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QuickPoint! – More Money for Schools Is Meaningless Without Controlling PERS Costs

By John A. Charles, Jr.

Several members of the Portland Public Schools Community Budget Review Committee recently co-authored an essay entitled, “[The under-funding of schools must end.](#)”

The authors assume that all money problems at public schools are the result of insufficient tax support; but the reality is that schools have been unable to control costs, especially related to pensions.

For example, in 1998 Oregon schools were required to send premiums equal to 9.9% of their salaries to pay for their share of the Public Employee Retirement System (PERS).

Since then, those rates have gone up steadily and will reach 18.3% later this year—an increase of 84% over two decades. Some school districts will pay much more. Sherwood school district will pay 27% of salaries for their PERS Tier 1 and Tier 2 obligations. Tigard-Tualatin school district will pay 28%. Tillamook Community College will pay 21%.

School support from the Oregon general fund has doubled since 2001, but it doesn't do much good when tax money entering the front door of schools leaves out the back door for retirees. In many cases, those former workers are earning more in retirement than they did when they were actually teaching.

Unless the legislature is willing to take strong measures to control the cost of PERS, there will never be enough money to satisfy public school advocates.

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