

Oregon Public Employees Retirement System



**Legislatively Adopted Budget
2013-2015**

BUDGET NARRATIVE

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CERTIFICATION

I hereby certify that the accompanying summary and detailed statements are true and correct to the best of my knowledge and belief and that the accuracy of all numerical information has been verified.

Oregon Public Employees Retirement System

AGENCY NAME

11410 SW 68th Parkway, Tigard, Oregon 97223

AGENCY ADDRESS



SIGNATURE

Executive Director

TITLE

Notice: Requests of those agencies headed by a board or commission must be approved by those bodies of official action and signed by the board or commission chairperson. The requests of other agencies must be approved and signed by the agency director or administrator.

BUDGET NARRATIVE

Legislative Action

2015 Budget Reports

77th OREGON LEGISLATIVE ASSEMBLY – 2014 Session
BUDGET REPORT AND MEASURE SUMMARY

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: HB 5201-A

Carrier – House: Rep. Buckley

Carrier – Senate: Sen. Devlin

Action: Do Pass as Amended and be Printed A-Engrossed

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Linda Ames and Laurie Byerly, Legislative Fiscal Office

Reviewed By: Daron Hill, Legislative Fiscal Office

Meeting Date: March 6, 2014

Agency

Various Agencies

Emergency Board

Biennium

2013-15

BUDGET NARRATIVE

Budget Summary⁽¹⁾

Emergency Board

	2013-15 Legislatively Approved Level ⁽²⁾	2014 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
			SS Change	% Change
General Fund - General Purpose	\$ 30,000,000	\$ 30,000,000	\$ -	0.0%
General Fund - Special Purpose Appropriations				
State employee compensation changes	\$ 86,500,000	\$ -	\$ (86,500,000)	-100.0%
Home health care worker compensation	\$ 12,900,000	\$ -	\$ (12,900,000)	-100.0%
Department of Education - student assessments	\$ 4,600,000	\$ -	\$ (4,600,000)	-100.0%
Department of Education - youth development	\$ 1,789,557	\$ -	\$ (1,789,557)	-100.0%
Housing & Community Services - various	\$ 9,215,066	\$ -	\$ (9,215,066)	-100.0%
Oregon Health Authority - A&D rate increases	\$ 3,300,000	\$ -	\$ (3,300,000)	-100.0%
Oregon Health Authority - dental pilots	\$ 100,000	\$ -	\$ (100,000)	-100.0%
Seniors	\$ 26,000,000	\$ 12,704,627	\$ (13,295,373)	-51.1%
Oregon Health Authority/Department of Human Services - future costs	\$ -	\$ 24,000,000	\$ 24,000,000	0.0%
Oregon University System/Higher Ed Coordinating Commission - future costs	\$ -	\$ 3,500,000	\$ 3,500,000	0.0%
Judicial Department - operations	\$ -	\$ 1,300,000	\$ 1,300,000	0.0%
Judicial Department - debt collection costs	\$ -	\$ 700,000	\$ 700,000	0.0%

ADMINISTRATION PROGRAM AREA

Department of Administrative Services

General Fund	\$ 11,148,091	\$ 11,914,443	\$ 766,352	6.9%
Other Funds	\$ 877,567,512	\$ 907,312,584	\$ 29,745,072	3.4%

Oregon Advocacy Commissions Office

General Fund	\$ 399,995	\$ 425,525	\$ 25,530	6.4%
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Employment Relations Board

General Fund	\$ 1,894,849	\$ 2,061,040	\$ 166,191	8.8%
Other Funds	\$ 1,901,273	\$ 2,140,264	\$ 238,991	12.6%

Government Ethics Commission

Other Funds	\$ 1,935,994	\$ 1,976,802	\$ 40,808	2.1%
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Office of the Governor

General Fund	\$ 10,007,383	\$ 11,401,846	\$ 1,394,463	13.9%
Lottery Funds	\$ 3,261,204	\$ 3,376,215	\$ 115,011	3.5%
Other Funds	\$ 2,809,734	\$ 2,910,655	\$ 100,921	3.6%

