

# Public Employees Retirement System PERS Could Bankrupt Oregon

As President Trump and Congress are debating DACCA, refugees from impoverished countries who will not assimilate, we learn the true motive of the Democrat Party is for a permanent underclass to vote Democrat. Meanwhile Congress is racing to avoid a shut down and I began drafting this article that the Oregon Public Retirement System, one of the largest in the country, is likewise again in trouble and if the Democrat - controlled legislature doesn't do something this time, Oregon faces bankruptcy.

All of this could have been avoided had our elected legislators known their Constitution which they took an oath to uphold which reads: Article 1, Section 20: "No law shall be passed granting to any citizen or class of citizens privileges or immunities, which, upon the same terms shall not equally belong to all citizens." Now a group of pre-school children can understand that law: Put them in a row, give half ice cream cones and we all know what the other half would say, "Where's mine?" The ultimate outcome is union "class warfare" on the way to socialism.

I originally covered PERS in a [Part 1](#) and [Part 2](#) in February 2013 with an article entitled, "Government Certifiable Nincompoops." and I received a letter from a federal worker who said, "your 'certifiable nincompoops' column really nails it." He said he managed to land a "heavenly" maintenance career with the National Park Service in the 80s but soon became disillusioned and it is worse today. Now let us hear about it from the state level.

In October 1981 Oregon government workers were clamoring for

more pay so Jean Roberts wrote in a letter to the editor she was chosen Employee of the Year in District 8 and also for the entire state and had the plaques to prove it. She was viciously attacked when she said "state workers produce nothing." She said many of them can read, write and telephone but no one has been able to use the dictionary. They should look up the word "producers." She didn't say they didn't work or weren't dedicated. She said they were not producers but still received a check every month and if you work for the state, they pay for your mistakes. She closed her diatribe by saying if government employees think they are underpaid, why don't they seek jobs in private employment?

#### **RETIREMENT CUT 'IMMORAL' SAYS STATESMAN JOURNAL**

The Statesman Journal showed on 2/14/2017 hundreds if not thousands of workers and retirees taking center stage before the Capitol and later giving testimony before the Senate Committee on Workforce. Two proposed bills- one that would change the calculation used to determine final average salary, and a second that would direct employee contributions away from individual account programs and would have the potential to reduce the unfunded liability by billions of dollars. This sounds like more hocus pocus to a layman.

In order to cover the "unfunded liability" which is around \$20 billion, a November 2, 2017 Statesman article reported a PERS 7-member task force was finding more than a dozen routes to raise up to \$5 billion over the next five years which includes privatizing public universities and selling SAIF, the state's worker's compensation insurance agency.

#### **ALLEN ALLEY DESCRIBES PERS DILEMMA**

Our local Christian talk show host on KPJC (1220) in Salem and also an Oregon legislator, Bill Post had businessman Allen Alley, 63, as a guest for an hour trying to describe what must happen for the Oregon Public Employee's pension to remain

solvent emphasizing repeatedly those that have been in the system since its unconstitutional creation in 1945 under Democrat governor Earl Snell, are safe but legislation must be passed that all new public employees will be given 401Ks. In 1975 legislators became eligible for PERS under Democrat Governor Robert Straub; however, Bill Post says a couple years ago that was rescinded and he is not eligible. As early as 2002 Republican legislators tried to "reform" PERS but Democrats promised a staged walkout if the bill was brought up for a vote even though the legislature had a \$482 million shortfall. While the PERS was unconstitutional in the first place, it got worse when the COLLECTIVE BARGAINING ACT was included in 1963.

And, of course, Salem is a company town so if jobs were threatened to be cut, the fewer dollars that would flow into the local economy caused the local fish wrapper editorial board to say more families would need help from food banks and other social-service agencies. Maybe those services could be set up in the 60+beautiful building the retired government workers in Salem enjoy as their "private club house" financed and paid for by the citizens of Salem.

## **BUMBLING BUREAUCRATS WITH COLLEGE DEGREES**

It is common knowledge that in order to get a job at the Salem Capitol and/or in government, the many unconstitutional agencies that are always created during some crisis are filled with dysfunctional bachelor's degrees generally registered as Democrats whereas high school grads are destined for the typing pool on the first floor to correct and retype letters from the upper floors. In November 2017 it was noted Oregon had overpaid almost \$75 million for Medicaid. Back in April 2000 (Kitzhaber) and April 2004 (Kulonski), 28,042 public retirees were overpaid and then PERS wanted it back via a reduction in their monthly checks or repayment plans if they didn't have the cash readily available. A rant in our paper asked, "After many years of hearing through TV and reading in

newspapers how inaccurate the PERS data system was for calculating PERS retirements, why should we now accept the payback calculations?" Bear in mind, dear readers this was 18 years earlier!

