



AS PROMISED, PERS REFORM - NOW THAT LAWMAKERS HAVE DONE ALL THEY CAN ON PERS, THEY MUST RAISE MONEY FOR SCHOOLS AND OTHER SERVICES

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The Legislature now has done everything it can legally do to save taxpayers from the exploding costs of the Public Employees Retirement System.

The Legislature still must craft a fair successor retirement plan for new public employees, but with Thursday's Senate vote to overhaul the pension system, lawmakers have done what they promised voters: They have approved responsible fixes for PERS.

House Bill 2003, which the Senate passed by a 19-10 vote, is the keystone of a package of PERS bills that would reduce the growth of future benefits of more than 160,000 public employees and save employers and taxpayers more than \$9 billion, if the reforms survive a number of promised lawsuits.

Lawmakers have remade the PERS board, demanded up-to-date mortality tables, eliminated the 8 percent guaranteed annual growth in accounts and shifted employee contributions into a separate 401(k) plan so that governments no longer must match the money when workers retire.

It is far from certain whether the courts would uphold all the reforms or rule that some are unconstitutional violations of the contract rights of public employees. But it has always been clear that lawmakers had to try to rein in the runaway costs of PERS.

The huge PERS shortfall not only is chewing through the budgets of school districts, local government and the state. It also stands squarely in the way of any serious effort to address the crisis in Oregon's public finance system.

Now PERS is done, at least until the legal fight plays out. The public pension system is no longer an excuse for some business leaders, the Republican leadership, Gov. Ted Kulongoski or anyone else to avoid seeking school funding and raising revenue to adequately fund public safety and human services.

State Sen. Tony Corcoran, a Cottage Grove Democrat and labor organizer, carried HB2003 in the Senate even though it infuriated many of his labor supporters. He put the situation succinctly: "To the business community who said they wouldn't support tax reform until PERS is fixed . . . it's done. Now do your job."

Corcoran is not the only lawmaker who deserves credit for fine work on PERS. House Majority Leader Tim Knopp, R-Bend, chaired the House Committee on PERS and shepherded the public pension bills through the Capitol. Rep. Greg MacPherson, a Lake Oswego Democrat and lawyer who specializes in employee benefits, provided valuable expertise.

Corcoran, in particular, has set a standard for lawmakers of both parties. Other lawmakers should emulate his leadership as they tackle other tough issues in the remaining weeks of the session, such as reducing tax breaks, raising taxes on beer and gasoline and finding new revenue for schools, state police and care for the state's poorest, most vulnerable citizens.

On Thursday, Corcoran and five other Senate Democrats put the interests of the entire state of Oregon and its taxpayers ahead of their supporters in the public-employee unions.

It's now time for other legislators to show as much character.