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BUDGET NARRATIVE

	2013-15 Legislatively Approved Level ⁽²⁾	2014 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
			SS Change	% Change
<u>Oregon State Library</u>				
General Fund	\$ 1,591,908	\$ 1,629,976	\$ 38,068	2.4%
Other Funds	\$ 2,774,285	\$ 2,810,561	\$ 36,276	1.3%
Federal Funds	\$ 2,463,398	\$ 2,478,210	\$ 14,812	0.6%
<u>Oregon Liquor Control Commission</u>				
Other Funds	\$ 150,626,250	\$ 151,875,699	\$ 1,249,449	0.8%
<u>Public Employees Retirement System</u>				
Other Funds	\$ 84,002,344	\$ 88,153,980	\$ 4,151,636	4.9%
<u>Racing Commission</u>				
Other Funds	\$ 5,821,294	\$ 5,905,502	\$ 84,208	1.4%
<u>Department of Revenue</u>				
General Fund	\$ 165,191,130	\$ 166,641,759	\$ 1,450,629	0.9%
Other Funds	\$ 65,256,876	\$ 64,202,113	\$ (1,054,763)	-1.6%
<u>Secretary of State</u>				
General Fund	\$ 8,476,735	\$ 8,663,845	\$ 187,110	2.2%
Other Funds	\$ 48,895,140	\$ 50,265,885	\$ 1,370,745	2.8%
Federal Funds	\$ 7,710,474	\$ 5,045,103	\$ (2,665,371)	-34.6%
<u>Treasurer of State</u>				
Other Funds	\$ 45,149,748	\$ 46,683,387	\$ 1,533,639	3.4%

BUDGET NARRATIVE

Summary of Revenue Changes

The General Fund appropriations made in the bill are within resources available as projected in the February 2014 economic and revenue forecast by the Department of Administrative Services Office of Economic Analysis, supplemented by one-time savings identified in several agencies, as well as a transfer from Secretary of State's Corporate Division as authorized in House Bill 4157.

Summary of Capital Construction Subcommittee Action

House Bill 5201 is the omnibus budget reconciliation bill for the 2014 legislative session, implementing the statewide rebalance plan that addresses changes in projected revenues and expenditures since the close of the 2013 session. The Subcommittee approved House Bill 5201 with amendments to reflect budget adjustments as described below.

Statewide Adjustments

EMPLOYEE COMPENSATION DISTRIBUTION

The Subcommittee approved allocating \$86.5 million General Fund to state agencies for employee compensation. This amount is 100% of the General Fund special purpose appropriation to the Emergency Board, made by House Bill 5008 (2013) for employee compensation. Also approved were associated expenditure limitation increases of \$2.6 million Lottery Funds, \$84.7 million Other Funds, and \$44.2 million Federal Funds. The General Fund component is expected to cover about 90% of the statewide estimate of costs for compensation and benefit changes agreed to through collective bargaining or other salary agreements. Lottery Funds, Other Funds, and Federal Funds expenditure limitations are calculated at the full cost estimate level.

Section 105 of the budget bill reflects the employee compensation amounts approved for each agency; adjustments for agencies are not addressed in the agency narratives, although they are included in the table at the beginning of the budget report.

2% HOLDBACK

House Bill 5008 (2013) included a 2% supplemental ending balance holdback that was primarily applied to General Fund, and excluded debt service as well as selected programs. Agencies' 2013-15 legislatively adopted budgets were reduced by these amounts. With the current statewide economic conditions and revenue forecast, these budget reductions are being partially restored. Generally, 25% of the holdback is being restored to each affected agency, although there are a number of exceptions. Restorations include a total of \$68.3 million General Fund and \$0.3 million Lottery Funds. Section 104 of the budget bill reflects the restoration amounts for each agency. More detail is available in the narrative for each affected agency; agencies without General Fund or Lottery Funds in their budgets were not affected.

PACKAGE 091

Package 091 Statewide Administrative Savings is another 2013-15 adjustment affecting most agency budgets and captured in agency budget bills. The 2013 Legislature approved this package of \$62.0 million total funds in permanent reductions as a placeholder for administrative efficiencies.

