

TESTIMONY FOR JOINT MEETING OF SENATE AND HOUSE RULES COMMITTEES
REGARDING SB 822, PREPARED MARCH 27, 2013

Greetings, Chairs and Members of the House and Senate Rules Committees:

My name is David Jackson. I am a PERS retiree living in Southwest Portland. I am submitting this testimony in opposition to the proposed COLA cap contained in SB 822. But before I go into the reasons for my opposition to this particular bill (and to a number of similar bills that have been introduced into this legislative session), I would like to talk to you about my personal history with public service in general and with the PERS system in particular.

I came of age in an era where public service was respected and considered to be an honorable calling. President John F. Kennedy inspired my generation with his clarion call to “Ask not what your country can do for you; ask what you can do for your country.” I answered that challenge and worked in various public service jobs - social worker in Los Angeles, analyst with the Federal Dept. of Agriculture Food Stamp program, political science teacher in a community college in Eastern Kentucky – before coming to work in Portland as a Vocational Rehabilitation Counselor for the State of Oregon.

However, that was not my first time being in Oregon: I had previously earned my Masters degree in Political Science at the University of Oregon. I was born in California but found the place I wanted to settle during my years at the U of O. After a short stay in Kentucky and Ohio I returned to Oregon for good in 1972.

As you will recall, Oregon in 1972 had a fine Republican Governor named Tom McCall who, among his many accomplishments, made the state a national leader by passing the landmark Bottle Bill. I went to work for Oregon at a time when both government and government workers were respected, not attacked or looked down on.

One of the factors that attracted me to Oregon was the PERS retirement program as well as other benefits associated with state employment, since salaries were at that time were not competitive with the private sector but the benefits package helped to mitigate for the low wage I received. We also had years of salary freezes that kept my salary stuck below the rate of inflation. This was particularly true during the late seventies and early eighties during a period of double-digit inflation. Through all this I believed I could rely on a secure PERS retirement.

One of the promises made to me when I went to work for the State of Oregon was that I could look forward to a modest, but secure retirement under PERS. The Oregon Legislature put the COLA into statute in 1972, just as I was beginning my career. I believed then that the COLA was part of what was promised to me as an employee with the State of Oregon. I still believe that the two per cent COLA was a promise made by the State of Oregon to thousands of PERS employees, who, like me, committed ourselves to public service.

Now the Legislature is proposing to renege on this promise.

A promise is a promise; a deal is a deal; a contract is a contract: that is my view of it. The courts in Oregon have consistently held that PERS benefits are contractual rights, not to be snatched away at the whim of any particular legislature. I am asking that you do the honorable thing and keep the promises

that were made not just to me but to thousands of PERS retirees.

It would be unfair to try to balance the budget on the backs of PERS retirees all the while breaking the promises that were made to generations of faithful public sector employees who are now relying on their PERS benefit to pay their bills. It feels like PERS retirees are being singled out for an extra "tax" at a time when corporations like Nike are being given big tax breaks. This is neither fair nor right.

Please do not pass SB 822.

Respectfully submitted by

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