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New initiative to slow spending growth, pay off state's PERS debt

PORTLAND, Ore., Sept. 13, 2017 – Frustrated by the state's inability to address the state's pension debt despite record income, a coalition of small business groups filed an initiative requiring that Oregon's state and local governments use excess revenues to pay off the Public Employee Retirement System (PERS) fund's growing unfunded liability.

"Oregon state government spending has increased 40% in the last six years, yet somehow we never have enough money to pay our bills," said John Davis, a spokesperson for the coalition sponsoring the initiative. "Despite record revenues, the growing pension debt will continue to rob our schools and other vital services of the funds they need unless we restrain spending and actually pay off this massive debt. The legislature continues to do nothing, so it's time for the people to act."

According to the most recent analysis from PERS administrators, Oregon's pension debt is at least \$24 billion, which is more than the state's entire general fund budget for the next two years.

The initiative requires state and local governments, except school districts, to assess how much taxpayer money will be needed to continue services at the same level and maintain that level of spending based on inflation and population growth. If the state or local government receives surplus funds above that baseline, the funds must be spent toward paying off the PERS unfunded liability debt until it is below \$1 billion. Revenues collected by school districts is exempt from the spending limitation.

"As long as politicians can continue to spend without restraint they will keep coming back to taxpayers year after year with schemes to raise taxes to fund pet projects," Davis said. "This initiative forces politicians to focus on Oregon's highest priorities and root out waste – instead of enabling them to spend frivolously on every new proposal that comes along."

About the Coalition

The Keeping Our Promises Coalition is made up of Oregonians who believe in strengthening Oregon's schools, safety net programs and public safety through sustainable spending policies.