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May 31, 2019

RE: SB 1049 vote explanation

Chief Clerk Sekerak:

I am submitting an explanation for my “yes” vote on Senate Bill 1049.

Senate Bill 1049 was brought forward in response to a serious problem. The cost of PERS has skyrocketed since the recession, with employer rates more than doubling in the last decade. When local governments and other public employers don't have stability in the rates they pay into the system, that leads to cuts and layoffs and takes money away from the services Oregonians rely on.

At the same time, we can't lose sight of the fact that public employees are the teachers, firefighters, and police officers we depend on for those services. They deserve a fair and stable retirement.

Ultimately, there is no perfect solution to this problem, but doing nothing is not an option. I believe SB 1049 strikes a good balance and will help ensure the long-term sustainability of the system, so that everyone who has earned a pension will be able to receive it.

Local governments, school districts, and other public employers will see real savings from this bill. We expect to see between \$1.2 and \$1.8 billion in savings in 2021, with increased savings in future biennia. That translates to over \$7 million in the Gresham-Barlow school district. As a school board member, I know those savings will make a real difference in our ability to serve our students.

I also considered a threat looming on the horizon if we did not take action. Several individuals and organizations have taken steps to put PERS reform on the ballot. One potential ballot measure would create another retirement tier, consigning future public employees to a 401K-style program. That is not a policy I support, but I fear it would have a good chance of passage if it were to go forward.

This was not an easy decision for me to make. I remain committed to ensuring our public employees get the compensation they deserve, and I will never stop serving the State of Oregon to the best of my ability.

Sincerely,

Carla C. Piluso
Oregon State Representative, House District 50