## **PONZI SCHEME ANSWER**

With tongue in cheek, Alley said rather than try to reduce the size of the pension liability, why not "just hire a bunch more people. So you double the payroll of the state and your pension liability looks much smaller, the definition of a Ponzi scheme," he said.

So, because some employees were overpaid, PERS was going to approach the Democrat-controlled legislature Emergency Board in May with a request for more than \$2 million. The money was to pay for temporary employees to oversee collection efforts and some staff overtime in addition to possibly hiring "private" collection firms to pursue payment from retirees who have moved outside the State of Oregon who refused to pay back the money. In order to solve this "crisis", hire more workers who will become Democrats and union workers, and eligible for PERS. So, once again, the taxpayers had to pay to recoup the money that the unaccountable lickspittles were paid to mismanage. In addition, PERS guarantees an 8% profit each year even if their investments fail to produce that amount. If I am correct the state had 105,000 employees in 2012 and now 160,000 illustrates 55,000 new employees which sounds outrageous and I'm sure someone will correct me or is it possible Allen Alley was correct when he said the solution for this dilemma is to keep hiring more people paying into the system to keep it afloat?

So why is Bernie Madoff in prison and no one is held responsible in Oregon? Madoff was found guilty of ripping off hundreds of people who thought he was successfully investing their money in fast growth stock but wasn't and some \$65 billion was bilked from investors.

## **PUBLIC EMPLOYMENT SYSTEM GRADUATE COURSE**

Alley gained much recognition in 2009 when he walked 36 days across Oregon meeting people before filing to run for State Treasurer and began to investigate the Public Retirement System. Later in 2010 and again in 2016 he ran for governor on the Republican ticket but lost in the primaries and the victors went on to be defeated by a Democrat. So should we be surprised on his own time and his own dime, and to his patriotic credit, he has gathered sufficient information about PERS to put together what he calls the Public Employment System graduate course to share with people and/or organizations across the state.

### **THE PERS SOLUTION**

He learned the State Treasurer has been responsible for handling the money and investing on behalf of the retirement system – about \$50 billion. He wanted to find out where the money came from, where it went, what the liabilities were, etc. and then tried to connect the dots. He is not running for office now, but I'm guessing he may be in the near future so he is offering his approximate one-hour presentations throughout the state explaining the dilemma to the people and trying to help them understand without offending public employees saying they will not lose their promised retirements. He calls it the Public Employment System Graduate level course and says PERS is a massive problem and much bigger than what we've been led to believe. His only solution is that all future employees receive a negotiated 401K-type system, what some people in the private sector have today. It is called a "defined contribution plan" because the contribution that is made is "defined."

The Public Retirement System is called a defined BENEFIT plan so if you hire today, and if you work for 30 years and at some point in the future, you will be making a lot more money than you are today and then we are going to give you 45% of

whatever your highest earnings are and we are going to give that to you for the rest of your life plus a 2% increase; however, nobody knows what that number is so we get into this weird calculation, Alley says, of how much money do I have to set aside for this PROMISE that was made to me.

### **INFRASTRUCTURE THREATENED BY 105,000+ EMPLOYEES IN 2018**

From my radio audio tape transcription, he endeavored to explain all the problems that most laymen would not understand but Alley says to put it in perspective, within about 8-10 years the general fund which legislatures wrestles over every 2-years will learn the pension liability is going to be the same size as the general fund so you take 100% of the general fund and put it in the pension liability means nothing left for health and human services, nothing for schools, police, our roads won't get fixed, ad infinitum. – basically bankrupt.

Bill Post mentioned a Superintendent of one of the two schools in his district told him by the next biennium the number of 41% of her entire school budget would be devoted to PERS so only 59 cents of the dollar is going to the kids in the class room. Allen said that will vary around the state. Readers must remember the public employees are: Firemen, prison guards, bus drivers, secretaries, administrators, football coaches and many I haven't mentioned and for 160,000 employees working right now costs \$10 billion but for already retired people the costs is \$ 4½ billion and it goes up by one-half billion every year. In 1995 it was determined that 52.1 state employees in Oregon for every 1,000 people. And Oregon's population in 2016 was 4,076,350.

