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June 27, 2013

Chair Ginny Burdick
Senate Committee on Finance and Revenue
Oregon State Capitol
Salem, Oregon 97301

Re: League of Oregon Cities Support for SB 857 and HB 2456 A with amendments.

Dear Chair Burdick,

On behalf of the 242 cities that comprise the League of Oregon Cities, I am writing to urge the adoption of amendments to SB 857 and HB 2456A that will address Oregon's ongoing Public Employee Retirement System funding crisis and raise additional revenue for vital public services.

According to testimony offered by PERS staff, amendments being contemplated to SB 857 have the potential to reduce Oregon's current \$14 billion unfunded PERS liability by approximately \$5 billion or 30 percent. Additionally, the revenue package under consideration is expected to raise approximately \$200 million that will be used to boost education and senior and mental health services.

The League understands that voting for additional PERS reductions and revenue are each anathema to many members of the Oregon Legislature. However, if the Legislature enacts no further PERS reforms this session, system wide average employer rates are projected to be approximately 22.5 percent for the next 18 years. This is 18 years of service cuts, of deferred ambitions and lost opportunities in order to pay for unsustainable pension costs.

The League also recognizes that Oregon's education systems and mental health services are in crisis and require additional revenue to provide stability. The League would like to call particular attention to the state of Oregon's mental health services that will benefit from this package. Oregon cannot continue to allow our mentally ill to deteriorate to the point that police must intervene and the League is pleased that additional resources will be provided to that vulnerable population.

In closing, the League would urge adoption of this Oregon solution to our shared challenges.

Sincerely

Scott Winkels
Intergovernmental Relations Associate