
MEMORANDUM

Legislative Fiscal Office
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To: *Human Services Subcommittee*

From: *Linda Ames, Legislative Fiscal Office*
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Date: June 11, 2013

Subject: *HB 5030 – Oregon Health Authority – Public Employees’ Benefit Board*
Work Session Recommendations

Oregon Health Authority – PEBB Totals

	2009-11 Actual	2011-13 Legislatively Approved	2013-15 Current Service Level	2013-15 LFO Recommended
Other Funds	15,840,243	8,715,361	9,248,755	1,541,152,046
Other Funds NL	900,788,603	1,405,241,260	1,712,335,080	0
Total Funds	\$916,628,846	\$1,413,956,621	\$1,721,583,835	\$1,541,152,046
Positions	19	19	20	20
FTE	18.50	18.50	19.50	19.50

Attached are the recommendations from the Legislative Fiscal Office for the Oregon Health Authority – Public Employees’ Benefit Board (PEBB). The LFO recommended budget for total funds is 9.0% higher than the 2011-13 Legislatively Approved Budget. The increase is primarily the result of including fully insured benefit costs in the budget for PEBB. It contains the following:

- Caps PEBB expenditure growth Per Employee Per Month at 4.4% for 2013, 3.4% for 2014, and 3.4% for 2015;
- Eliminates all Non-limited Other Funds authority, and instead moves all expenditure limitation to Other Funds Limited;
- Includes all program expenditures, both self-insured and fully insured, in the budget for PEBB. In the past the PEBB budget has reflected only the self-insured benefit costs.

Adjustments to Current Service Level:

See attached "HB 5030 Work Session" spreadsheet dated 6/8/13.

LFO recommends the Subcommittee approve a 2013-15 OHA PEBB preliminary budget of:

\$ 1,541,152,046 Other Funds

20 Positions

19.50 FTE

Accept LFO Recommendation

Move LFO preliminary budget recommendations.

Performance Measures

All agency performance measures will be presented for review and approval as part of the final action on the OHA budget.

Recommended Changes to Appropriation Bill:

PEBB is part of HB 5030, which is the budget bill for the entire Oregon Health Authority. The recommended amendments to HB 5030 will be presented after work sessions are completed on all parts of the budget.

**OREGON HEALTH AUTHORITY: PUBLIC EMPLOYEES' BENEFIT BOARD
HB 5030 WORK SESSION**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
2011-13 Legislatively Approved Budget (As of December 2012)	-	-	8,715,361	-	1,405,241,260	-	1,413,956,621	19	18.50	Budget currently includes only self-insured expenditures
2013-15 Current Service Level Estimate (at Governor's Budget)	-	-	9,248,755	-	1,712,335,080	-	1,721,583,835	20	19.50	
2013-15 Governor's Budget	-	-	9,154,655	-	1,752,335,080	-	1,761,489,735	20	19.50	
2013-15 LFO RECOMMENDED BUDGET	-	-	1,541,152,046	-	-	-	1,541,152,046	20	19.50	

2013-15 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL

1	2013-15 Current Service Level Estimate	-	-	9,248,755	-	1,712,335,080	-	1,721,583,835	20	19.50	
2	LFO Recommendations of Existing Packages										
3	Pkg 092: PERS taxation policy	-	-	(10,467)	-	-	-	(10,467)	-	-	
4	Pkg 093: Other PERS adjustments	-	-	(83,633)	-	-	-	(83,633)	-	-	
5	Pkg 094: December 2012 EBoard actions	-	-	-	-	26,000,000	-	26,000,000	-	-	Increase limitation for HEM
6	Subtotal recommended existing packages	-	-	(94,100)	-	26,000,000	-	25,905,900	-	-	
7											
8	Other Recommended Adjustments										
9	Pkg 810: LFO Analyst Adjustments										
10	Reprojection & Capping of expenditure growth	-	-	-	-	(206,337,689)	-	(206,337,689)	-	-	See attached display
11	Switch Non-limited to Limited expenditures	-	-	1,531,997,391	-	(1,531,997,391)	-	-	-	-	
12	Subtotal other LFO recommended adjustments	-	-	1,531,997,391	-	(1,738,335,080)	-	(206,337,689)	-	-	
13											
14	Total adjustments LFO Rec from CSL	-	-	1,531,903,291	-	(1,712,335,080)	-	(180,431,789)	-	-	
15	TOTAL 2013-15 LFO Recommended Budget	-	-	1,541,152,046	-	-	-	1,541,152,046	20	19.50	
16	Change from 2011-13 Approved							127,195,425	1	1.00	
17	Change from 2013-15 CSL Estimate							(180,431,789)	-	-	
18	Change from 2013-15 Governor's Budget							(220,337,689)	-	-	
19	% Change from 2011-13 Approved							9.0%	5.3%	5.4%	
20	% Change from 2013-15 CSL Estimate							-10.5%	0.0%	0.0%	
21	% Change from 2013-15 Governor's Budget							-12.5%	0.0%	0.0%	