



Testimony in support of SB 1566

Submitted by Joe Baessler

Senator Taylor Members of the committee, my name is Joe Baessler and I am the Associate Director for Oregon AFSCME Council 75. We represent over 25,000 workers in Oregon and the majority of our members are in the Public Employee Retirement System.(PERS) Oregon AFSCME supports SB 1566.

We support this effort to deal with the unfunded actuarial liability (UAL) that the Governor has started and you have taken up. This bill as a product of the taskforce set up by the Governor is a good step in dealing with the problems the PERS system faces. The growth of the employer rates is a real problem and we do not dispute that. We believe that this problem is a problem of managing the debt to the system. Most of this debt is based on legacy cost to members in tier one and tier two and not those hired in the last decade or new hires. As employer rates grow there are fewer resources for the state and local governments to address the services that the public needs. This bill is a move in the right direction to lower the UAL and that will bring down employer rates.

Additionally this conversation is one we support because it is very different from the normal attacks on the PERS system. Our members feel strongly that the conversations around PERS have been based almost entirely how to cut benefits to workers and not about how to deal with the debt of the UAL. Every time PERS comes up in the Legislature they begin to worry about their retirement and often we see a spike in retirements. We applaud the Governor and the Legislature for having a different conversation about PERS this session and looking at the issues without taking away the retirement benefits that have been earned by working Oregonians.

There is no easy button to push and fix all the budget issues in the state but this bill creates avenues to deal with some of the problems created by the UAL. Please support SB 1566.

Respectfully Submitted by;

Joe Baessler, Associate Director Oregon AFSCME