

**A-Engrossed**  
**Senate Bill 766**

Ordered by the Senate April 14  
Including Senate Amendments dated April 14

Sponsored by COMMITTEE ON EDUCATION AND WORKFORCE

**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.

Limits amount of salary and benefits that school district, education service district or public charter school may pay administrator at end of contract. **Defines "administrator" for purposes of Act.** Prohibits district or school from granting administrator retirement benefits that are not available to other employees. **Provides that district or school may make contributions to retirement plan of administrator in lieu of making contributions to Public Employees Retirement System.**

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to school administrators; and declaring an emergency.

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

4 **SECTION 1. (1) As used in this section, "administrator" has the meaning given that term**  
5 **in ORS 342.120 and also includes employees who hold administrative positions but who are**  
6 **not required to be licensed and are not represented by a bargaining unit.**

7 **(2) A school district, education service district or public charter school may not enter**  
8 **into a contract with an administrator that grants to the administrator:**

9 **(a) Salary and benefits at the end of a contract that have a value that is greater than**  
10 **an amount equal to 25 percent of the amount of salary and benefits paid to the administrator**  
11 **in the prior school year; or**

12 **(b) Except as provided in section 2 of this 2005 Act, retirement benefits that are not**  
13 **available to other employees of the district or school.**

14 **SECTION 2. (1) As used in this section:**

15 **(a) "Administrator" has the meaning given that term in section 1 of this 2005 Act.**

16 **(b) "School" means a school district, education service district or public charter school.**

17 **(2) Notwithstanding any provision of ORS chapter 238 or 238A, a school may make con-**  
18 **tributions to the retirement plan of an administrator in lieu of making contributions to the**  
19 **Public Employees Retirement System for the administrator. A school may make contribu-**  
20 **tions to the retirement plan of an administrator under this section only if the administrator**  
21 **is not a member of the Public Employees Retirement System and makes an irrevocable**  
22 **election under subsection (3) of this section.**

23 **(3) An administrator may make an irrevocable election to have contributions made to the**  
24 **retirement plan of the administrator within six months after being employed. An election**  
25 **under this subsection is effective on the first day of the month following six full months of**

**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 **employment. An administrator who makes an irrevocable election under this subsection is**  
2 **not eligible for membership in the Public Employees Retirement System.**

3 **(4) A school may not contribute amounts to the retirement plan of an administrator**  
4 **under the provisions of this section in excess of the amounts that the school would contrib-**  
5 **ute as employee and employer contributions to the Public Employees Retirement System if**  
6 **the administrator were a member of the Public Employees Retirement System.**

7 **SECTION 3. Sections 1 and 2 of this 2005 Act apply to contracts entered into on or after**  
8 **the effective date of this 2005 Act.**

9 **SECTION 4. 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 **on its passage.**

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