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**OREGON STATE SENATE**  
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May 24, 2019

Vote Explanation  
SB 1049

As a tier Tier I public employee who vested while serving as an assistant district attorney in Lane County in the early 1990s, my “yes” vote for SB 1049 was not an easy one but it was necessary to deal with the crisis that occurred because of the Great Recession (2007-2009). Prior to then, Oregon’s PERS system was 110 percent funded. Unfortunately, due to the international financial crisis, its reserves were wiped out. Now, its unfunded liabilities continue to increase. This has resulted in local governments (cities, counties and school districts) having to direct more money into their PERS contribution accounts instead of providing adequate levels of services and programs.

Failure to enact SB 1049 would cause local government contribution rates to increase to over 35 cents of every dollar. SB 1049 will assist in lowering the employer’s contribution rate and those public employers from needing to reduce staffing levels, vital services or essential programs.

Even though I opposed previous PERS reform legislation that I deemed unconstitutional and punitive, I now find myself needing to take affirmative steps to protect public workers from loss of employment due to the inability of public employers to maintain public services and programs.

It should be noted that the Legislature will place at least \$100 million into an employer incentive funds account. Many of us who voted for this bill are still advocating to direct an additional \$400 million into that account before the end of session. These incentive funds will encourage local governments to pay down their PERS unfunded liabilities. Also, all the proceeds realized by the state in a new sports betting program will be dedicated to help address the ongoing PERS financial issues.

Further, it is very unfortunate that we cannot pass an additional revenue bill to address these PERS issues. This reality is due to not having a super majority of Legislators to support such efforts as well as the continued threat of corporate-funded ballot measures to overturn such legislation. We have also seen those groups unjustly attack public employees. In fact, there is at least one pending proposed ballot measure that would cause many public employees to lose their jobs because of its draconian approach to dealing with the PERS crisis; we were assured by Sen. Betsy Johnson (D-Scappoose) that she would lead an onslaught effort to refer and defeat HB 3427, the Student Success Act which directs \$2 billion into the K-12 budget.

As I mentioned, this was not an easy vote but based on all the factors presented to us, it was a necessary one to ensure that there would not be more devastating impacts on state public workers or services to the public. I look forward to the Legislature providing additional compensation to those workers to offset their redirected contribution rates.

A handwritten signature in blue ink, appearing to read "Floyd Prozanski".

Floyd Prozanski