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Oregon's Unfunded PERS Liability Climbs to \$21.8 Billion

Fair, Constitutional PERS Reform Options Available

Salem, Ore. - Today, the Oregon Public Employee Retirement System (PERS) Board will receive a [report](#) from their financial actuary firm Milliman showing PERS' unfunded liability has risen to \$21.8 billion. PERS is now only 71% funded, dropping 15% in just two years. As a result, schools, local governments, and state agencies will be forced to pay almost \$1 billion more for PERS in the 2017-19 biennium, the PERS board will learn at their 1 p.m. meeting.

"This PERS crisis will cost schools \$335 million, the equivalent of hiring more than 2,000 new teachers," said Senate Republican Leader Ted Ferrioli (R-John Day). "Unsustainable and escalating PERS costs will not lead to reducing class sizes, adding school days, or making our communities safer. We need fair and constitutional PERS solutions that reduce costs, ensure the long-term stability of the system to protect retirees, and allow for investments in education."

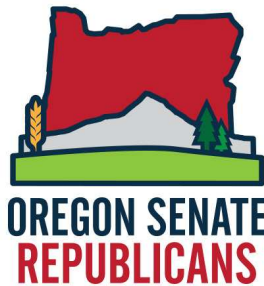
PERS rates are expected to increase by an average of almost 5% for school districts in 2017 with continued increases expected in future years. Excessive payouts, like an OHSU professor's [\\$663,354 per year](#) retirement benefit, the Oregon Supreme Court's 2015 decision to overturn \$5.1 billion in PERS reforms, and overly optimistic investment assumptions contribute to rising PERS costs. To fill the leadership gap on this issue, Senate Republicans

are working with the legislature's attorneys to identify a [list of constitutional options that could save billions](#), such as a \$100,000 cap on the salary considered for pension benefits.

Senate Republicans have repeatedly asked Governor Brown and Democrat leaders to work together to find a fair, constitutional solution to Oregon's growing PERS debt. A copy of the most recent request is [available here](#). However, public employee unions and the Democrat leaders they bankroll continue to ignore the PERS crisis. Instead, government unions are seeking to bail out PERS by passing a \$6 billion tax on Oregon sales of groceries, gas, electricity, medicines, and other consumer goods costing average Oregonians over \$600 per year.

"If Governor Brown, President Courtney, and Speaker Kotek refuse to act before the school year starts, a coalition of education and public safety advocates, schools and local governments, and moderates of both parties will step up and take the lead in solving this PERS crisis," said Ferrioli.

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