

Umpqua Community College

Background Data

PERS Unfunded Actuarial Liability and Pension Bond Analysis

March 1, 2021

	2007 Valuation	2017 Valuation	2018 Valuation	2019 Valuation
System				
Combined Valuation Payroll	\$ 7,721,819,358	\$ 10,098,900,000	\$ 10,852,000,000	\$ 11,533,700,000
OPSRP UAL (\$ in millions)	(72.1)	1,518.2	1,955.0	1,891.8
State and Local Government Rate Pool (SLGRP)				
Combined Valuation Payroll	\$ 4,264,200,000	\$ 5,897,800,000	\$ 6,346,100,000	\$ 6,769,800,000
Total T1/T2 UAL (\$ in millions)	208.9	11,251.0	13,765.6	12,738.0
Umpqua Community College				
Combined Valuation Payroll	\$ 9,238,171	\$ 11,018,484	\$ 11,806,724	\$ 12,230,537
Payroll Increase			7.15%	3.59%
Allocated UAL/(surplus)				
T1/T2	452,528	21,019,647	25,610,485	23,016,170
Pre-SLGRP pooled liability	2,470,314	1,568,640	1,458,196	1,277,328
Transition liability	-	-	-	-
OPSRP	(86,209)	1,660,388	2,131,868	2,010,645
Total Allocated Pooled UAL	2,836,633	24,248,675	29,200,549	26,304,143
Less Side Account 1	14,710,044	9,946,440	9,137,583	9,156,566
Net UAL	\$ (11,873,411)	\$ 14,302,235	\$ 20,062,966	\$ 17,147,577

	2007 Valuation		2017 Valuation		2018 Valuation		2019 Valuation	
	T1/T2		T1/T2	OPSRP	T1/T2	OPSRP	T1/T2	OPSRP
Rates Effective	7/1/09 - 6/30/11		7/1/2019 - 6/30/21		Advisory Only		7/1/2021 - 6/30/23	
Pension								
Normal cost rate	5.07%	5.81%	14.43%	8.40%	14.40%	8.70%	14.03%	8.64%
Tier 1/Tier 2 UAL rate	4.79%	4.79%	10.36%	10.36%	14.50%	14.50%	12.60%	12.60%
OPSRP UAL rate	(0.08%)	(0.08%)	1.45%	1.45%	1.76%	1.76%	1.69%	1.69%
Pre-SLGRP pool rate	1.94%	1.94%	1.71%	1.71%	1.62%	1.62%	1.52%	1.52%
Transition liability rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Pension Rate	11.72%	12.46%	27.95%	21.92%	32.28%	26.58%	29.84%	24.45%
Side account rate relief	(11.56%)	(11.56%)	(10.86%)	(10.86%)	(10.18%)	(10.18%)	(10.89%)	(10.89%)
Member redirect offset	0.00%	0.00%	0.00%	0.00%	(2.45%)	(0.70%)	(2.45%)	(0.70%)
Net Pension Rate	0.16%	0.90%	17.09%	11.06%	19.65%	15.70%	16.50%	12.86%
Retiree Healthcare								
Normal cost rate	0.10%	0.00%	0.06%	0.00%	0.05%	0.00%	0.05%	0.00%
UAL rate	0.19%	0.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Retiree Healthcare Rate	0.29%	0.19%	0.06%	0.00%	0.05%	0.00%	0.05%	0.00%
Total Net Employer Rate	0.45%	1.09%	17.15%	11.06%	19.70%	15.70%	16.55%	12.86%

Source: Oregon Public Employees Retirement System – System Actuarial Valuation Reports and Employer Actuarial Valuation Reports.

