



SB 195: Opposing changes to treatment of overtime for PERS

Business and Labor – Eileen Kiely – date 1.31.2023

Thank you for allowing me to submit testimony. My name is Eileen Kiely, and I am a volunteer with Tax Fairness Oregon, a network of volunteers who advocate for a rational and equitable tax code. I am writing in opposition to SB 195, based on my experience as an operations controller for Daimler Trucks North America, where I managed the operating budget for the Parts Division.

There are two critical flaws in this bill. The first is the failure to realize that overtime is a sign of poor management. It is a symptom of understaffing, which is already an issue in the Oregon State Police, particularly in rural areas. Overtime increases the operating budget, and jeopardizes the health and safety of the officers. Overwork leads to errors, which in the case of first responders, can be fatal.

This bill seeks to avoid the legislature's responsibility to properly adjust headcount to current, and for Oregon State Police management to recruit and retain qualified employees. Using overtime instead of increasing staffing levels, wastes the taxpayer's money. The fiscally responsible thing is to reduce overtime, and spend the money on additional officers instead.

The second flaw, as Chair Taylor mentioned, is that PERS is not exclusively a state program. The state makes the rules, but the majority of the participants are employed by cities, counties, and local districts, not the state. When the legislature increases PERS benefits, they are writing a check that the other taxing jurisdictions must cover. This is poor fiscal discipline, and exactly the opposite of what a well-run business would do.

The overtime limitation was a carefully considered reform put in place by the legislature to curb abuse of the PERS benefit calculation methods. Why would we place OSP employees above all other public employees? If OSP is granted an exemption, what reasonable argument does the legislature have against the inevitable demand that all public employees be treated fairly? Special treatment for OSP makes no sense, particularly considering increased liability risks of overworked first responders.

If the State takes action to increase PERS benefits, that results in an unfunded mandate to the local districts affected. They must either raise taxes and fees, or cut to other valuable services. Counties and local districts are funded almost exclusively by property tax and levies. This hits rural districts particularly hard, as these districts have had a very difficult time passing levies to make up for revenue capped by measures 5 and 47. It also blunts the effectiveness of the Student Success Act, as a greater share of school funding will be diverted to PERS contributions, rather than student needs.

SB 195 is bad fiscal policy. Please don't move this bill, or similar bills that increase PERS obligations.

We read the bills and follow the money