

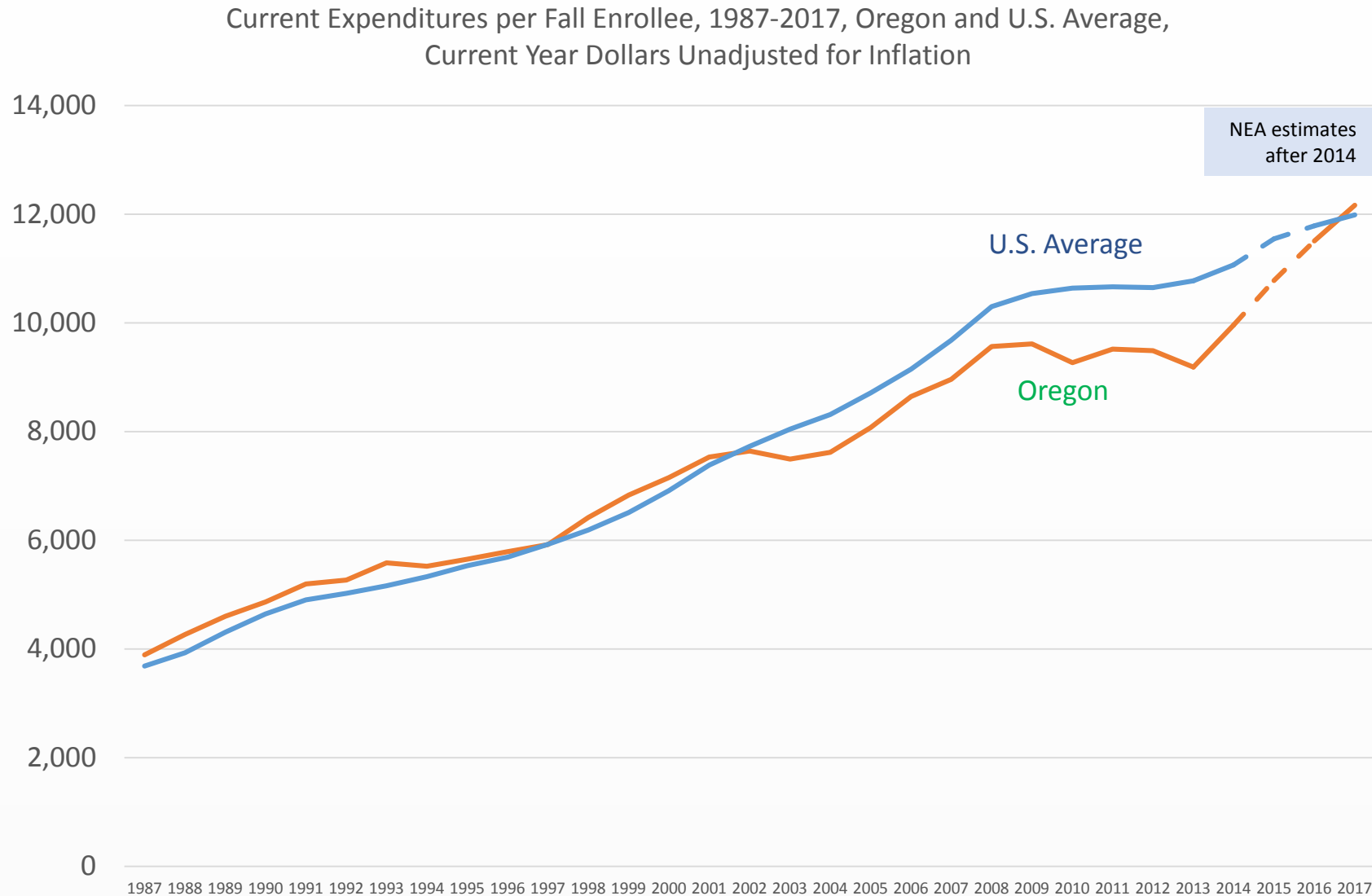
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# Goals of Fiscal Plan

