

The logo for the Association of Oregon Counties (AOC) features the letters 'AOC' in a large, bold, blue serif font. A vertical blue line is positioned to the right of the letters, separating them from the full name.

**Association of
Oregon Counties**

Brief Comments on Senate Bill 1049 Amendments

**Joint Committee On Ways and Means
Subcommittee On Capital Construction**

Wednesday, May 14, 2019

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AOC Legal Counsel**

Principles

- **Support good retirement benefits for public employees at a stable, sustainable, and affordable cost to taxpayers**
- **Oppose increased employer costs, such as expanding the definition of those eligible for police and fire benefits**

Goals

- **Reduce going-forward costs, without retreating to substandard retirement benefits**
- **Recapture legacy costs within legal limits, such as a “work after retirement” plan**
- **Limit growth of liabilities**
- **Manage remaining liabilities to smooth out impacts on future generations**

SB 1049 Amendments

- **Employee cost sharing and IAP redirect**
 - Remove tap out at 90%
 - Don't include side accounts in calculation
 - Use a ramp instead of a cliff
- **Salary cap**
 - Not a big savings, but important
- **Work after retirement plan**
 - Excellent, but we need more authority on salary

SB 1049 Amendments

- **Debt deferral (extending amortization)**
 - There may be a role for this, balancing things out
 - But it should not be the primary rate relief
 - Leaving a \$10 billion UAL in 2035 means we will have debt for years to come
- **Additional bonding requirements**
 - Unnecessary and expensive in the Dash-1s
 - [HB 3123 Dash-2](#) (HB 3123A) is a better answer

What's Missing

- **Tier 4 for new hires**
 - **A direct contribution plan like at OHSU**
 - **That's what the next generation is apparently looking for**
 - **Final end to the UAL madness we've been chasing for generations**
 - **Make it super generous - essentially what OPSRP costs**