

Co-chairs Girod and Holvey, members of the Joint Committee On Ways and Means Subcommittee On Capital Construction.

I am very concerned about efforts to further undermine our state's contracted benefits to its employees. Throughout the discussion there have been very few people acknowledge that these workers' retirements are a legitimate expense. There have also been discussions that seem to avoid actual descriptions of the realities that we are working within. I have heard it mentioned that public employees need to have "skin in the game," by paying for a certain percentage of their retirement. All of this has been without a real analysis of how the benefit and salary levels of our state workforce compare to the surrounding states. Changing our compensation without regard to the states we compete with could have detrimental effects on our ability to keep a committed and effective workforce.

It has long been accepted that while Oregon doesn't pay its employees as much as some neighboring states; we have continued to offer an attractive retirement package. So that even though the state might not provide competitive wages; we make up for it by reducing the risks our employees face as they retire out of the workforce. Without understanding our place in the market, how do we compete for the talent the state needs as we try to prepare the next generation of Oregonians to continue to innovate and build an economy of learning?

There is also the problem of having solutions that do not get past a constitutional challenge. In 2013 we passed legislation that was eventually, at least in part, shot down by the Oregon Supreme Court. That misstep has had deep and lasting implications since it left us with a \$5 billion hole in the PERS budget. One must also wonder how continued attempts to renegotiate an obligation like retirements might affect the overall credit worthiness of the state given the uncertainty it presents for our willingness to pay our bills.

I hope that we will consider every alternative to meeting our obligations before we further attack our state employees. There are several alternative plans being talked about and considered that would avoid our state breaking faith with current and past employees. My hope is that we will make the effort to consider alternatives that do not contribute further to the dissolution of middle-class working families.

Best Regards,

Chris Gorsek, State Representative

**House District 49**