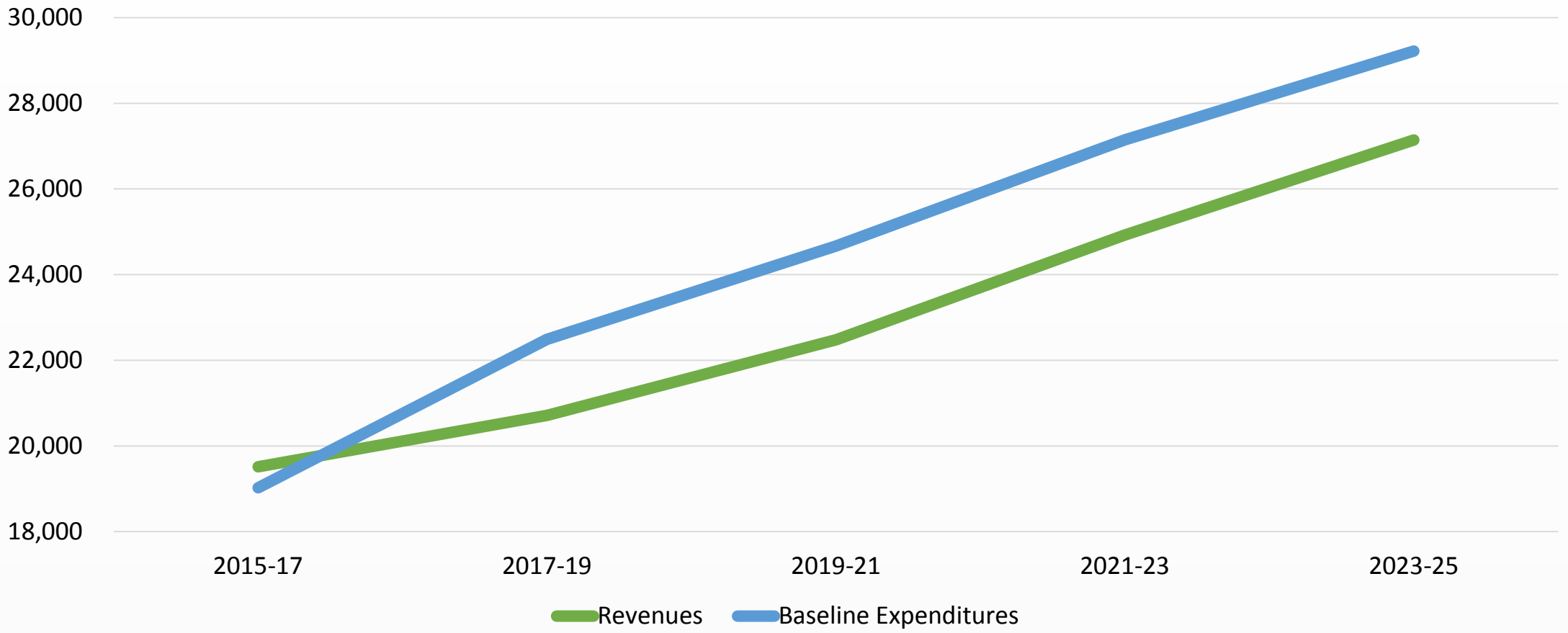
- Maintain Medicaid expansion
- Sustainable costs for public and private sector employee health insurance
- Boost graduation rates, CTE/STEM, and higher education attainment
- Improve early literacy
- Low crime rates and just incarceration policies

