

Retiree Health Care Expenses Data Tables

1. SF Bay Area Public-Sector Entities

Public-Sector Entity	Type	2003-04 Retiree Health Benefits Expenditure	2003-04 Total Expenditure	2003-04 as a Percent of Total Expenditure*	2019-20 Retiree Health Benefit Expenditure**
Santa Cruz	City	\$98,239	\$123,886,710	0.08%	\$1,055,873
San Jose Unified School District	School	\$311,895	\$362,139,936	0.09%	\$3,352,253
Campbell	City	\$41,596	\$40,500,874	0.10%	\$447,074
Oakland Unified School District	School	\$719,101	\$532,696,610	0.13%	\$7,728,905
San Mateo Co. Transit Dist	Special	\$337,100	\$144,900,000	0.23%	\$3,623,152
Oakland	City	\$2,755,579	\$1,085,836,880	0.25%	\$29,616,975
San Mateo	County	\$2,593,000	\$930,542,000	0.28%	\$27,869,575
Berkeley	City	\$777,960	\$265,221,814	0.29%	\$8,361,517
Santa Cruz	County	\$1,108,817	\$368,432,900	0.30%	\$11,917,570
Santa Clara Valley Water District	Special	\$1,295,000	\$281,885,496	0.46%	\$13,918,665
Mount Diablo Unified School District	School	\$1,901,270	\$361,344,875	0.53%	\$20,434,858
Santa Clara	County	\$19,382,159	\$2,869,261,687	0.68%	\$208,319,526
Fremont	City	\$1,212,158	\$176,648,879	0.69%	\$13,028,279
San Mateo	City	\$841,000	\$121,151,631	0.69%	\$9,039,072
Contra Costa Water Dist.	Special	\$821,949	\$104,203,652	0.79%	\$8,834,311
Santa Clara Transit Authority	Special	\$3,493,000	\$396,610,259	0.88%	\$37,542,779
Redwood City	City	\$1,036,634	\$112,930,310	0.92%	\$11,141,747
San Francisco BART Dist.	Special	\$5,525,000	\$573,525,287	0.96%	\$59,382,723
Palo Alto	City	\$3,199,000	\$299,014,671	1.07%	\$34,382,865
Pacific Grove Unified School District	School	\$273,018	\$24,119,584	1.13%	\$2,934,395
East Bay MUD	Special	\$4,577,000	\$367,531,000	1.25%	\$49,193,615
Sunnyvale	City	\$2,754,418	\$215,853,538	1.28%	\$29,604,496
Contra Costa	County	\$25,132,363	\$1,860,163,000	1.35%	\$270,122,743
Marin	County	\$5,673,201	\$406,730,877	1.39%	\$60,975,588
Los Altos Elementary School District	School	\$993,009	\$62,096,426	1.60%	\$10,672,865
San Francisco	City	\$113,700,000	\$6,070,232,894	1.87%	\$1,222,048,078
West Contra Costa Unified School District	School	\$9,937,376	\$377,587,976	2.63%	\$106,806,959
Golden Gate Bridge Hwy Transportation Dept.	Special	\$4,630,000	\$131,059,267	3.53%	\$49,763,259

Note: Entities selected as part of a larger analysis to reflect a representative sample of California counties, cities, school districts, and special districts.

* Color ranking indicates whether an entity falls into the lowest third, middle third, or highest third level across the state.

** Estimates an aggregate 16% annual increase, which includes increases in health premiums, inflation, and the number of retirees.

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2. Central California Public-Sector Entities

Public-Sector Entity	Type	2003-04 Retiree Health Benefits Expenditure	2003-04 Total Expenditure	2003-04 as a Percent of Total Expenditure*	2019-20 Retiree Health Benefit Expenditure**
Tuolumne	County	\$93,891	\$147,144,625	0.06%	\$1,009,141
Kings	County	\$88,685	\$138,515,658	0.06%	\$953,187
San Luis Obispo	County	\$309,000	\$454,822,000	0.07%	\$3,321,133
Kern	County	\$3,150,000	\$1,244,236,000	0.25%	\$33,856,213
Modesto Irrigation Dist. Financing Authority	Special	\$926,000	\$245,378,000	0.38%	\$9,952,652
Merced	County	\$3,071,433	\$396,008,297	0.78%	\$33,011,775
Manteca Unified School District	School	\$1,617,123	\$189,989,401	0.85%	\$17,380,845
Stanislaus	County	\$7,000,000	\$539,975,507	1.30%	\$75,236,029
Alpine	County	\$295,275	\$11,814,528	2.50%	\$3,173,617
Stockton	City	\$8,179,000	\$310,778,791	2.63%	\$87,907,926