Umpqua Community College
Payroll Growth

PERS Unfunded Actuarial Liability and Pension Bond Analysis
 March 1, 2021

Payroll and Payroll Growth						
Calendar Year	System		SLGRP Pool		Umpqua Community College	
	PERS Covered Payroll	Annual Payroll Growth	PERS Covered Payroll	Annual Payroll Growth	PERS Covered Payroll	Annual Payroll Growth
2007	7,721,819,358	----	4,264,200,000		9,238,171	----
2008	8,130,136,492	5.29%	4,521,300,000	6.03%	10,493,966	13.59%
2009	8,512,192,290	4.70%	4,850,100,000	7.27%	12,102,489	15.33%
2010	8,750,064,502	2.79%	4,973,400,000	2.54%	13,118,819	8.40%
2011	8,550,511,000	(2.28%)	4,935,700,000	(0.76%)	12,168,208	(7.25%)
2012	8,590,879,000	0.47%	5,018,000,000	1.67%	11,904,908	(2.16%)
2013	8,671,800,000	0.94%	5,121,900,000	2.07%	11,873,180	(0.27%)
2014	9,115,800,000	5.12%	5,390,800,000	5.25%	12,292,455	3.53%
2015	9,544,100,000	4.70%	5,594,300,000	3.77%	12,079,641	(1.73%)
2016	9,872,600,000	3.44%	5,714,000,000	2.14%	11,697,991	(3.16%)
2017	10,098,900,000	2.29%	5,897,800,000	3.22%	11,018,484	(5.81%)
2018	10,852,000,000	7.46%	6,346,100,000	7.60%	11,806,724	7.15%
2019	11,533,700,000	6.28%	6,768,800,000	6.66%	12,230,537	3.59%
Average 2007-2019		3.40%			3.93%	2.37%

Source: Oregon Public Employees Retirement System – System Actuarial Valuation Reports and Employer Actuarial Valuation Reports.

Umpqua Community College

Side Account Analysis

Pension Bonds Issued	Dated Date	Amount Issued	TIC
Series 2004	2/24/04	11,910,000	5.49%
Total Amount Issued		\$ 11,910,000	

CALENDAR Year	Balance January 1	Admin. Expense	Rate Credits	Deposits	Investment Earnings (\$)	Investment Returns (%)	Balance December 31	Calendar Year Debt Service	Pension Bond Savings	PV Savings	PV Savings as Percent of Par
2004	\$ 0	\$(2,500)	\$(592,904)	11,470,455	\$ 1,248,035	13.3%	\$ 12,123,086	\$ 540,918	\$ 51,986	\$ 51,986	
2005	12,123,086	(1,000)	(750,616)	-	1,602,672	13.7%	12,974,142	636,374	114,242	108,301	
2006	12,974,142	(1,000)	(989,049)	-	2,026,561	15.5%	14,010,654	636,374	352,675	316,947	
2007	14,010,654	(1,000)	(715,388)	-	1,415,778	9.5%	14,710,044	636,374	79,014	67,317	
