

Solutions that would affect FUTURE PERS MEMBERS (new employees.)

7. Revise salary and benefit packages for future employees and bring new public employee compensation packages in line with comparable compensation packages in the private sector

As was mentioned in the discussion for potential solution #3 above, a recent Oregon Employment Department report stated the following:

“In the second quarter of 2009 the average cost of total compensation for all private employment was \$27.42 per hour ... compared to \$39.66 for state and local government employees (statistics are not available for federal employment). In general, state and local employees across the nation tend to have higher wages and benefits than private employees.”

[<http://www.qualityinfo.org/olmisi/ArticleReader?itemid=00006781>]

Obviously, a \$12.24 average disparity between public and private workers' hourly wages puts private businesses and non-government organizations (NGO's) at an extreme disadvantage when competing with State government for new employees.

Oregon is the only state in the USA that pays 100% of the \$1,100+ average monthly medical/dental/vision benefit costs. Private employers and NGO's cannot afford such rich health benefits and, again, are placed at an extreme disadvantage in the job market.

We have already discussed in detail the generous retirement packages available to State employees, which, once again, place private employers and NGO's at an extreme disadvantage when competing to hire new employees.

It is time for the State to retain an independent team of private Human Resource & Employee Compensation experts to determine what the average pay and benefit packages are for a cross-section of Oregon businesses in the private sector.

The State's pay and benefit packages should then be adjusted accordingly (up or down). The adjusted employment compensation packages should apply immediately for new employees and over time for existing employees—and would include pay scales and policies relating to benefit levels, vacation days, sick days, employee contributions toward benefits, etc.

To me, it makes no sense for “civil servants” to have higher salaries, better benefits, more vacation and a richer retirement plan than their taxpaying “masters.”