

**Legislative  
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**Joint Committee on  
Ways and Means**

Sen. Betsy Johnson, Senate Co-Chair  
Sen. Elizabeth Steiner Hayward, Senate Co-Chair  
Rep. Dan Rayfield, House Co-Chair

Sen. Jackie Winters, Senate Co-Vice Chair  
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Rep. Greg Smith, House Co-Vice Chair

**To:** Human Services Subcommittee  
**From:** Tom MacDonald, Legislative Fiscal Office  
**Date:** June 12, 2019  
**Subject:** SB 5525 – Oregon Health Authority - Oregon Educators Benefit Board  
Work Session Recommendations

**Oregon Health Authority – Oregon Educators Benefit Board**

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 LFO Recommended
Other Funds	1,507,266,355	1,709,882,105	1,739,526,870	1,740,199,515
<b>Total Funds</b>	<b>1,507,266,355</b>	<b>1,709,882,105</b>	<b>1,739,526,870</b>	<b>1,740,199,515</b>
Positions	22	19	19	20
FTE	22.00	19.00	19.00	20.00

Attached are recommendations from the Legislative Fiscal Office (LFO) for the Oregon Educators Benefit Board (OEBB) budget within the Oregon Health Authority (OHA). The budget recommended by LFO totals \$1.7 billion, which is entirely Other Funds. The recommendation represents a 1.7 percent increase from the 2017-19 legislatively approved budget and a minimal change from the 2019-21 current service level budget. OEBB receives Other Funds revenue from employee health care premium payments from the k-12 school system and other participating members.

The recommended 2019-21 budget for OEBB includes the following changes or budget actions:

- *Benefit Management System* - increased Other Funds expenditure limitation of \$897,707 to support the planning stage of a project to replace the benefit management systems used by OEBB and the Public Employees’ Benefit Board (PEBB). A similar adjustment is recommended in the PEBB budget. The OHA budget report will direct the Department of Administrative Services to schedule funding for this project as progress is made (Package 421).
- *Cost Containment* - the budget continues to cap OEBB expenditure growth at 3.4 percent per member per year.

## **Adjustments to Current Service Level**

See attached "Work Session Presentation Report."

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

LFO recommends the Subcommittee approve a 2019-21 Oregon Educators Benefit Board preliminary budget of:

\$ 1,740,199,515      Other Funds

20 Positions

20.00 FTE

***Accept*** LFO Recommendation:

**MOTION:** I move the LFO recommendation to SB 5525. (VOTE)

**OR**

***Change*** LFO Recommendation:

**MOTION:** I move the LFO recommendation to SB 5525, with modifications. (VOTE)

## **Performance Measures**

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

## **Recommended Changes**

The Oregon Educators Benefit Board budget is part of SB 5525, which is the budget bill for the entire Oregon Health Authority. The recommended amendments to SB 5525 will be presented after work sessions are completed on all parts of the budget.

**OREGON HEALTH AUTHORITY: OREGON EDUCATORS BENEFIT BOARD  
SB 5525 WORK SESSION**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
<b>2017-19 Legislatively Approved Budget (As of June 2019)</b>	-	-	1,709,882,105	-	-	-	1,709,882,105	19	19.00	
<b>2019-21 Current Service Level</b>	-	-	1,739,526,870	-	-	-	1,739,526,870	19	19.00	
<b>2019-21 Governor's Budget</b>	-	-	1,740,361,217	-	-	-	1,740,361,217	21	21.00	
<b>2019-21 LFO RECOMMENDED BUDGET</b>	-	-	1,740,199,515	-	-	-	1,740,199,515	20	20.00	
<b>2019-21 LFO RECOMMENDED BUDGET ADJUSTMENTS</b>										
1 <b>2019-21 Current Service Level Estimate</b>	-	-	1,739,526,870	-	-	-	1,739,526,870	19	19.00	
2 <b>LFO Recommendations of Existing Packages</b>										
3 Pkg 421: OEBC/PEBB Benefit Management System	-	-	897,707	-	-	-	897,707	2	2.00	
4										
5 <b>Other Recommended Adjustments</b>										
6 Pkg 801: LFO Analyst Adjustments										
7 Technical adjustments and transfers			(225,062)				(225,062)	(1)	(1.00)	
8										
9 <b>Total Adjustments from CSL</b>	-	-	672,645	-	-	-	672,645	1	1.00	
10										
11 <b>TOTAL 2019-21 Recommended Budget</b>	-	-	1,740,199,515	-	-	-	1,740,199,515	20	20.00	
12										
13 <b>Change from 2017-19 Approved</b>			30,317,410				30,317,410	1	1.00	
14 <b>Change from 2019-21 CSL Estimate</b>			672,645				672,645	1	1.00	
15 <b>Change from 2019-21 Governor's Budget</b>			(161,702)				(161,702)	(1)	(1.00)	
16										
17 <b>% Change from 2017-19 Approved</b>			1.8%				1.8%	5.3%	5.3%	
18 <b>% Change from 2019-21 CSL Estimate</b>			0.0%				0.0%	5.3%	5.3%	
19 <b>% Change from 2019-21 Governor's Budget</b>			0.0%				0.0%	-4.8%	-4.8%	