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Retiree Health Care Expenses Data Tables

3. Northern California Public-Sector Entities

Public-Sector Entity	Type	2003-04 Retiree Health Benefits Expenditure	2003-04 Total Expenditure	2003-04 as a Percent of Total Expenditure*	2019-20 Retiree Health Benefit Expenditure**
Solano	County	\$47,146	\$616,748,324	0.01%	\$506,725
Sutter	County	\$16,320	\$144,554,916	0.01%	\$175,407
Humboldt	County	\$29,376	\$212,670,073	0.01%	\$315,733
Yuba	County	\$23,319	\$121,954,082	0.02%	\$250,633
Lake	County	\$185,143	\$144,540,576	0.13%	\$1,989,918
Fairfield-Suisun Unified School District	School	\$359,162	\$206,850,716	0.17%	\$3,860,276
El Dorado	County	\$467,000	\$225,562,331	0.21%	\$5,019,318
Napa	County	\$389,682	\$187,086,342	0.21%	\$4,188,304
Butte	County	\$725,135	\$292,440,283	0.25%	\$7,793,754
Glenn	County	\$143,254	\$56,143,212	0.26%	\$1,539,695
Sacramento Regional Transit Dist.	Special	\$350,000	\$132,634,451	0.26%	\$3,761,801
El Dorado Irrigation Dist.	Special	\$160,473	\$47,000,000	0.34%	\$1,724,764
Lassen	County	\$238,203	\$62,823,144	0.38%	\$2,560,207
Redding	City	\$1,150,594	\$245,256,720	0.47%	\$12,366,589
Sierra	County	\$75,212	\$14,919,512	0.50%	\$808,379
Sacramento	County	\$12,211,000	\$2,331,394,000	0.52%	\$131,243,879
Yolo	County	\$1,040,158	\$191,576,197	0.54%	\$11,179,623
Northern Calif. Power Agency	Special	\$756,824	\$131,313,774	0.58%	\$8,134,348
Shasta	County	\$1,610,838	\$239,175,412	0.67%	\$17,313,294
San Juan Unified -- Sacramento County	School	\$3,268,402	\$449,657,678	0.73%	\$35,128,801
Nevada	County	\$851,014	\$115,304,177	0.74%	\$9,146,702
Sacramento MUD	Special	\$9,500,000	\$1,074,166,023	0.88%	\$102,106,040
Trinity	County	\$573,696	\$64,157,481	0.89%	\$6,166,087
Sacramento	City	\$7,388,040	\$780,689,000	0.95%	\$79,406,685
Placer	County	\$3,745,825	\$339,647,000	1.10%	\$40,260,143
Sonoma	County	\$8,929,000	\$699,494,000	1.28%	\$95,968,930
Colusa	County	\$426,235	\$31,608,372	1.35%	\$4,581,176
Mendocino	County	\$3,100,000	\$183,470,000	1.69%	\$33,318,813
Sacramento City Unified School District	School	\$11,120,168	\$569,960,809	1.95%	\$119,519,610

Note: Entities selected as part of a larger analysis to reflect a representative sample of California counties, cities, school districts, and special districts.

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4. Southern California Public-Sector Entities