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BUDGET NARRATIVE

The placeholder, which carried forward from the Governor's budget, was simply a pro rata calculation across personal services and services and supplies expenditures in administrative budget structures. The Department of Administrative Services (DAS) committed to work out reduction details with agencies and report to the Joint Committee on Ways and Means during the 2014 session. The areas targeted for reduction were finance, information technology, human resources, accounting, payroll, and procurement expenditures.

The legislative expectation was that DAS would present a statewide plan identifying specific efficiencies and realigning placeholder reductions, if needed. However, DAS did not come forward with a plan, but instead reported that efforts to realize the savings in Package 091 met with unexpected challenges. These include actual savings taking longer than one biennium to materialize and some ideas requiring up front investments that would offset any near term savings. Since DAS failed to deliver a plan, the Legislative Fiscal Office worked with state agencies and their DAS budget analysts to replace placeholders with specific reduction actions. For some agencies, the updated Package 091 will deviate from placeholder expenditure categories or appropriations; these changes are described in the individual agency narratives. Agency narratives, where applicable, will also identify position count and full-time equivalent (FTE) decreases.

BUDGET NARRATIVE

PERS related Items:

Adjustments to Agency Budgets

ADMINISTRATION

Public Employees Retirement System

The Subcommittee approved an updated Package 091 Statewide Administrative Savings. The agency was able to reduce its personal services by only \$45,651 due a reduction in temporary employees and overtime. The remaining personal services reduction of \$1,041,400 was moved to services and supplies. The reduction to services and supplies now totals \$1,393,957 and will come from savings to employee training, office expense, data processing, and professional services. The capital outlay reduction of \$29,380 reduced the budget for data processing hardware.

The Subcommittee increased the Other Funds expenditure limitation for the Operations program by \$1,022,945 for the implementation of Senate Bill 861, which was passed by the Legislature during the 2013 special session. This includes four limited duration Retirement Counselor I positions (3.33 FTE). Personal services total \$392,428 and services and supplies total \$630,517.

The four limited duration positions were established administratively on November 1, 2013; therefore, the agency does not require position or FTE authority, but does require the associated expenditure limitation. The revenue to fund these expenses is from a transfer from the Oregon Public Employees Retirement Fund from current year earnings. The Other Funds expenditure limitation was approved only as a one-time increase and does not carry forward into the 2015-17 biennium.

Other Funds expenditure limitation was increased for the Operations program by \$718,750 in services and supplies for phase two of a three phase project to move the administration of the Individual Account Program from a third-party administrator to the agency. The Other Funds expenditure limitation was approved only as a one-time increase and is not carried forward into the 2015-17 biennium.

The Subcommittee requests that the Department of Administrative Services unschedule the entire amount of the Individual Account Program expenditure limitation, pending a Department of Administrative Services – Chief Information Office review and recommendation to approve the project being submitted to the Legislative Fiscal Office for its review and recommended approval.

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___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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77th OREGON LEGISLATIVE ASSEMBLY – 2013 Regular Session
BUDGET REPORT AND MEASURE SUMMARY

MEASURE: HB 5008-A

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. Buckley

Carrier – Senate: Sen. Devlin

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 22 – 2 – 2

House

Yeas: Barker, Buckley, Frederick, Huffman, Jenson, Komp, Nathanson, Read, Smith, Tomei, Williamson

Nays: Freeman, Hanna

Exc: McLane, Richardson

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters

Nays:

Exc:

Prepared By: Linda Ames, Legislative Fiscal Office

Reviewed By: Daron Hill, Legislative Fiscal Office

Meeting Date: July 8, 2013

Agency

Emergency Board

Various Agencies

Biennium

2013-15

2011-13

HB 5008-A
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Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 11

BUDGET NARRATIVE

PERS related Items:

Adjustments to Approved 2013-15 Budgets

OMNIBUS ADJUSTMENTS

Omnibus adjustments reflect budget changes in multiple agencies based on reductions in Department of Administrative Services' assessments and charges for services, a reduction to the Attorney General rates, an increase resulting from a new Secretary of State Archives assessment, and debt service adjustments. Also included is a 5% reduction to services and supplies (excluding the fixed costs of State Government Service Charges, Attorney General charges, rent, and fuel and utilities) that is applied to General Fund and certain Lottery Funds only. Total savings are \$36.5 million General Fund, \$1.7 million Lottery Funds, \$5.7 million Other Funds, and \$1.6 million Federal Funds.

