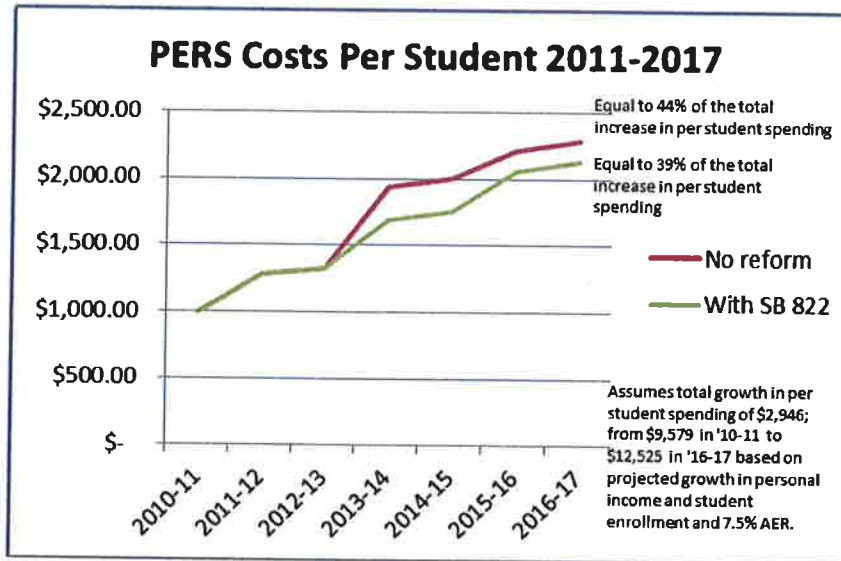


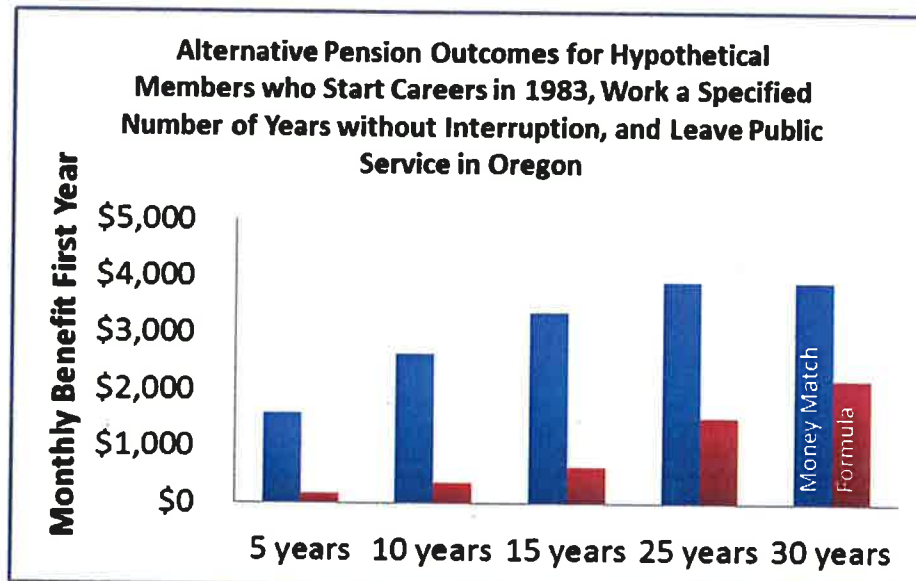
SB 822 is Inadequate and Does Not Fix the Problem

Oregon's Public Schools Need Additional PERS Reform

Without more PERS reform than SB 822 provides, school districts across Oregon will have to layoff teachers, cut school days and increase class sizes even as revenue increases. SB 822 barely makes a dent, and the delayed payments that it relies upon just push costs into the future.



SB 822 doesn't address the source of PERS costs and unfairness: Money Match. Oregon's PERS problem is because of Money Match. There are fair and legal solutions that have been put forward to fix it that both honor the promise of the original retirement formula, and protect take home pay for current employees. If the legislature doesn't address Money Match, Oregon's schools and other public services will be decimated and Oregon's current Tier 2 and Tier 3 employees will continue to face layoffs and other concessions in order to finance the unfair and unsustainable Money Match benefits.



Calculation assumes employee earns \$17,192 in 1983 and salary increases at an annual rate of 3.75%. The 30-year employee retires in 2013 with a final salary of \$50,000.

From the Desk of
 Senator Ted Ferrelli