# Oregon v. U.S. K12 Spending, 1987-2017

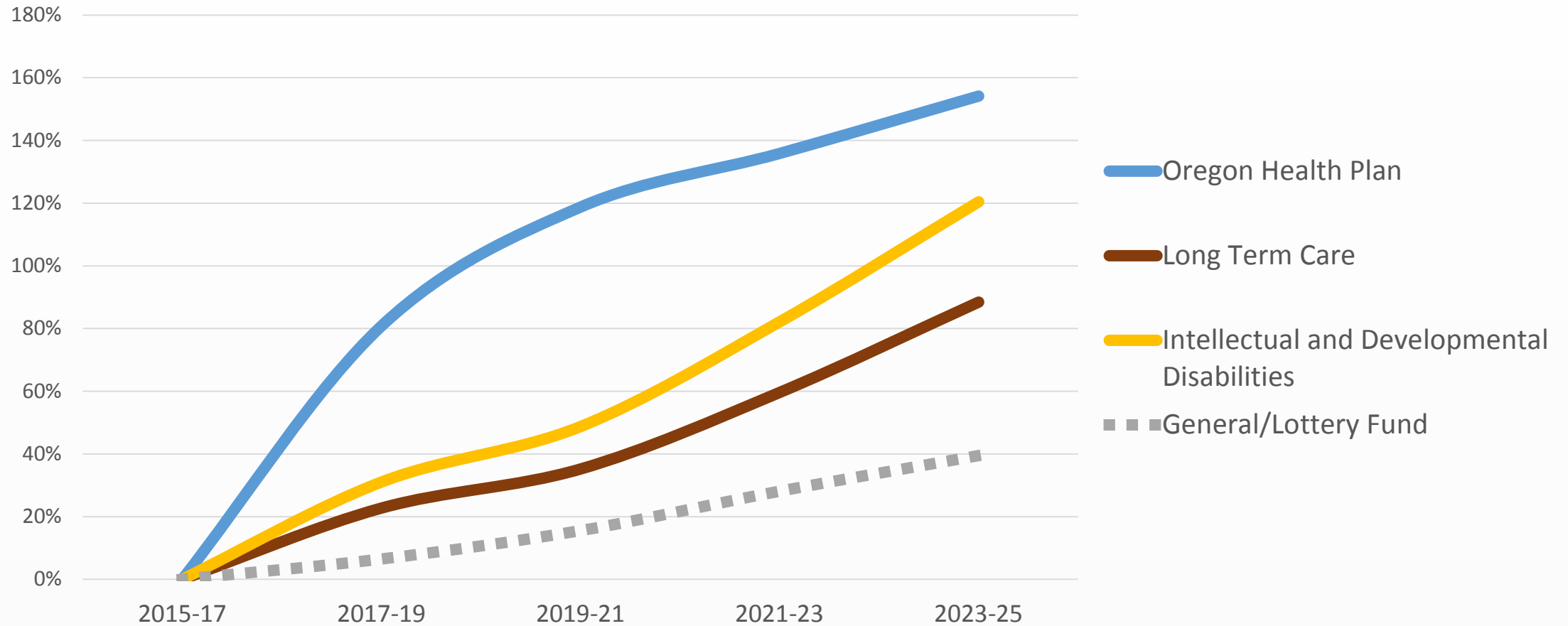


SOURCES: **1987-2014** U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "National Public Education Financial Survey (State Fiscal), Various Years. **2015-2017**. National Education Association (May 2017) *Rankings and Estimates: Rankings of the States 2016 and Estimates of School Statistics 2017*

