



February 6, 2018

Sen. Taylor, members of the committee:

My name is Stacy Cowan and I am with SEIU Local 503. SEIU Local 503 is the union of nearly 72,000 Oregonians doing more than 500 different jobs in 85 state, local government and non-profit agencies and care facilities. Our workers include a majority of state workers like child welfare workers, road maintenance crews, the frontline staff at the Oregon State Hospital, and the biologists and hatcher workers at ODFW. We also represent some local government workers and the classified staff at our seven universities. About 30,000 of our members receive PERS. The other half of our membership are caregivers; homecare workers, nursing home workers, private non-profit workers, and childcare providers who have little to no retirement options available to them. I would like to provide testimony in support of SB 1566.

I would like to start by thanking Governor Brown and the members of the Unfunded Actuarial Liability Task Force for their work identifying opportunities to pay down the Public Employee Retirement System UAL. The UAL is a very real budget concern that needs to be addressed through the budget process. SB 1566 is a good first step in that direction.

The debate around PERS in the Capitol and in the Press has focused on cutting the retirement of hard working Oregonians. We are appreciative of the fact that the PERS UAL taskforce tried to look at the problem in a different way. Just last week, there was a report that the PERS investment earnings were double the expectation, which highlights that the PERS UAL is driven by many forces outside of our control. SB 1566 is one step towards thinking about addressing the budget challenges in a way that does not break a promise to the workers who serve Oregonians on the front line.

SB 1566 does a variety of things including directing funds from multiple sources to the PERS for the purpose of crediting side accounts of school districts, community colleges, and public universities. The Employer Incentive Fund would provide a matching grant to these bodies to help pay down their individual UAL. This would in turn free up state funding to provide direct services.

So much of the conversation around PERS has to do with balancing the program on the backs of current workers. The answer to the budget challenges cannot be to decimate retirement benefits of low-income and

SERVICE EMPLOYEES
INTERNATIONAL UNION
LOCAL 503

PO Box 12159
Salem, OR 97309-1259

1730 Commercial St. SE
Salem, OR 97302

6401 SE Foster Rd.
Portland, OR 97206

1.800.452.2146
www.seiu503.org

middle class Oregonians who had no role in creating the PERS liability. SB 1566 is an important first step in that conversation. Thank you for the opportunity to provide testimony on SB 1566. I hope we can count on your support.