



ASSOCIATION OF OREGON FACULTIES

May 14, 2019

To: Joint Ways and Means Committee Subcommittee on Capitol Construction
Re: SB 1049 and -1 amendments - Oppose

Co-Chair Holvey, Co-Chair Girod, and members of the committee,

The Association of Oregon Faculties (AOF) is an independent, non-union based organization, representing faculty from Oregon's seven public universities. AOF seeks to protect and improve the working environment and fair compensation for Oregon university faculty and to help ensure that the Oregon University System gets adequate funding in the state appropriations process.

It appears this plan seeks to cut the IAP of Tier 1 and 3/OPSRP members by more than 7% and Tier 2 by as much as a whopping *12.5 percent*, but if I am managing to decipher the PERS actuarial information correctly, it ends up saving the agencies very little money in the process! So, it inflicts a lot of pain on hard working Oregonians for a relatively small gain, not to mention the obvious fact that it is grossly unfair. In the words of the eloquent political strategist of the last century, Robert Strauss, this dog just won't hunt. Solutions for the PERS debt should not fall on the backs of the deeply devoted and often very underpaid people who keep the government of this state functioning day in and day out.

Rather than inflicting such penalties on employees who apparently made the mistake of going to work for the state of Oregon, how about some incentives? I can think of a few, and I bet some of you can think of some as well. Rather than disincentivize agencies to hire back retirees by requiring them to pay the full rate of PERS, have them pay half of what they would ordinarily pay directly into the UAL. The employees they hire back will have their pension benefit and a salary, and agencies will still be paying less than they were before those valued employees retired. Or as you know, many state employees work long after their eligibility for retirement because they can't afford to pay for healthcare. If they retire, offer these retirees the opportunity to get the Oregon Health Plan for a reduced cost and put a percentage of their cost/fee toward the UAL. And sure, if you want to re-amortize the debt, ok, but do not try to place the burden of a debt they did not cause on the people who keep the state running, the people who educate our kids, whether they're in kindergarten, high school, or college, the people who enforce our laws, fight our fires, literally, the people who save our lives.

Please do not under any circumstances vote in favor this terribly unfair plan which will hurt hard working Oregonians and would almost certainly land the state back in court for another painfully expensive lawsuit which, like most of the lawsuits it has waged on PERS, it would probably end up losing.

We urge you to reject SB 1049 and the -1 amendments, and thank you for your consideration of our comments.

Sincerely,

A handwritten signature consisting of a series of connected, wavy lines, resembling a stylized 'G' followed by several loops.

Greg Monahan, Vice-President,
On behalf of the Board,
Association of Oregon Faculties

Association of Oregon Faculties, 740 Oakway Circle, Ashland, OR 97520

<http://oregonfaculties.org>