Public-Sector Entity	Type	2003-04 Retiree Health Benefits Expenditure	2003-04 Total Expenditure	2003-04 as a Percent of Total Expenditure*	2019-20 Retiree Health Benefit Expenditure**
San Diego Co. Water Authority	Special	\$55,000	\$284,400,000	0.02%	\$591,140
Mission Viejo	City	\$14,645	\$53,080,582	0.03%	\$157,405
Loma Linda	City	\$5,302	\$18,353,182	0.03%	\$56,986
West Basin Municipal Water Dist.	Special	\$35,262	\$105,116,725	0.03%	\$378,996
Oxnard	City	\$92,932	\$232,976,975	0.04%	\$998,834
Santa Clarita	City	\$79,191	\$118,914,199	0.07%	\$851,145
Riverside Unified School District	School	\$402,284	\$320,132,321	0.13%	\$4,323,745
Hemet Unified School District	School	\$251,362	\$190,417,991	0.13%	\$2,701,645
San Diego City Unified School District	School	\$2,369,464	\$1,581,759,642	0.15%	\$25,467,009
Palm Desert	City	\$95,857	\$55,493,325	0.17%	\$1,030,271
Desert Sands Unified School District	School	\$582,800	\$309,122,111	0.19%	\$6,263,932
Inland Empire Utilities Agency	Special	\$127,002	\$65,010,916	0.20%	\$1,365,018
San Bernardino City Unified School District	School	\$946,565	\$472,807,097	0.20%	\$10,173,681
Lompoc	City	\$180,935	\$61,232,986	0.30%	\$1,944,690
Burbank Unified School District	School	\$530,597	\$160,980,148	0.33%	\$5,702,856
El Monte	City	\$412,282	\$80,319,041	0.51%	\$4,431,209
Orange	County	\$14,180,000	\$2,669,738,000	0.53%	\$152,406,700
Long Beach	City	\$6,795,280	\$1,271,856,040	0.53%	\$73,035,698
Colton	City	\$543,886	\$89,497,357	0.61%	\$5,845,689
Eastern Municipal Water District	Special	\$913,662	\$145,671,022	0.63%	\$9,820,043
San Diego	City	\$13,049,310	\$2,068,726,158	0.63%	\$140,254,039
Costa Mesa	City	\$656,112	\$99,698,741	0.66%	\$7,051,895
Las Virgenes Municipal Water Dist.	Special	\$280,265	\$40,797,000	0.69%	\$3,012,289
Banning Unified School District	School	\$258,059	\$37,420,908	0.69%	\$2,773,618
Imperial	County	\$1,847,998	\$234,013,435	0.79%	\$19,862,290
Metropolitan Water Dist of So. Cal.	Special	\$7,742,000	\$903,434,443	0.86%	\$83,211,049
San Diego Unified Port District	Special	\$1,177,078	\$125,233,416	0.94%	\$12,651,239
Bellflower	City	\$277,576	\$27,969,821	0.99%	\$2,983,388
Brea	City	\$634,875	\$61,949,894	1.02%	\$6,823,639
Santa Barbara	County	\$5,751,468	\$558,430,000	1.03%	\$61,816,802
Los Angeles	County	\$169,300,000	\$15,650,000,000	1.08%	\$1,819,637,112
LA County Metro Transit Authority	Special	\$17,049,000	\$1,256,277,622	1.36%	\$183,242,724
Corona	City	\$2,478,746	\$182,494,485	1.36%	\$26,641,572
Santa Ana Unified School District	School	\$5,722,860	\$377,587,976	1.52%	\$61,509,323
San Diego	County	\$26,450,000	\$1,501,651,000	1.76%	\$284,284,711
Pleasant Valley Unified School District	School	\$964,842	\$51,448,654	1.88%	\$10,370,131
Los Angeles Unified School District	School	\$164,697,561	\$8,219,219,005	2.00%	\$1,770,170,078
Signal Hill	City	\$501,071	\$21,613,368	2.32%	\$5,385,513
Gardena	City	\$1,166,232	\$44,695,293	2.61%	\$12,534,666
Barstow	City	\$626,920	\$21,781,258	2.88%	\$6,738,139

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Source: The Center for Government Analysis study funded by the California HealthCare Foundation.

Retiree Health Care Expenses: Illustrative Examples

The Center for Government Analysis selected four public agencies as case studies to show the impact of public retiree health coverage in different agency types, different geographical areas, different health coverage levels and financing approaches. These are offered for illustration purposes only. The case studies focus only on retiree health care spending. They do not address variations in salary, other benefits, or overall compensation among these agencies.

The selection of West Contra Costa Unified and San Diego Unified allows comparison of different retiree health care strategies of two agencies of the same type, and suggests how the long-term impact of different strategies could unfold. Another agency, Modesto Irrigation, took action to address growing retiree health care costs in the early-1990s. Orange County took very recent action to cope with the issue of rapidly rising retiree health care costs.

