



Fern Ridge School District 28J

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Re: Senate Bill 789

To Sen. Floyd Prozanski and members of the Senate Committee on General Government,
Consumer and Small Business Protection:

The Fern Ridge School District first requested an exception from the requirement to offer benefits provided and administered by the Oregon Educators Benefit Board (OEBB) in 2008. Since that time our District has passed three subsequent comparability analyses with the same results – that the premiums for the benefit plans contracted for by our District are less than the premiums for comparable benefit plans provided and administered by the OEBB. **Our 2012 comparability analysis indicated that the cost of our benefit plans are currently 21% lower than the comparable OEBB plans.**

Our District serves 1,400 students and our benefit plans provide coverage for 133 active employees and 45 retired employees. In the last five years our District has reduced staff and programs while our employees have experienced pay freezes and higher class sizes. **The savings in our 2012 comparability analysis alone total \$479,208, which is more than 4% of our annual operating budget and the equivalent of six full-time teaching positions.** Had Fern Ridge been offering the benefits provided and administered by the OEBB during the last five years we would have had to make additional reductions and our employees would have experienced a substantial increase in out of pocket costs along with a reduction in benefits.

Since the inception of the OEBB our District has experienced rate increases below industry trend while still being able to retain a high level of comprehensive benefits for our employees. Our monthly employer contribution for premiums averages \$992 per employee, significantly below the state average. As evidenced by these factors and the significant cost savings identified in our last comparability analysis, we have proven to be prudent in the management of these programs for our employees.

We encourage your support of Senate Bill 789 as it helps districts like Fern Ridge that can consistently demonstrate cost savings by removing the burden of ongoing comparability analysis. It is imperative for our District to be able to continue to offer a comprehensive level of benefits at a reasonable out of pocket cost for our employees.

Sincerely,

Dennis Friedrich
Superintendent
Fern Ridge School District 28J

Olivia Meyers Buch
Business Manager
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