



TO: Sen. Roblan, Chair

Members of Senate Education Committee

FR: Terri Burton, Benefits Director

Portland Public Schools

RE: Support for SB 387

Thank you for the opportunity to present the below and attached documents explaining our support for SB 387. It is our understanding that Portland Public Schools is one of only four districts in Oregon that has 'split coverage.' This essentially means that we have an existing insurance Trust, which covers the majority of our employees, as well as a small percentage of our employees covered by OEGB. We are not allowed to simply move the OEGB covered employees into Trust coverage. **This split coverage results in significant administrative duplication by requiring our district to essentially manage two suites of health care coverage plan offerings in separate systems. Duplication of effort such as two open enrollments, two benefit fairs, etc. add confusion and possible inequity of coverage for our employees.**

We have an average of 1,000 employees and retirees in OEGB (currently at 849 active and 49 retirees), which we believe is insignificant compared to OEGB's 150,000 total OEGB members. In comparison, the PPS Trust covers about 6,000 employees and retirees.

SB 387 provides the flexibility for our district, and a handful of others, to move our employees under one coverage plan. You will see in the attached documents comparing our health and pharmacy plans that had this bill been in place in 2010, the savings to our district and employees would have been significant. **PPS would have saved approximately \$15.5 million over a seven-year period from 2010-2017 by being in the PPS Trust plans instead of OEGB plans. The calculated savings does not include dental and vision coverage, which we would expect savings there, as well. This equates to \$2.2 million a year on average – or the equivalent of 19 additional teacher positions.**

In addition to the above savings, the Trust Plan has less out of pocket expenses for our employees, such as deductibles, copays, coinsurance, and out of pocket maximums for employees and their families when services are utilized. Being partially in and out of OEGB has created a house divided as OEGB members are resentful of the Trust plans and employees are required to sign up for new plans when changing to a non-Trust position. We appreciate your consideration of SB 387 and the much needed flexibility it would provide our district.

Portland Public School District #1

Summary of Annualized Savings 2010-2017
 Compares Medical/Pharmacy only Actual (outside OEBS) to OEBS

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2010-17 Total
Active Count	886	860	850	818	822	864	849	
Retiree Count	164	157	147	61	53	50	49	
Active Employees	\$1,109,708	\$1,802,201	-\$13,529	\$2,208,933	\$3,408,468	\$4,267,994	\$1,465,336	\$14,249,112
Early Retirees	\$203,610	\$306,731	\$57,439	\$200,410	\$229,031	\$225,229	\$121,743	\$1,344,194
Combined Savings	\$1,313,318	\$2,108,933	\$43,910	\$2,409,343	\$3,637,500	\$4,493,224	\$1,587,079	\$15,593,306