Omnibus adjustments also include a 2% supplemental ending balance holdback that is applied primarily to General Fund, and excludes debt service as well as selected programs. This reduction may be restored during the 2014 legislative session depending on statewide economic conditions. Agency detail for this adjustment is shown in Attachment A. Total budget reductions include \$154.9 million General Fund and \$1.4 million Lottery Funds.

Another statewide adjustment, which is included in agency budget bills and not in House Bill 5008, affects most state agencies. Package 091 (Statewide Administrative Savings) is a placeholder for administrative efficiencies and associated budget reductions in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Subcommittee affirmed that the reductions, at \$62.0 million total funds, are permanent and ongoing as they reflect fundamental changes in business processes. The Department of Administrative Services (DAS) will continue to work on details of these reductions with agencies and report to the Joint Committee on Ways and Means during the 2014 session. Agencies should direct concerns regarding permanency or implementation of the reductions to DAS. The Department will include a plan for resolving any issues related to these reductions as part of its 2014 report.

BUDGET NARRATIVE

77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: SB 822-A

Carrier – House: Rep. Buckley

Carrier – Senate: Sen. Devlin

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 14 – 11 – 1

House

Yeas: Barker, Buckley, Frederick, Komp, Nathanson, Read, Tomei, Williamson

Nays: Freeman, Huffman, Jenson, McLane, Richardson, Smith

Exc: Hanna

Senate

Yeas: Bates, Devlin, Edwards, Johnson, Monroe, Steiner Hayward

Nays: Girod, Hansell, Thomsen, Whitsett, Winters

Exc:

Prepared By: John Borden, Legislative Fiscal Office

Reviewed By: Daron Hill, Legislative Fiscal Office

Meeting Date: April 5, 2013

Agency

Public Employees Retirement System

Biennium
2013-15

SB 822-A
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Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 13

BUDGET NARRATIVE

Budget Summary

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$\$ Change	% Change
Other Funds	\$ 0	\$ 0	\$ 1,008,151	\$ 0	
Total	\$ 0	\$ 0	\$ 1,008,151	\$ 0	

Position Summary

Authorized Positions	0	0	2	00
Full-time Equivalent (FTE) positions	00.00	0.00	1.50	00.00

(1) Includes adjustments through December 2012.
 * Excludes Capital Construction expenditures

Summary of Revenue Changes

Revenue sources for the Public Employees Retirement System (PERS) are investment earnings, employer contributions, member contributions, and fees. Under this measure, and the associated budget note, employer contributions would decline by an estimated \$810 million system wide for the 2013-15 biennium.

The PERS operating budget is funded primarily by revenue transfers from the retirement programs. This measure would increase the revenue transfer by \$1.01 million.

Summary of Capital Construction Subcommittee Action

The measure modifies cost-of-living adjustment and supplementary tax remedy payments for non-Oregon residents under Public Employees Retirement System (PERS) and directs the PERS Board to recalculate employer contribution rates for the 2013-15 biennium. The measure has an emergency clause and is effective on passage.

The measure contains three primary provisions impacting the three primary benefit programs, which include Tier 1, Tier 2, and Oregon Public Service Retirement Plan. The Individual Account Program is not impacted by the measure. The measure reduces benefit payments for current and future retirees. Additional employer rate(s) reductions would be achieved by an administrative action of the PERS Board.

BUDGET NARRATIVE

The measure modifies the cost-of-living adjustment (COLA) under the Public Employees Retirement System. In the first year of the 2013-15 biennium, the COLA rate limitation will drop from 2% to 1.5% for all retirees. Thereafter, the COLA rate will be based on a graduated (decreasing) COLA based on the level of a retiree's benefit plus a fixed payment at various benefit levels above \$20,000, as summarized in the following table:

Annual Benefit Amount	Cost-of-Living Adjustment (beginning July 1, 2014)
First \$20,000	2.00%
\$20,000 to \$40,000	1.50%
\$40,000 to \$60,000	1.00%
\$60,000 or more	0.25%

The measure eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. Benefit reductions will occur for approximately 15% of current and future PERS members, according to PERS estimates (18,000 retirees and beneficiaries). This provision of the measure is effective on passage; however, this fiscal impact assumes an implementation date of July 1, 2013. PERS assumes full implementation after January 1, 2014.

