



ASSOCIATION OF OREGON FACULTIES

740 Oakway Circle, Ashland, OR 97520

March 28, 2013

To: House Revenue Committee and Senate Finance and Revenue Committee

From: Association of Oregon Faculties

Re: SB 822 – PERS Cost of Living Adjustment Proposal

Chair Burdick, Chair Barnhart, and members of the committees,

The Association of Oregon Faculties (AOF) is an independent, non-union based organization representing a variety of faculty from Oregon's seven public universities located throughout the state. AOF seeks to protect and improve the working conditions and fair compensation of Oregon university faculty as well as helping to ensure that the Oregon University System gets adequate funding in the state appropriations process.

AOF would like to thank the House Revenue Committee and Senate Finance and Revenue Committee for this opportunity to submit testimony on SB 822. AOF strongly believes that any modifications to the Public Employee's Retirement System need to be *legal and fair*.

AOF understands that the economic collapse brought on by bad acting, large financial institutions and others, has caused unprecedented losses in PERS, resulting in difficult issues for educational institutions and the legislature to grapple with. However, it is vital that any policy changes to PERS: 1) need to be constitutional and not go back on promises made to hard working Oregonians who depend on their retirement, 2) actually save money in the short term while preserving the health of the system in the long run, 3) be fair and not unjustly harm average Oregonians for an issue that Wall Street created.

SB 822 unfairly hurts seniors and many living on fixed incomes by cutting retirees' cost of living adjustments by \$400 million this biennium alone. Oregon courts have already ruled that a promise is a promise and SB 822 appears to violate a contractual agreement, which will very likely result in costly litigation and the dollars for the budget hoped for from this legislation will not be realized.

It is not fair for the legislature to place the burden on every day, hard working Oregonians and fail to call upon corporations and the wealthiest Oregonians, who have enjoyed almost all of the benefit of the economic recovery, to pay their fair share to fund schools, senior services, and other vital programs. Please consider fairer and more viable alternatives. *We ask you to oppose SB 822.*

Thank you for your consideration of our comments.

Sincerely,

Greg Monahan
Association of Oregon Faculties - Board Member