2008	14,710,044	(1,000)	(1,202,081)	-	(3,751,815)	(27.2%)	9,755,148	680,621	521,460	421,159	
2009	9,755,148	(1,000)	(1,214,199)	-	1,685,494	19.1%	10,225,443	708,514	505,685	387,178	
2010	10,225,443	(1,000)	(1,292,167)	-	1,188,941	12.4%	10,121,217	739,932	552,235	400,830	
2011	10,121,217	(1,000)	(1,141,642)	-	273,028	2.2%	9,251,603	769,543	372,099	256,036	
2012	9,251,603	(1,000)	(774,791)	-	1,305,658	14.3%	9,781,470	802,169	(27,378)	(17,859)	
2013	9,781,470	(1,000)	(781,905)	-	1,500,305	15.6%	10,498,870	832,616	(50,711)	(31,359)	
2014	10,498,870	(1,000)	(799,212)	-	753,947	7.2%	10,452,605	870,680	(71,468)	(41,896)	
2015	10,452,604	(1,000)	(867,771)	-	216,937	1.9%	9,800,770	906,126	(38,355)	(21,315)	
2016	9,800,770	(1,000)	(956,650)	-	674,974	6.9%	9,518,094	938,799	17,851	9,404	
2017	9,518,094	(500)	(985,310)	-	1,414,156	15.3%	9,946,440	978,344	6,966	3,479	
2018	9,946,440	(500)	(865,448)	-	57,091	0.4%	9,137,583	1,019,266	(153,818)	(72,827)	
2019	9,137,583	(500)	(1,161,287)	-	1,180,770	13.6%	9,156,566	1,060,769	100,518	45,117	
Subtotal (Actual)									\$ 2,333,002	\$ 1,882,499	15.81%
FISCAL Year	Balance July 1	Admin. Expense	Rate Credits	Deposits	Investment Earnings (\$)	Investment Returns (%)	Balance June 30	Fiscal Year Debt Service	Pension Bond Savings	PV Savings	PV Savings as Percent of Par
2020	9,147,075	(250)	(617,180)	-	320,755	7.20%	8,850,649	562,633	54,548	23,210	
2021	8,850,649	(500)	(1,266,670)	-	588,632	7.20%	8,172,611	1,169,905	96,765	39,032	
2022	8,172,611	(500)	(1,402,439)	-	534,602	7.20%	7,304,774	1,220,193	182,246	69,690	
2023	7,304,774	(500)	(1,451,524)	-	470,234	7.20%	6,323,484	1,270,585	180,939	65,592	
2024	6,323,484	(500)	(1,541,161)	-	396,141	7.20%	5,178,464	1,325,809	215,352	74,007	
2025	5,178,464	(500)	(1,595,101)	-	311,629	7.20%	3,894,992	1,384,403	210,698	68,642	
2026	3,894,992	(500)	(1,650,930)	-	217,076	7.20%	2,461,139	1,441,638	209,292	64,638	
2027	2,461,139	(500)	(1,708,712)	-	111,621	7.20%	864,048	1,502,236	206,476	60,452	
2028	864,048	(500)	(876,654)	-	12,606	7.20%	-	775,646	101,008	28,035	
Subtotal (Projected)									1,457,324	493,298	
Total (Actual + Projected)									\$ 3,790,326	\$ 2,375,797	19.95%

