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## QuickPoint! – Cascade Report Exposes \$2.6 Billion in Unfunded Liabilities

By Kathryn Hickok

[Cascade Policy Institute has released a new report](#) showing that Oregon public employers have more than \$2.6 billion in unfunded actuarially accrued liabilities associated with non-pension benefits promised to current and future retirees. Referred to as “Other Post-Employment Benefits,” or OPEB, these liabilities include various forms of deferred compensation.

The Governmental Accounting Standards Board mandates that public employers clearly state financial obligations for OPEB in their comprehensive annual financial reports. However, employers are not required to set up trust funds to pay for these promises. As a result, the Cascade review of 125 financial reports of state, regional, and local governments shows that most employers have no money set aside and are paying for OPEB obligations out of annual operating revenues. This cannibalizes funds needed for actual services.

The Cascade paper is a call to action for the legislature to impose some form of fiscal discipline on public employers by requiring them to make annual contributions to OPEB trust funds. Legislation to accomplish this has been considered in past sessions but never approved. The Cascade report [can be viewed at cascadepolicy.org](#).

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