### **FORMER FOOTBALL COACH MIKE BELLOTTI RECEIVES \$496,000 PER YEAR**

Now it isn't just trying to pay retirees what they've been promised, what often isn't addressed is some of the employees have worked two or three different jobs so their salaries are calculated differently and more confusion- there is Tier 1,

Tier 2 and Tier 3 and not to mention the numerous options when a person retires – take it all at one time or spread it out. Thousands of employees in the public sector only dream of having such a dilemma.

Current Democrat Senator Peter Courtney was first elected to the Salem City Council in 1974, where he served until 1981 and was first elected to the Senate in 1998. He is serving a record seventh term as president of the Oregon Senate. He is retired from Western Oregon University where he was an adjunct professor. He has also served on the Salem Mass Transit Board.

Former Democrat Governor Kulongski nets PERS times 3. He served in all 3 branches of government Kulongski's combined pension of \$4,876.12 – about \$58,513 per year – ranks 11,292 out of more than 105,000 PERS retirees listed in the benefit database in 2012. But it gets better. His pension is one-eighth of that received by PERS top beneficiary, retired University of Oregon football coach, Mike Bellotti who receives \$496,000 per year in pension checks.

And then there is four-time elected [Democrat Governor John Kitzhber](#) who turned his Capitol office into a brothel and his live in girlfriend opened up a business. Ethics eventually fined him \$1,000. Compare his fine to the Klein's in the following paragraphs. Then there is the public employee who gets fired in 2009 after internal investigations found she misused grant money, improperly transferred money among accounts, misled the board about finances and bullied employees. In 2012 she sued and collected \$200,000.00.

## **LUCRATIVE PERS SALARIES**

Bill Post said his wife is a retired teacher who had no idea when she enrolled how lucrative her retirement benefit was going to be. She did it because she loved the kids; however, the paper pushers in the hundreds of crisis created regulatory agencies should be questioned. For instance, Brad Avakian is

the Bureau of Labor and Industries commissioner whose job it is to protect employment rights, advance employment opportunities and protect access to housing and public accommodations that are free from unlawful discrimination. The Oregon Legislature founded the agency in 1903. But Brad, who will retire with lucrative retirement checks, initially imposed the amount of \$135,000 as a fine on Aaron and Melissa Klein for refusing to bake a wedding **cake** for a lesbian couple claiming their First Amendment guarantees of "Freedom of Religion" no longer existed.

### **LEFT LEANING CORRUPT JUDGES GET PERS**

Left leaning judges and bureaucrats eligible for PERS retirement are shutting down business entities that don't cater to homosexual wishes; however, the Kleins had sold to the lesbian couple before but they just couldn't with a good conscience bake a wedding cake. The same thing happened to a florist in the State of Washington and the U.S. Supreme Court was to rule on cake maker Jack Phillips in Colorado who claimed a right to refuse selling his "art" at his Masterpeice Cakeshop in Lakewood, Colorado when he refused to bake a cake for the marriage of two men. His case reached the U.S. Supreme Court in December and the most important case for LGBT people since the 2005 Supreme Court ruling that allowed same sexes to marry. So far, no decision about which I know about. Why not?

Trump lawyers were urging the court to rule for the Colorado cake maker. While the Kleins did end up losing their business, a [Go Fund Me was opened for the Kleins](#).

In 2009 the legislators were questioning the bonuses for PERS managers. Performance rewards were scrutinized in the recession. In Feb. 11 employees received bonuses ranging from \$9,860 to \$57,000 paid to investment managers who oversee the Oregon Public Retirement Fund who have done some pretty risky things that vary widely and far too complicated to explain or understand by me but Alley's advice is simple: Stop kicking the can down the road and all that does is makes the road

shorter. Stop! Honor the commitment and put new people on 401Ks.

As I close, I'm sure readers will have noticed that Progressive Democrats have center stage. William Castle, Jr. in his 1916 book WAKE UP AMERICA said Socialism, the final stage in the imaginary PROGRESSION is, of course, to be marked by the total cessation of competition. We are typically told in our indoctrinated government schools that the Progressive Era was a time when "good government" saved America from free markets run rampant, but historical facts tell a different story. Why would any free thinker want to remain in the Communist Democrat Party?

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