Source: Oregon Public Employees Retirement System – System Actuarial Valuation Reports and Employer Actuarial Valuation Reports. Information for calendar years 2003 and prior was not readily available.

Note: Because PERS changes rates on a fiscal year basis, projected rate credits and savings are projected to match that timing.

(1) Payroll growth projected at 3.50% annually, as assumed by PERS in its actuarial models. Actual payroll growth may differ from the assumption, and any changes in payroll growth rates from the assumption will affect the actual savings or costs realized.

(2) Investment returns projected at 7.20% annually, as assumed by PERS in its actuarial models. Actual rates of return may differ from the assumption, and any changes in investment earnings will affect the actual savings or costs realized.

Umpqua Community College

New Payoff Rate Credits and Pension Bond Savings (T1/T2/OPSRP UAL)

Investment Earnings Scenario: Base Case

PERS Unfunded Actuarial Liability and Pension Bond Analysis

February 18, 2021

Umpqua Community College - Projected Rate Credits and Pension Bond Savings											
(New Payoff Date: 09/01/21, Payoff Amount: \$16,970,014)											
Fiscal Year	Side Account		Rate		Earnings ⁽¹⁾		Side Account	Bond Debt Service		Savings	
	Balance July 1	Deposit 9/1/21	Rate Credit	Rate Credit (\$)	Investment Earnings (\$)	Investment Returns (%)	Balance June 30	Debt Service (\$) ⁽²⁾	Debt Cost (%)	Savings (\$)	Savings (%)
2022	-	16,970,014	8.22%	1,058,268	977,989	7.20%	16,889,734	803,397	6.24%	254,871	1.98%
2023	16,889,734	-	9.83%	1,310,626	1,165,759	7.20%	16,744,867	994,750	7.46%	315,876	2.37%
2024	16,744,867	-	9.83%	1,356,498	1,153,568	7.20%	16,541,936	1,030,575	7.47%	325,923	2.36%
2025	16,541,936	-	9.83%	1,403,976	1,137,135	7.20%	16,275,095	1,069,650	7.49%	334,326	2.34%
2026	16,275,095	-	9.83%	1,453,115	1,116,036	7.20%	15,938,017	1,106,800	7.49%	346,315	2.34%
2027	15,938,017	-	9.83%	1,503,974	1,089,814	7.20%	15,523,857	1,142,025	7.47%	361,949	2.37%
2028	15,523,857	-	9.83%	1,556,613	1,057,975	7.20%	15,025,219	1,185,325	7.49%	371,288	2.35%
2029	15,025,219	-	9.83%	1,611,094	1,019,982	7.20%	14,434,106	1,226,350	7.48%	384,744	2.35%
2030	14,434,106	-	9.83%	1,667,483	975,257	7.20%	13,741,881	1,270,100	7.49%	397,383	2.34%
2031	13,741,881	-	9.83%	1,725,844	923,177	7.20%	12,939,214	1,311,400	7.47%	414,444	2.36%
2032	12,939,214	-	9.83%	1,786,249	863,067	7.20%	12,016,032	1,360,250	7.49%	425,999	2.35%
2033	12,016,032	-	9.83%	1,848,768	794,198	7.20%	10,961,462	1,406,300	7.48%	442,468	2.35%
2034	10,961,462	-	9.83%	1,913,475	715,786	7.20%	9,763,773	1,454,550	7.47%	458,925	2.36%
2035	9,763,773	-	9.83%	1,980,446	626,982	7.20%	8,410,309	1,504,825	7.47%	475,621	2.36%
2036	8,410,309	-	9.83%	2,049,762	526,872	7.20%	6,887,419	1,556,950	7.47%	492,812	2.36%
2037	6,887,419	-	9.83%	2,121,503	414,470	7.20%	5,180,386	1,615,750	7.49%	505,753	2.34%
2038	5,180,386	-	9.83%	2,195,756	288,714	7.20%	3,273,344	1,670,875	7.48%	524,881	2.35%
2039	3,273,344	-	9.83%	2,272,608	148,458	7.20%	1,149,194	1,727,325	7.47%	545,283	2.36%
2040	1,149,194	-	4.87%	1,165,960	16,766	7.20%	0	884,925	3.70%	281,035	1.17%
TOTAL FY 2018-2038		\$ 16,970,014		\$ 31,982,017	\$ 15,012,003	\$ -		\$ 24,322,122		\$ 7,659,895	
PRESENT VALUE SAVINGS⁽³⁾:										\$ 5,371,761	31.65%

(1) Preliminary, based on market conditions as of February 18, 2021. Reflects a True Interest Cost (TIC) of 3.50%.

(2) Estimated present value savings discounted at the TIC on a monthly discounting of side account payments and semiannual discounting of bond payments. Percent savings shown at far right are Net PV Savings as a percentage of the payoff amount.

Umpqua Community College

New Payoff Rate Credits and Pension Bond Savings (T1/T2/OPSRP UAL)