The measure directs the PERS Board to recalculate all employer contribution rates, which is assumed to include 2013-15 rates effective for July 1, 2013. Employer contribution rates are set by the five-member PERS Board and are calculated as a percentage of an employer's PERS covered payroll. A recalculation of 2013-15 employer rates is necessary as those rates were previously established by the Board in October of 2012 as part of the Board's regular rate setting schedule.

The actuarial analysis of the measure commissioned by PERS estimates that system wide accrued liabilities will be reduced by \$2.6 billion resulting in a reduction to 2013-15 employer contribution rates by 2.5%. PERS estimates that the measure will generate system wide savings of \$460 million for the 2013-15 biennium, which is 2.5% of the estimated \$18.4 billion in system wide payroll costs for the biennium. A similar percentage of payroll is expected to be saved in future biennia.

With assets of \$50.2 billion (including employer side accounts) and liabilities of \$61.2 billion, PERS had approximately \$11 billion in unfunded liabilities (82% funded) as of December 31, 2011. The unfunded liability has since been reduced by approximately \$2.2 billion due to 2012 investment earnings. This measure is estimated to reduce the actuarial unfunded liability by an additional \$2.6 billion.

The Subcommittee approved a budget note directing the PERS Board to undertake the following administrative action:

Budget Note:

Section 18 of SB 822 directs the Public Employees Retirement System (PERS) Board to "recalculate the contribution rates of all employers, pursuant to ORS 238.225, to reflect the provisions of this 2013 Act." In addition to any employer rate increase that would be

BUDGET NARRATIVE

deferred in the 2013-15 biennium under the PERS Board's October 2012 rate smoothing methodology, the Legislature directs the PERS Board to undertake additional administrative actions to further reduce each PERS employer's rate by up to 1.9% of covered payroll to mitigate rate increases for the 2013-15 biennium, to the extent such administrative actions conform to sound accounting and actuarial practices, as determined by the PERS Board in consultation with the system's actuaries.

PERS is directed to report to the Joint Committee on Ways and Means during the 2014 session on the administrative actions undertaken by the PERS Board and an estimate of the amount of system wide savings resulting from the actions.

The PERS Board administrative actions are estimated to produce \$350 million in one-time savings for the 2013-15 biennium.

On a system wide basis, 2013-15 employer net rates were scheduled to increase from 10.8% to 15.7% or an increase of 4.9% of covered payroll. The combined savings from this measure and the PERS Board's administrative actions would reduce that increase by up to 4.4% and produce an estimated \$810 million in system wide savings for state agencies, universities, judges, school districts, and participating cities, counties, and special districts.

State agency General Fund savings are estimated to be \$78.6 million, \$2.0 million Lottery Fund, \$71.9 million Other Funds, and \$31.1 million Federal Funds. The state General Fund savings for local school districts and community colleges is estimated to be \$195.9 million and \$8.7 million, respectively.

The Subcommittee approved \$1.01 million Other Funds expenditure limitation to implement the measure. This includes the establishment of one Limited Duration Program Analyst position (1.00 FTE) and one Limited Duration Retirement Councilor I position (0.50 FTE)(\$207,362); temporary employees (\$145,468); overtime (\$82,188); information technology service consulting (\$425,000); actuarial services (\$100,000); and other services and supplies expenses (\$48,133). The revenue source is from a transfer from the Oregon Public Employees Retirement Fund. Expenditure limitation for other potential agency expenses would need to be requested from either the Emergency Board or the Legislature, if needed.

The Oregon Judicial Department may have costs beyond what is currently budgeted for the appointment of a Special Master, if an expedited judicial review is sought. The Department of Revenue is expected to have a minimal fiscal impact. There is no fiscal impact to the Department of Justice.

