

RSEA Bill Dally
86 Legislature Senate Finance Testimony January 23, 2019
Testimony on behalf of
Retired State Employees Association (RSEA)

Madam Chair and Committee Members:

I am Bill Dally and a Board Member of Retired State Employees Association (RSEA). Thank you for the opportunity to speak today on behalf of our association.

Our organization is composed of an 11 member all volunteer Board of state retirees. We have approximately 3,000 members.

Our number one priority is to see that the ERS pension fund be put on a path toward becoming actuarially sound such that the long-term pension liability can be amortized within 31 years or less.

I'm encouraged that Chairwoman Nelson stated improving the condition of our state pensions is a high priority. I want to first acknowledge the efforts of this committee in recent legislative sessions working hand in hand with State Affairs to make positive changes that improved the health of the fund. These included raising both employee and State contributions to a combined 19.5% that along with some benefit changes has improved the pension fund.

I'm also encouraged by the questions from Chairwoman Huffman of State Affairs and Senator Perry good questions and level of support for fixing the state pensions. Our association looks forward to supporting legislation that would strengthen the ERS fund.

Today the ERS pension fund has a 70% funding ratio and is projected to remain at that level and then begin to decline in the decades ahead. This means more needs to be done by raising contributions to the fund.

We support SB500 proposed addition to ERS pension fund of \$300 million from the ESF Economic stabilization fund by the end of fiscal year 2019. This is helpful to close the contribution shortfall for FY 2019.

We also support ERS exceptional item for the 2020-21 Biennium to provide the ASC actuarially sound contribution which is above the amount provided in the base bill SB1 as filed.

That concludes my remarks.