Investment Earnings Scenario: 2002 Scenario

PERS Unfunded Actuarial Liability and Pension Bond Analysis

February 18, 2021

Umpqua Community College - Projected Rate Credits and Pension Bond Savings											
(New Payoff Date: 09/01/21, Payoff Amount: \$16,970,014)											
Fiscal Year	Side Account		Rate		Earnings ⁽¹⁾		Side Account	Bond Debt Service		Savings	
	Balance July 1	Deposit 9/1/21	Rate Credit	Rate Credit (\$)	Investment Earnings (\$)	Investment Returns (%)	Balance June 30	Debt Service (\$) ⁽²⁾	Debt Cost (%)	Savings (\$)	Savings (%)
2022	-	16,970,014	8.22%	1,058,268	2,956,659	22.00%	18,868,404	803,397	6.24%	254,871	1.98%
2023	18,868,404	-	9.83%	1,310,626	2,411,921	13.27%	19,969,699	994,750	7.46%	315,876	2.37%
2024	19,969,699	-	10.27%	1,416,820	2,641,020	13.74%	21,193,899	1,030,575	7.47%	386,245	2.80%
2025	21,193,899	-	10.27%	1,466,409	3,155,079	15.45%	22,882,569	1,069,650	7.49%	396,759	2.78%
2026	22,882,569	-	12.15%	1,794,965	2,076,663	9.47%	23,164,267	1,106,800	7.49%	688,165	4.66%
2027	23,164,267	-	12.15%	1,857,789	(6,010,720)	(27.18%)	15,295,758	1,142,025	7.47%	715,764	4.68%
2028	15,295,758	-	14.05%	2,224,262	2,701,563	19.12%	15,773,059	1,185,325	7.49%	1,038,937	6.56%
2029	15,773,059	-	14.05%	2,302,111	1,810,642	12.44%	15,281,591	1,226,350	7.48%	1,075,761	6.57%
2030	15,281,591	-	9.99%	1,694,539	317,613	2.21%	13,904,664	1,270,100	7.49%	424,439	2.50%
2031	13,904,664	-	9.99%	1,753,848	1,905,399	14.68%	14,056,216	1,311,400	7.47%	442,448	2.52%
2032	14,056,216	-	10.18%	1,849,964	2,040,735	15.60%	14,246,987	1,360,250	7.49%	489,714	2.70%
2033	14,246,987	-	10.18%	1,914,712	952,296	7.20%	13,284,570	1,406,300	7.48%	508,412	2.70%
2034	13,284,570	-	11.14%	2,168,148	230,275	1.90%	11,346,697	1,454,550	7.47%	713,598	3.67%
2035	11,346,697	-	11.14%	2,244,033	700,348	6.90%	9,803,012	1,504,825	7.47%	739,208	3.67%
2036	9,803,012	-	11.68%	2,434,439	1,303,560	15.30%	8,672,133	1,556,950	7.47%	877,489	4.21%
2037	8,672,133	-	11.68%	2,519,645	30,725	0.42%	6,183,213	1,615,750	7.49%	903,895	4.19%
2038	6,183,213	-	11.88%	2,652,967	648,397	13.56%	4,178,643	1,670,875	7.48%	982,092	4.40%
2039	4,178,643	-	11.88%	2,745,821	195,477	7.20%	1,628,300	1,727,325	7.47%	1,018,496	4.41%
2040	1,628,300	-	6.91%	1,652,056	23,756	7.20%	-	884,925	3.70%	767,131	3.21%
TOTAL FY 2018-2038	\$ 16,970,014			\$ 37,061,420	\$ 20,091,406	\$ -		\$ 24,322,122		\$ 12,739,298	
PRESENT VALUE SAVINGS⁽³⁾:										\$ 8,780,014	51.74%

(1) Preliminary, based on market conditions as of February 18, 2021. Reflects a True Interest Cost (TIC) of 3.50%.

(2) Estimated present value savings discounted at the TIC on a monthly discounting of side account payments and semiannual discounting of bond payments. Percent savings shown at far right are Net PV Savings as a percentage of the payoff amount.

Umpqua Community College

New Payoff Rate Credits and Pension Bond Savings (T1/T2/OPSRP UAL)