BUDGET NARRATIVE

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION								SB 822 A	
Oregon Public Employees Retirement System John Borden, Legislative Fiscal Office (503.986.1842)									
DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SB 822-A									
Personal Services	\$ -	\$ -	\$ 435,018	\$ -	\$ -	\$ -	\$ 435,018	2	1.50
Services and Supplies	\$ -	\$ -	\$ 573,133	\$ -	\$ -	\$ -	\$ 573,133	0	0.00
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 1,008,151	\$ -	\$ -	\$ -	\$ 1,008,151	2	1.50

BUDGET NARRATIVE

77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY

MEASURE: SB 5537-A

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. Gomberg
Carrier – Senate: Sen. Whitsett

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 26 – 0 – 0

House

Yeas: Barker, Buckley, Frederick, Freeman, Hanna, Huffman, Jenson, Komp, McLane, Nathanson, Read, Richardson, Smith, Tomei, Williamson

Nays:

Exc:

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters

Nays:

Exc:

Prepared By: Jim Carbone, Department of Administrative Services

Reviewed By: John Borden, Legislative Fiscal Office

Meeting Date: June 6, 2013

Agency

Public Employees Retirement System

Biennium

2013-15

SB 5537-A
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Agency Request

Governor's Recommended

Legislatively Adopted

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BUDGET NARRATIVE

Budget Summary

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				SS Change	% Change
Other Funds	\$ 79,332,230	\$ 76,458,784	\$ 81,571,322	\$ 2,239,092	2.8%
Other Funds Debt Service	\$ 1,418,600	\$ 1,302,850	\$ 1,302,850	\$ -115,750	-8.2%
Other Funds Nonlimited	\$ 7,434,035,699	\$ 9,277,875,000	\$ 9,277,875,000	\$ 1,843,839,301	24.8%
Other Funds Debt Service Nonlimited	\$ 3,140,326	\$ 0	\$ 0	\$ -3,140,326	-100.0%
Total	\$ 7,517,926,855	\$ 9,355,636,634	\$ 9,360,749,172	\$ 1,842,822,317	24.5%

Position Summary

Authorized Positions	367	334	367	0
Full-time Equivalent (FTE) positions	365.70	334.00	365.73	0.03

(1) Includes adjustments through December 2012.
 * Excludes Capital Construction expenditures

Summary of Revenue Changes

Revenue sources for the agency include investment earnings, contributions and fees from participating employers and public employees.

Summary of General Government Subcommittee Action

The Public Employee Retirement System agency administers seven programs that provide retirement services for about 900 organizations that, collectively, employ approximately 95 percent of all public school district, state and local government employees in Oregon.

The Subcommittee approved the 2013-15 operations budget of \$81,571,322 Other Funds. In addition, the budget includes \$1,302,850 Other Funds for debt service and \$9,277,875,000 Non-limited Other Funds for benefit payments. The agency's budget is organized into four units:

Tier One and Tier Two Plan

The Tier One and Tier Two programs include employer and member contributions and investment earnings related to Tier One and Tier Two members and employer accounts. Expenditures reflect the retirement payments made to retirees and beneficiaries in these programs. As of January 1, 2004, all member contributions have been directed to the Individual Account Program (IAP). The Tier One and Two programs were closed to new members on August 29, 2003. This program unit is made up entirely of Other Funds, Non-limited expenditures totaling \$8,540,861,000.

BUDGET NARRATIVE

Budget Note:

The Public Employees Retirement System (PERS) is directed to report to the Legislative Fiscal Office (LFO) on the Board's implementation of legislation and administrative actions related to 2013-15 employer contribution rates. PERS is to provide LFO with final employer contribution rates for the 2013-15 biennium and with an updated estimate of the amount of system wide savings generated by major employer group (state agencies and university system; school districts; and local governments). PERS is to report quarterly to LFO on retirement applications by major employer group, including inactive member retirements, retirement plan, and benefit calculation methodology. PERS is to provide LFO with an annual report on actual retirement activity, including inactive members, for calendar years 2012, 2013, and 2014.

In addition, the Public Employees Retirement System is directed to work with the Department of Administrative Services and the Legislative Fiscal Office to conduct a review of the agency's Oregon Budget Information Tracking System (ORBITS) budget structure and to incorporate any recommended changes for the 2015-17 budget cycle.

