

Submitter: Thomas Busse

On Behalf Of:

Committee: Senate Committee On Finance and Revenue

Measure: SJR26

As an alternative to eliminating the kicker, I suggest using surplus revenue to fix the state's balance sheet and build our public endowments.

Oregon PERS has unfunded liabilities of 7.8% of personal income, and state and local governments have had to increase contributions to PERS - meaning the public pays more taxes for the same level of service. The state has also had difficulty with the actuarial calculations of Other Post Retirement Benefits - especially retiree medical. The state has also assumed an overly rosy investment return rate. Meanwhile, the state's higher education endowments have not grown with the rate of tuition.

I suggest that kicker payments be used to pay down state unfunded liabilities and to bolster the principal of our higher education endowments. In the long-term, this will lower the state's budgetary needs and result in net savings to the taxpayer.