insurance for family members of the eligible employee.

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

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

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

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

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

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

15 **SECTION 13.** (1) There is created in the General Fund the Oregon Educators Benefit  
 16 Account, the balances of which are continuously appropriated to the Oregon Educators  
 17 Benefit Board to cover expenses incurred in connection with the administration of sections  
 18 1 to 16 of this 2005 Act.

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

22 **SECTION 14.** Subject to legislative budgetary authorization for operation of the Oregon  
 23 Educators Benefit Board and its administration of benefit plans and other duties under  
 24 sections 1 to 16 of this 2005 Act, an amount not to exceed two percent of the employer and  
 25 employee contributions shall be forwarded by each district payroll disbursing officer to the  
 26 board and deposited by the board in the State Treasury to the credit of the Oregon Educators  
 27 Benefit Account to meet administrative and other costs authorized by sections 1 to 16 of this  
 28 2005 Act. The Oregon Educators Benefit Board shall take action to ensure that the balance  
 29 in the account does not exceed five percent of the monthly total of employer and employee  
 30 contributions for more than 120 days.

31 **SECTION 15.** (1) There is created the Oregon Educators Revolving Fund, separate and  
 32 distinct from the General Fund. The balances of the Oregon Educators Revolving Fund are  
 33 continuously appropriated to the Oregon Educators Benefit Board to cover expenses incurred  
 34 in connection with the administration of sections 1 to 16 of this 2005 Act. Assets of the  
 35 Oregon Educators Revolving Fund may be retained for limited periods of time as established  
 36 by the Oregon Educators Benefit Board by rule. Among other purposes, the board may retain  
 37 the funds to control expenditures, stabilize benefit premium rates and self-insure. The board  
 38 may establish subaccounts within the Oregon Educators Revolving Fund.

39 (2) There is appropriated to the Oregon Educators Revolving Fund all unused employer  
 40 contributions for employee benefits and all refunds, dividends, unused premiums and other  
 41 payments attributable to any employee contribution or employer contribution made from any  
 42 carrier or contractor that has provided employee benefits administered by the board, and all  
 43 interest earned on such moneys.

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

45 (a) A district may not provide or contract for a benefit plan unless the benefit plan is

1 provided, administered and maintained by the Oregon Educators Benefit Board under  
2 sections 1 to 16 of this 2005 Act; and

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

5 (2)(a) Except for community college districts, a self-insured district or a district with an  
6 independent health insurance trust may provide or contract for benefit plans other than  
7 benefit plans provided, administered and maintained by the board if the premiums for the  
8 benefit plans provided or contracted for by the district are equal to or less than the premi-  
9 ums for comparable benefit plans provided, administered and maintained by the board.

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

12 (c) A self-insured district, a district with an independent health insurance trust or a  
13 community college district may choose at any time to provide or contract for benefit plans  
14 that are provided, administered and maintained by the board.

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

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

20 SECTION 18. Notwithstanding section 16 of this 2005 Act:

21 (1) Before July 1, 2006, a district is not required to provide or contract for benefit plans  
22 that are provided, administered and maintained by the Oregon Educators Benefit Board un-  
23 der sections 1 to 16 of this 2005 Act.

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

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

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

29 (3) Subsection (2) of this section does not apply to a district or employees of a district  
30 when a contract exists between the district and a carrier and the contract expires after July  
31 1, 2006. However, upon the expiration of the contract, subsection (2) of this section does ap-  
32 ply to the district and employees of the district, except as provided in subsection (4) of this  
33 section.

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

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.

44 SECTION 19. Notwithstanding section 3 (4) of this 2005 Act, the Oregon Educators Ben-  
45 efit Board shall, before July 1, 2006, enter into contracts for health and dental benefit plan

1 coverage of eligible employees in accordance with the criteria set forth in section 4 (1) of this  
 2 2005 Act. The Public Contracting Code does not apply to these contracts.

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

- 5 (1) Two shall serve for terms ending July 1, 2006.
- 6 (2) Three shall serve for terms ending July 1, 2007.
- 7 (3) Two shall serve for terms ending July 1, 2008.
- 8 (4) Three shall serve for terms ending July 1, 2009.