1. Modesto Irrigation District

In 2003-04, Modesto Irrigation District spent \$926,000 on retiree health benefits. This expenditure represented 0.38 percent of the district's total expenditure for that fiscal year. Modesto Irrigation District ranks 67th out of the 107 government agencies examined in the Data Tables in terms of its relative expenditure on retiree health benefits.

In 2003-04, Modesto Irrigation District had 361 retirees eligible to receive health benefits; the district spent an average of \$2,565 per retiree. Using these funds, Modesto Irrigation District provided a two-tier benefit system. For employees that retired before 1992, the District paid for the full cost of the employee's health premium. Employees retiring after 1992 will continue to pay the entire cost of the health care premium in effect at the time of their retirement. The district agreed to cover any additional increases in the annual health care benefit cost. Post-1992 retirees pay a fixed amount annually for coverage, enabling retirees to better manage their health costs on a fixed income. This contribution approach should help the Modesto Irrigation District's annual costs level out as more retirees participate in the plan's second tier.

2. West Contra Costa Unified School District

In 2003-04, West Contra Costa Unified School District spent \$9,937,376 on retiree health benefits. This expenditure represented 2.63 percent of the district's total expenditure for that fiscal year; West Contra Costa Unified School District ranks 3rd out of the 107 government agencies examined in the Data Tables in terms of its relative expenditure on retiree health benefits.

In 2003-04, West Contra Costa Unified School District had 1,800 retirees eligible to receive health benefits; the District spent an average of \$5,520 per retiree. These funds were used to pay "100 percent for the monthly HMO and dental benefit premiums for retirees and their spouses." By granting retirees the full cost of their health care premium, the West Contra Costa Unified may find it difficult to effectively manage costs in the future. Unless plan changes are made, West Contra Costa Unified costs are likely to balloon.

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3. San Diego Unified School District

In 2003-04, San Diego Unified School District spent \$2,369,464 on retiree health benefits. This expenditure represented 0.15 percent of the district's total expenditure for that fiscal year; San Diego Unified School District ranks 87th out of the 107 government agencies examined in the Data Tables in terms of its relative expenditure on retiree health benefits. In 2003-04, San Diego Unified had 1,627 retirees eligible to receive health benefits; the District spent an average of \$1,456 per retiree. These funds are used "to reduce medical contributions paid by retiree participating in a District-sponsored group medical plan for medical insurance."

San Diego and West Contra Costa Comparison

West Contra Costa Unified's annual expenditure per student was \$7,775, while San Diego Unified's expenditure per student was \$8,253.¹ West Contra Costa Unified spends \$5,520 per retiree, while San Diego spends \$1,456. The impact of this difference is substantial. If West Contra Cost Unified spent the amount San Diego Unified spent per retiree on retiree health benefits, the savings, spread over the entire Contra Costa school district student population, would result in an additional \$217 per student per year.

4. Orange County

In 2003-04, Orange County spent \$14,180,000 on retiree health benefits. This expenditure represented 0.53 percent of the county's total expenditure for that fiscal year; Orange County ranks 59th out of the 107 government agencies examined in the Data Tables in terms of its relative expenditure on retiree health benefits.

In 2003-04, approximately 6,500 eligible retirees received a benefit capped at \$4,476, which offset the cost of a county-sponsored health plan. The amount of these benefits is based on length of employment. In addition, retirees received lower health care premium rates because they participated in a health care pool that included both active and retired employees.

In mid-September 2006, Orange County took a major step toward managing its long-term costs by approving a new retiree health benefit plan. Under its previous pay-as-you-go model, the annual cost of the retiree benefit program would increase yearly as the County's unfunded liability associated with this program would also increase. In an effort to manage this cost in the long term, the County dedicated a fixed percentage of total annual payroll to pre-fund this benefit, which will have the effect of capping future costs. Also, the decision to split retiree and active employee health plans and change the annual cost of living adjustment (COLA) from a 5 percent cap to a 3 percent cap will cut the plan's unfunded liability by over half. Orange County recognized the need to quickly and effectively manage retiree health benefit expenditures. As a result, in 2019-20, the County's annual retiree health benefit expenditure will likely be significantly lower than the estimated \$152 million shown in the Data Tables.

Source: The Center for Government Analysis study funded by the California HealthCare Foundation.

¹ Expenditure per student is based on Average Daily Attendance (ADA) reported by the Education Data Partnership (www.ed-data.k12.ca.us).