



## OREGON HOUSE REPUBLICAN OFFICE

### For Immediate Release

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### **School districts face \$335 million increase in PERS costs** *Employer contributions may increase by \$6 billion over the next six years*

**Salem, Ore.** - During today's floor debate on the K-12 education budget, House Republicans cited rapidly increasing employer contributions to PERS as an obstacle to ensuring that education dollars end up being invested in classrooms and benefiting students. According to an analysis conducted by Milliman Inc., the state's actuary for the Public Employees Retirement System (PERS), school districts are expected to spend an additional \$335 million on PERS benefits during the 2017-19 biennium.

Employer contributions are expected to continue to increase dramatically over the next decade. According to a [recent report by the Statesman Journal](#), "The 900 Oregon public employers in the system -- state agencies, school districts, cities, counties, community colleges, universities -- will collectively face \$6 billion in additional costs over the next six years, according to some estimates. PERS costs will increase from an average 15 percent of payroll to 30 percent of payroll."

The Statesman Journal, citing comments by ECONorthwest economist John Tapogna, went on to write, "With each percentage point of increase in payroll the equivalent of 325 teachers statewide lose their jobs or 1.3 school days are cancelled..."

Democratic leaders have not allowed a single PERS-reform bill to receive a floor vote this session.

### **2017-19 Contribution Increase Estimates**

(\$ millions)	Projected 2015-17 Payroll*	(A) Projected 2015-17 Contribution	Projected 2017-19 Payroll*	(B) Projected 2017-19 Contribution	(B) - (A) Projected Contribution Increase
State Agencies	\$5,620	\$575	\$6,020	\$835	\$260
School Districts	\$6,120	\$575	\$6,560	\$910	\$335
All Others	<u>\$7,350</u>	<u>\$875</u>	<u>\$7,880</u>	<u>\$1,165</u>	<u>\$290</u>
<b>Total</b>	<b>\$19,090</b>	<b>\$2,025</b>	<b>\$20,460</b>	<b>\$2,910</b>	<b>\$885</b>

Source: <https://olis.leg.state.or.us/liz/2017R1/Downloads/CommitteeMeetingDocument/95633>

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