Oregon Public Service Retirement Plan

The 2003 Legislature created the Oregon Public Service Retirement Plan (OPSRP). It is a hybrid retirement program with two components: the Pension Program and the Individual Account Program (IAP). Employers participating in PERS as of August 28, 2003, must participate in OPSRP. This program unit is made up entirely of Other Funds, Non-limited expenditures totaling \$737,014,000.

Operations

The Operations Unit comprises the budget for all administrative activity within the agency. PERS Operations has five divisions: Central Administration, Benefit Payments Division, Fiscal Services Division, Information Services Division, and Customer Services Division. The Subcommittee approved a limited Other Funds budget for this unit totaling \$81,571,322 (367 positions/365.73 FTE). It includes the following adjustments to the current services level:

Package 081, May 2012 E-Board, adds three limited duration positions (3.00 FTE) and \$965,954 Other Funds expenditure limitation. This package continues the limited duration positions that were authorized during the May, 2012 meeting of the Emergency Board. These positions are involved in recovering overpaid benefits in conformance with the Oregon Supreme Court decisions in the *Strunk* and the *City of Eugene* cases. The package also makes permanent budget reductions related to a portion (\$401,763) of the Senate Bill 5701 government restructuring that was initiated in 2012. Package 811 also addresses Senate Bill 5701 changes.

Package 091, Statewide Administrative Savings, eliminates \$1,468,988 Other Funds expenditure limitation. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

BUDGET NARRATIVE

Package 092, PERS Taxation Policy, eliminates \$161,673 Other Funds expenditure limitation. This package reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

Package 093, Other PERS Adjustments, eliminates \$1,291,845 Other Funds expenditure limitation. This package reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 101, Current Service Delivery Levels, authorizes 30 positions (29.64 FTE) and \$5,431,929 Other Funds expenditure limitation. This package has four components: (a) the package moves 27 previously classified limited duration positions to permanent full-time status; (b) adds two new permanent full-time positions to enhance work on reconciling data issues on primarily retiree and non-active member accounts; (c) adds one new permanent full-time position to focus on enterprise-wide data consistency, reporting and performance measurement; and (d) adds actuarial (\$385,000) and auditing contract services (\$250,000). Note that the Operations and Policy Analyst 2 position that was originally requested in this package is changed to a Research Analyst 4 classification. The 0.36 FTE reduction in this recommendation accounts for the time that three of the positions will be vacant prior to being hired.

Package 102, Retiree Health Insurance, adds three permanent, full-time positions (2.84 FTE) and \$760,879 Other Funds expenditure limitation. This package (a) increases the management and financial oversight of the Retiree Health Insurance Program; and (b) adds consulting and actuarial contract services for the program. The positions include a Principle Executive Manager D, a Procurement and Contract Specialist 3, and an Accountant 3. This package is funded by revenue transfers from retirement programs. The 0.16 FTE reduction in this recommendation accounts for the time that two of the positions will be vacant prior to being hired.

Budget Note:

PERS is directed to review the healthcare insurance marketplace and report back to the Joint Committee on Ways and Means during the 2015 session on whether the pre-Medicare population within the PERS Health Insurance Program should be combined with other groups in acquiring healthcare coverage under the Cover Oregon plans and whether the Affordable Care Act or Cover Oregon could provide coverage for the Medicare Plan policy holders under the PERS Health Insurance Program.

Package 103, Infrastructure Maintenance and Enhancement, adds \$1,260,000 Other Funds expenditure limitation. This package has three information technology components related to the agency's Oregon Retirement Information On-line Network (ORION): (a) enterprise-level data reporting (\$460,000); (b) replacement of the agency's production storage area network (\$500,000); and (c) system development to add functionality for select services and for the development and deployment of a module to administer the Individual Account Program, which is currently outsourced by a third party administrator (\$300,000).

BUDGET NARRATIVE

This package is a one-time expenditure and is to be phased-out of the agency's 2015-17 budget.

PERS is directed to submit to the Joint Committee on Ways and Means during the Legislative session in 2014 a fully developed business case for bringing the administration of the Individual Account Program in-house.