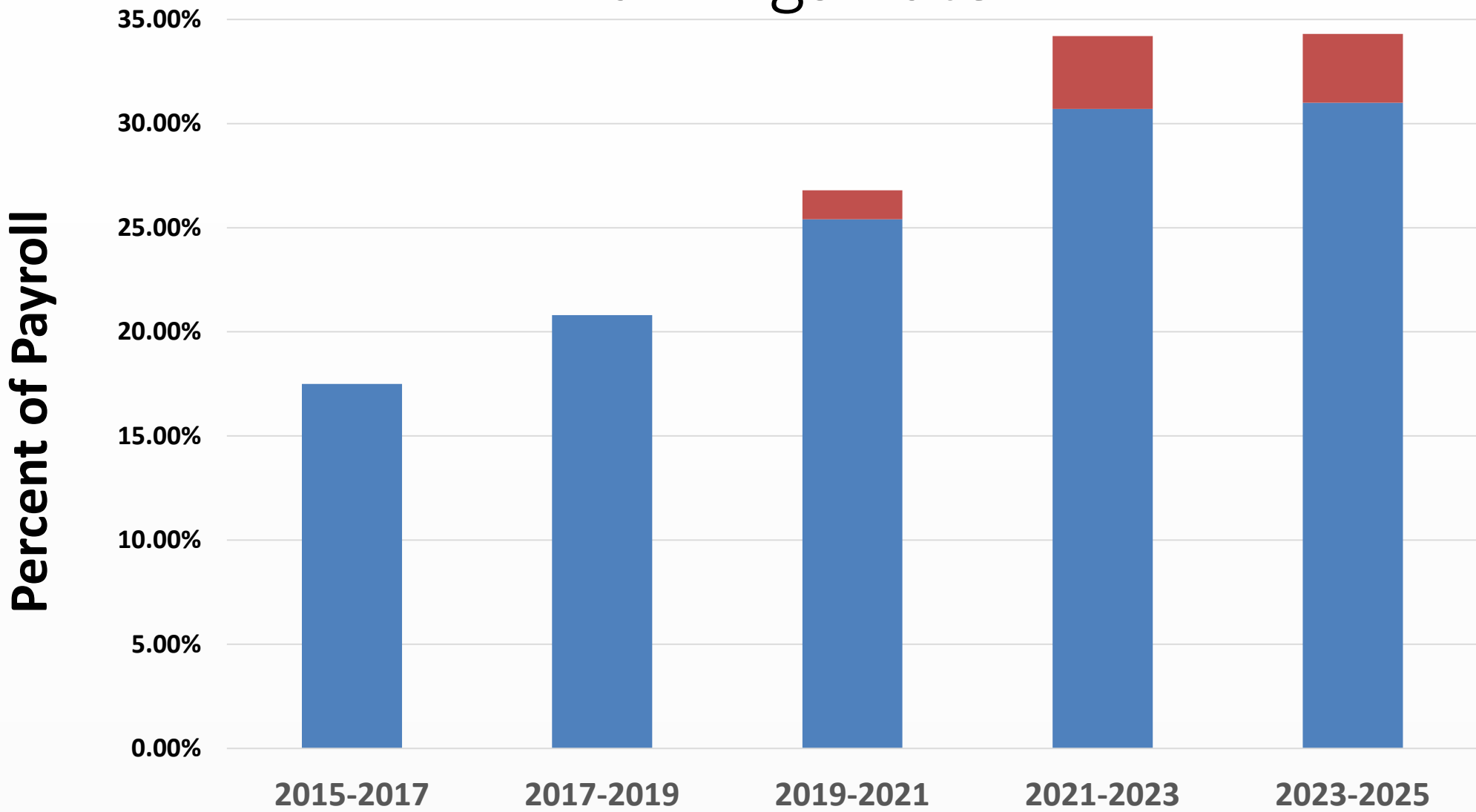
# Looking Ahead: Revenues Growing But Expenditures Growing Faster



