



NEWS

Oregon Legislature - House Democratic Caucus

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House votes to prioritize schools with a balanced PERS bill

Senate Bill 822 creates savings for schools, preserves fairness for retirees

SALEM – Today the Oregon House of Representatives passed legislation that will help provide over \$1 billion in new resources for our public schools by making necessary, prudent changes to the Public Employees Retirement System (PERS).

“After years of drastic cuts to our education budget, Senate Bill 822 will help us stop the trend of teacher layoffs and shorter school years in Oregon and move toward a more stable future for our kids and our schools,” House Majority Leader Val Hoyle (D – Eugene) said. “This is a prudent plan to address the unfunded liability in our PERS fund, and it is the most likely to be upheld by the courts.”

Senate Bill 822 will result in over \$800 million in PERS savings this biennium and over \$3 billion in long-term, system-wide savings.

In March, the Co-Chairs of the Joint Ways and Means Committee released a balanced budget plan for 2013-15. The Co-Chairs identified both PERS savings and additional revenue as necessary parts of an overall budget plan to invest in the services Oregonians rely on and increase the current education budget by \$1 billion.

SB 822 will stabilize the fund that supports PERS, which took a significant hit in the 2008 Wall Street crash. The bill will restructure PERS retirees’ Cost-of-Living Adjustment (COLA), eliminate the income tax reimbursement for out-of-state retirees, and “collar” PERS employer contribution rates.

“We cannot be cavalier about the fact that these savings are coming from retired Oregonians and seniors on fixed incomes, but reforming Oregon’s pension system is a necessary part of balancing our state budget,” Hoyle said. “Senate Bill 822 is the fairest proposal that still provides enough savings to move toward our goals for needed investments in education, public safety, and the services that Oregonians rely on most.”

SB 822 now proceeds to the Governor’s desk.

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