



May 14, 2019

Good evening, Co-Chair Holvey and Girod, thank you for giving me the time to testify tonight. For the record, my name is Melissa Unger and I am the Executive Director of SEIU Local 503 and we oppose SB 1049. SEIU Local 503 represents 72,000 workers. Half of our workers are directly impacted by the bill you are discussing tonight, they work in higher education, the state, local governments serving on the front lines of government and making sure that all the bills that you all pass to serve Oregonians can be implemented.

The other half of our members are caregivers and most of them don't have retirement options through work and while the bill is different for them it still impacts them. Attacks on retirement and pensions impact all workers. Somewhere over the past 30 years, there has been a disconnect between what it costs to retire, what it means to retire with dignity and what employers are willing to do to support the people that go to work every day in service to Oregon. The fact that today we are discussing cutting the retirement of people that have worked for schools and the public for 40 years is a true sign of this disconnect.

I want to talk a little about who our workers are that rely on PERS. They are people that fight forest fires, they are the people that care for the most vulnerable children at all hours of the night, they are the people that make sure that every person drives on safe roads, and they are the people that make Oregon work. Many of them are here tonight. 75% of them make under \$60,000 a year and they often come to public service because it provides quality benefits, in spite of it paying on average 88% of what they could make in the private sector. Many of our members come to public service after long careers in the private sector bringing with them decades of expertise, and in return looking for good benefits and stability. This bill will change their decision making process and directly impact who chooses to enter public service.

Our state workers pay 6% of their salary into their IAP and you are proposing to take their own salary to pay down the state's debt. While the IAP is only part of the retirement, it is the part that our workers have been contributing towards and have been counting on. When you are working every year to try to have a secure retirement, every dollar matters because it may mean you can retire at 65 or have to wait to 67 or even 70. It is like Rebecca who emailed me yesterday and has been working for the state for 31 years and just wanted to retire with some sense of security--after 31 years her monthly retirement benefit will be \$1300/month and her rent is \$920/month.

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The work our members are asked to do is really hard and often times traumatizing. If you talk to a worker at the State Hospital who has been physically assaulted multiple times or a child welfare worker that has double the recommended caseload, their work is exhausting mentally and physically. They do it because they believe in what they are doing and also because they got a commitment of quality benefits. SB 1049 is a complete under-valuing of those decisions. For our child welfare workers, as an example, there is currently no plan to help solve the problems they face every day as a result of an underfunded child welfare system—essentially this bill is telling them “keep doing what you are doing helping kids on the front lines, we don’t know how to solve it, but it would be great if you could do it for a little less”---you are just counting on them caring enough that they will keep doing it. At a time when the legislature should be working to retain this workforce, instead, this bill devalues their work once again.

One of the provisions in the bill that is particularly troublesome is the proposal to cut the actuarial return for someone that could be eligible for money match in half. Not many people know what money match means or what the goals were when it was created, so let’s be clear about who it impacts: we are talking about people who have worked literally 40 years in public service and are often past the age of 65. It is someone who has worked at ODOT for 40 years literally clearing roads and working 12-hour shifts, 7 days a week, over the winter to keep snow off the roads, who has worked way past when he could retire because he loves his job so much. This proposal is a message from the Legislature that your commitment doesn’t matter. It dismisses the work they have committed to our state, to keeping families safe, and to you as their employer. This proposal in the bill saves nearly nothing and most workers will retire before it goes into effect, impacting services on the ground. So really this portion of the bill is just to send a message to longtime public employees —that their commitment was not valued by their employers. I don’t think that is right and it is mean.

I understand that employer rates are high and that we need to look at solutions to bring them down, that is why we were encouraged by conversations earlier in session about SAIF and other proposals that would have directly paid off some of the debt and why we support looking at amortization and other proposals outlined here. But the cuts to employees in this proposal are real, the people behind the cuts are often struggling to make ends meet, and the child welfare worker that came to help kids find a safe home didn’t create this problem--she just took a job with a promise from her employer. Benefit reductions won’t solve this problem, but it will make it harder for the state, local governments and schools to recruit quality employees to care for Oregonians.

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