Investment Earnings Scenario: 2007 Scenario

PERS Unfunded Actuarial Liability and Pension Bond Analysis

February 18, 2021

Umpqua Community College - Projected Rate Credits and Pension Bond Savings											
(New Payoff Date: 09/01/21, Payoff Amount: \$16,970,014)											
Fiscal Year	Side Account		Earnings ⁽¹⁾				Side Account Balance June 30	Bond Debt Service		Savings	
	Balance July 1	Deposit 9/1/21	Rate Credit	Rate Credit (\$)	Investment Earnings (\$)	Investment Returns (%)		Debt Service (\$) ⁽²⁾	Debt Cost (%)	Savings (\$)	Savings (%)
2022	-	16,970,014	8.22%	1,058,268	(3,801,641)	(27.18%)	12,110,104	803,397	6.24%	254,871	1.98%
2023	12,110,104	-	9.83%	1,310,626	2,184,059	19.12%	12,983,538	994,750	7.46%	315,876	2.37%
2024	12,983,538	-	8.63%	1,190,943	1,536,763	12.44%	13,329,358	1,030,575	7.47%	160,368	1.16%
2025	13,329,358	-	8.63%	1,232,626	279,950	2.21%	12,376,683	1,069,650	7.49%	162,976	1.14%
2026	12,376,683	-	7.77%	1,148,155	1,727,992	14.68%	12,956,520	1,106,800	7.49%	41,355	0.28%
2027	12,956,520	-	7.77%	1,188,340	1,923,556	15.60%	13,691,736	1,142,025	7.47%	46,315	0.30%
2028	13,691,736	-	7.73%	1,222,982	938,867	7.20%	13,407,621	1,185,325	7.49%	37,657	0.24%
2029	13,407,621	-	7.73%	1,265,786	241,824	1.90%	12,383,658	1,226,350	7.48%	39,436	0.24%
2030	12,383,658	-	8.72%	1,478,960	800,051	6.90%	11,704,750	1,270,100	7.49%	208,860	1.23%
2031	11,704,750	-	8.72%	1,530,723	1,667,397	15.30%	11,841,423	1,311,400	7.47%	219,323	1.25%
2032	11,841,423	-	8.41%	1,527,207	46,280	0.42%	10,360,496	1,360,250	7.49%	166,957	0.92%
2033	10,360,496	-	8.41%	1,580,659	1,291,652	13.56%	10,071,489	1,406,300	7.48%	174,359	0.93%
2034	10,071,489	-	8.74%	1,701,342	659,849	7.20%	9,029,996	1,454,550	7.47%	246,792	1.27%
2035	9,029,996	-	8.74%	1,760,889	582,576	7.20%	7,851,683	1,504,825	7.47%	256,064	1.27%
2036	7,851,683	-	9.06%	1,889,010	492,821	7.20%	6,455,494	1,556,950	7.47%	332,060	1.59%
2037	6,455,494	-	9.06%	1,955,125	389,757	7.20%	4,890,126	1,615,750	7.49%	339,375	1.57%
2038	4,890,126	-	9.20%	2,053,473	273,276	7.20%	3,109,929	1,670,875	7.48%	382,598	1.71%
2039	3,109,929	-	9.20%	2,125,345	142,344	7.20%	1,126,928	1,727,325	7.47%	398,020	1.72%
2040	1,126,928	-	4.78%	1,143,369	16,441	7.20%	0	884,925	3.70%	258,444	1.08%
TOTAL FY 2018-2038	\$ 16,970,014			\$ 28,363,829	\$ 11,393,815	\$ -		\$ 24,322,122		\$ 4,041,707	
PRESENT VALUE SAVINGS⁽³⁾:										\$ 2,770,119	16.32%

(1) Preliminary, based on market conditions as of February 18, 2021. Reflects a True Interest Cost (TIC) of 3.50%.

(2) Estimated present value savings discounted at the TIC on a monthly discounting of side account payments and semiannual discounting of bond payments. Percent savings shown at far right are Net PV Savings as a percentage of the payoff amount.

Umpqua Community College
Pension Obligation Bonds - Sensitivity Analysis Summary

PERS Unfunded Actuarial Liability and Pension Bond Analysis
 March 1, 2021

Scenario:	1	2	3
	Base Case: 7.20% Earnings	Assume actual earnings from 2002- 2019, then 7.20% for remainder	Assume actual earnings from 2007- 2019, then 7.20% for remainder
T1/T2 UAL Payoff	\$ 23,113,768	\$ 23,113,768	\$ 23,113,768
OPSRP UAL Payoff	1,959,079	1,959,079	1,959,079
Less: Existing Side Account	(8,035,450)	(8,035,450)	(8,035,450)
Total Payoff (projected as 9/1/2021)	\$ 17,037,396	\$ 17,037,396	\$ 17,037,396
Years where Net Rate Credit is negative	0	0	0
Years where Net Rate Credit is positive	19	19	19
T1/T2/OPSRP Average Rate Credit	9.49%	10.93%	8.39%
Debt Cost (%)	7.21%	7.21%	7.21%
Net Savings (%)	2.27%	3.71%	1.17%
T1/T2/OPSRP UAL Payoff Savings (in millions)	\$7.7	\$12.7	\$4.0
PV Savings (in millions)	\$5.4	\$8.8	\$2.8
PV Savings %	31.65%	51.74%	16.32%

Notes:

1. Scenarios 1-3 assumed borrowing rate of 3.50%.
2. "Average" Net Rate Credit may include years of both positives and negatives and does not take the time value of money into account.
3. "Net Rate Credit" is effective payroll rate credit after payment of debt.
4. Assumes District payroll grows at 3.50% annually. To the extent higher or lower growth is experienced, results will differ.

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