



## Oregon School Employees Association

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Chair Roblan and Members of the Committee:

My name is Tyler Shipman I am a government relations specialist with the Oregon School Employees Association (OSEA). Our association represents over 21,000 education employees across the state, including K-12 public schools, education service districts (ESDs), community colleges, Head Starts, park and recreation districts and libraries. I am appearing today on behalf of OSEA to speak in opposition of Senate Bill (SB) 387.

SB 386 would allow school districts to leave the Oregon Educators Benefit Board (OEBB) to purchase insurance from outside providers. While this legislation is an attempt to curb the cost of insurance, it would only lead to reduced benefits and increased premiums for our members. When districts leave OEBB, the pool of employees becomes smaller. This decreases OEBB's negotiating power with insurance providers leading to increased prices for coverage. Due to insurance contribution caps in collective bargaining agreements our members would be stuck paying the difference out-of-pocket.

The health care benefits that schools provide are an important incentive for attracting quality employees. Many school employees continue to work in education to receive a contribution towards their insurance premiums. Some employees do not receive a monthly contribution that fully covers their insurance premiums so they willingly pay the rest out of pocket to maintain health insurance coverage. Classified employees are already low wage earners; they cannot afford an added cost to their insurance.

Under OEBB all districts are able to pay a single rate for individual plans that are offered to employees. This means that districts statewide are able to maintain the same health coverage. If districts are allowed to buy plans on their own then a great inequality of health care will occur between districts. Districts with the most employees may be able to find decent coverage at a low cost and leave OEBB. Once large districts begin to leave OEBB the districts that remain will be left with higher costs due to the smaller pool. School districts in rural parts of Oregon will also be at a disadvantage because they often have fewer employees making it difficult to find quality and affordable health plans outside of OEBB.

The ability for our members to afford quality health care is vital to their quality of living. While SB 386 intends to create more affordable health insurance; it would do the opposite by creating inequity between district health care plans. OSEA opposes any change to OEBB that would weaken the quality of health plans or that create higher out-of-pocket costs to employees. When it comes to the quality of our members' health care we cannot be near-sighted. We urge you to oppose SB 387.

Tyler Shipman  
Government Relations Specialist