# Medicaid Cost Drivers

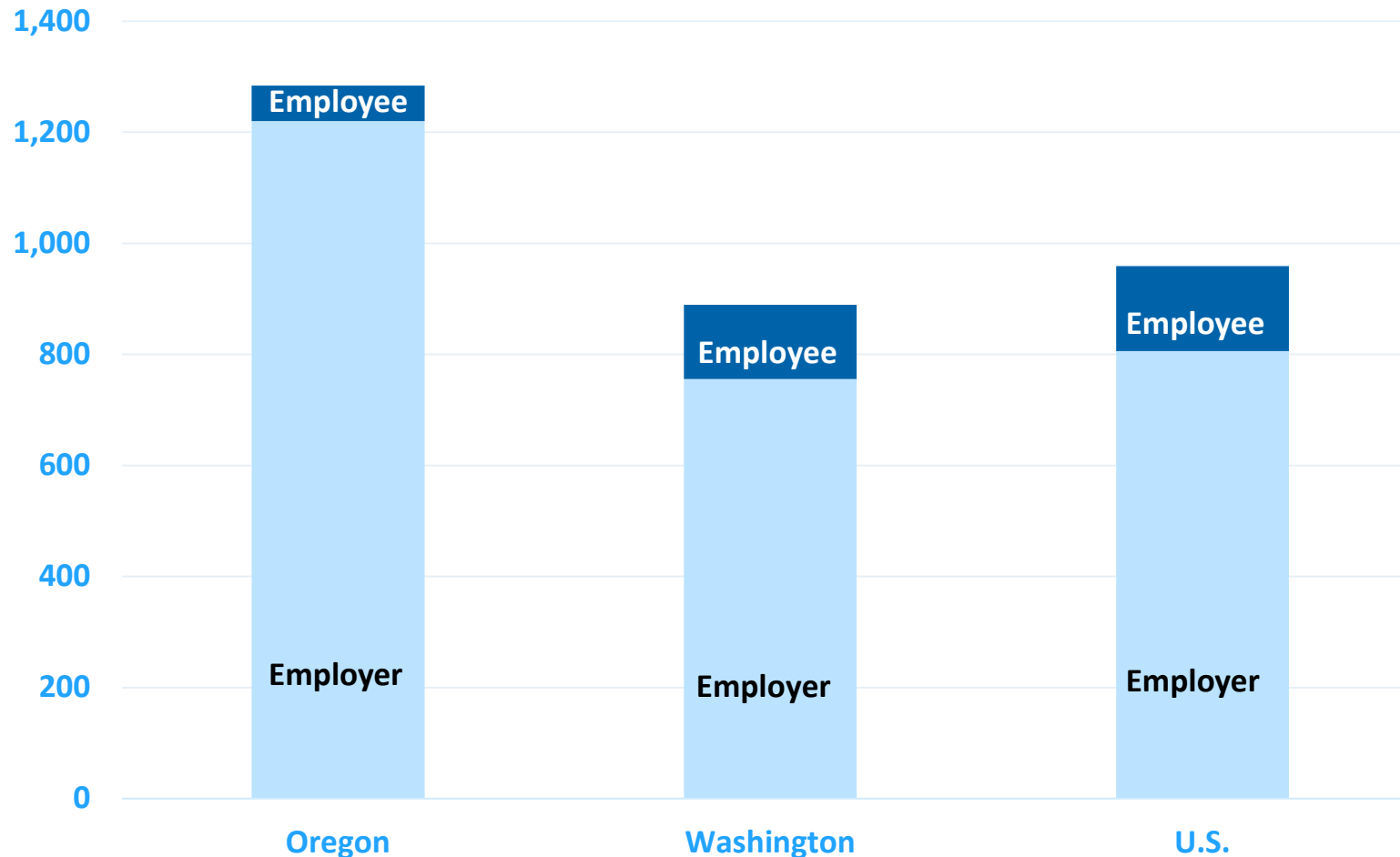


# Projected PERS Employer Rates at 7.5% and 7% Assumed Earnings Rate



# Average Monthly Premiums for State Agency Health Plans

## 2013 Employer and Employee Contributions for Oregon, Washington and U.S.



### Oregon Rankings

- 6<sup>th</sup> highest average total premium
- 5<sup>th</sup> lowest average employee contribution percentage

Source: ECONorthwest, The Pew Charitable Trusts. (August 2014) *State Employee Health Plan Spending*. Table 1. Analysis does not include school district or local government employees.

# Solutions

- Medicaid Solutions
  - Provider tax
  - Intergovernmental transfers
  - Reductions
  - Etc.
- Cost-Containment
  - PERS
  - Employee health insurance
  - Criminal justice safety and savings and justice reinvestment
  - Other strategies in SB 1067, Governor's Executive Order
- New Taxes to Pay for New Investments in Early Learning, Improving High School Graduation Rates and College Affordability and Completion
  - Corporate income tax
  - Fine-tune 2013 pass-through tax cut
  - Eliminate property tax early payment discount for commercial, industrial and other business property
  - Health insurance premium tax



# Some Benefits

- Medicaid expansion covered
- K-12 schools above CSL because of reduced PERS/healthcare costs.
- Measure 98 fully funded
- Reinsurance program helps stabilize costs in individual health insurance market
- Tuition increases stemmed from higher funding levels and from PERS and healthcare cost savings
- New investment in age three through grade three reading