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

10 279A.025. (1) Except as provided in subsections (2) to (4) of this section, the Public Contracting  
 11 Code applies to all public contracting.

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

- 13 (a) Contracts between contracting agencies or between contracting agencies and the federal  
 14 government;
- 15 (b) Insurance and service contracts as provided for under ORS 414.115, 414.125, 414.135 and  
 16 414.145 for purposes of source selection;
- 17 (c) Grants;
- 18 (d) Contracts for professional or expert witnesses or consultants to provide services or testi-  
 19 mony relating to existing or potential litigation or legal matters in which a public body is or may  
 20 become interested;
- 21 (e) Acquisitions or disposals of real property or interest in real property;
- 22 (f) Sole-source expenditures when rates are set by law or ordinance for purposes of source se-  
 23 lection;
- 24 (g) Contracts for the procurement or distribution of textbooks;
- 25 (h) Procurements by a contracting agency from an Oregon Corrections Enterprises program;
- 26 (i) The procurement, transportation or distribution of distilled liquor, as defined in ORS 471.001,  
 27 or the appointment of agents under ORS 471.750 by the Oregon Liquor Control Commission;
- 28 (j) Contracts entered into under ORS chapter 180 between the Attorney General and private  
 29 counsel or special legal assistants;
- 30 (k) Contracts for the sale of forest products, as defined in ORS 321.005, from lands owned or  
 31 managed by the State Board of Forestry and the State Forestry Department;
- 32 (L) Contracts for forest protection or forest related activities, as described in ORS 477.406, by  
 33 the State Forester or the State Board of Forestry;
- 34 (m) Sponsorship agreements entered into by the Director of the Oregon State Fair and Exposi-  
 35 tion Center in accordance with ORS 565.080 (4);
- 36 (n) Contracts entered into by the Housing and Community Services Department in exercising the  
 37 department's duties prescribed in ORS chapters 456 and 458, except that the department's public  
 38 contracting for goods and services, as defined in ORS 279B.005, is subject to ORS chapter 279B;
- 39 (o) Contracts entered into by the State Treasurer in exercising the powers of that office pre-  
 40 scribed in ORS chapters 178, 286, 287, 288, 289, 293, 294 and 295, including but not limited to in-  
 41 vestment contracts and agreements, banking services, clearing house services and collateralization  
 42 agreements, bond documents, certificates of participation and other debt repayment agreements, and  
 43 any associated contracts, agreements and documents, regardless of whether the obligations that the  
 44 contracts, agreements or documents establish are general, special or limited, except that the State  
 45 Treasurer's public contracting for goods and services, as defined in ORS 279B.005, is subject to ORS

1 chapter 279B;

2 (p) Energy savings performance contracts;

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

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

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

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

15 (r) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221,  
16 243.275, 243.291, 243.303 and 243.565; *or*

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

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

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

22 (a) The Oregon State Lottery Commission;

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

24 (c) The legislative department;

25 (d) The judicial department;

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

28 (f) Oregon Corrections Enterprises;

29 (g) The Oregon Film and Video Office, except as provided in ORS 279A.100 and 279A.250 to  
30 279A.290;

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

32 (i) The Appraiser Certification and Licensure Board, except as provided in ORS 279.835 to  
33 279.855 and 279A.250 to 279A.290; or

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

35 (4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to contracts made with  
36 qualified nonprofit agencies providing employment opportunities for disabled individuals under ORS  
37 279.835 to 279.855.

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

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

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

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

45 **(A) One member who is a public school teacher; and**

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

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

8 (3) A majority of the members of the task force constitutes a quorum for the transaction  
9 of business.

10 (4) Official action by the task force requires the approval of a majority of the members  
11 of the task force.

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

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

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

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

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

21 (10) The interim committee shall use the services of permanent legislative staff to the  
22 greatest extent practicable.

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

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

33 (13) The Legislative Administrator may accept, on behalf of the task force, contributions  
34 of moneys and assistance from the United States Government or its agencies or from any  
35 other source, public or private, and agree to conditions placed on the moneys not inconsis-  
36 tent with the duties of the task force.

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

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

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

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

1 **July 1, 2005.**

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