Package 811, Compliance Plan for Senate Bill 5701 (2012), reflects the final restructuring changes that were initiated by the Emergency Board in May of 2012. The package reduces Other Funds expenditure limitation by \$383,718 and eliminates three positions (3.75 FTE): two Data Entry Operators and one Information support Specialist 6. It also phases out one Policy Analyst 2 on January 1, 2014.

Debt Service

The Debt Service budget unit accounts for debt service payments on 2012 Series K Article XI-Q Bond that replaced the Certificates of Participation (COPs) that were previously issued to finance the PERS headquarters building construction. This debt will be fully paid by May 2017. The Subcommittee approved an Other Funds expenditure limitation of \$1,302,850 for this budget unit.

Summary of Performance Measure Action

See attached Legislatively Adopted 2013-15 Key Performance Measures form.

BUDGET NARRATIVE

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5537-A

Public Employees Retirement System
Jim Carbone - 503-378-3819

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 0	\$ 0	\$ 80,750,830	\$ 7,437,176,025	\$ 0	\$ 0	\$ 7,517,926,855	367	365.70
2013-15 ORBITS printed Current Service Level (CSL)*	\$ 0	\$ 0	\$ 77,761,634	\$ 9,277,875,000	\$ 0	\$ 0	\$ 9,355,636,634	334	334.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 300 - Operations									
Package 081: May 2012 E-Board									
Personal Services	\$ 0	\$ 0	\$ 1,096,266	\$ 0	\$ 0	\$ 0	\$ 1,096,266	3	3.00
Services & Supplies	\$ 0	\$ 0	\$ (130,312)	\$ 0	\$ 0	\$ 0	\$ (130,312)		
Package 091: Administrative Savings									
Personal Services	\$ 0	\$ 0	\$ (1,087,051)	\$ 0	\$ 0	\$ 0	\$ (1,087,051)	0	0.00
Services & Supplies	\$ 0	\$ 0	\$ (352,557)	\$ 0	\$ 0	\$ 0	\$ (352,557)		
Capital Outlay	\$ 0	\$ 0	\$ (29,380)	\$ 0	\$ 0	\$ 0	\$ (29,380)		
Package 092: PERS Taxation Policy									
Personal Services	\$ 0	\$ 0	\$ (161,673)	\$ 0	\$ 0	\$ 0	\$ (161,673)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ 0	\$ 0	\$ (1,291,845)	\$ 0	\$ 0	\$ 0	\$ (1,291,845)	0	0.00
Package 101: CSL Delivery Levels									
Personal Services	\$ 0	\$ 0	\$ 4,595,929	\$ 0	\$ 0	\$ 0	\$ 4,595,929	30	29.64
Services & Supplies	\$ 0	\$ 0	\$ 836,000	\$ 0	\$ 0	\$ 0	\$ 836,000		
Package 102: Retiree Health Insurance									
Personal Services	\$ 0	\$ 0	\$ 476,829	\$ 0	\$ 0	\$ 0	\$ 476,829	3	2.84
Services & Supplies	\$ 0	\$ 0	\$ 284,050	\$ 0	\$ 0	\$ 0	\$ 284,050		
Package 103: Infrastructure Maintenance/Enhance									
Services & Supplies	\$ 0	\$ 0	\$ 585,000	\$ 0	\$ 0	\$ 0	\$ 585,000	0	0.00
Capital Outlay	\$ 0	\$ 0	\$ 675,000	\$ 0	\$ 0	\$ 0	\$ 675,000		
Package 811: Compliance Plan for SB 5701 (2012)									
Personal Services	\$ 0	\$ 0	\$ (383,718)	\$ 0	\$ 0	\$ 0	\$ (383,718)	-3	-3.75
TOTAL ADJUSTMENTS	\$ 0	\$ 0	\$ 5,112,538	\$ 0	\$ 0	\$ 0	\$ 5,112,538	33	31.73
SUBCOMMITTEE RECOMMENDATION *	\$ 0	\$ 0	\$ 82,874,172	\$ 9,277,875,000	\$ 0	\$ 0	\$ 9,360,749,172	367	365.73
% Change from 2011-13 Leg Approved Budget	0.0%	0.0%	2.6%	24.7%	0.0%	0.0%	24.5%	0.0%	0.0%
% Change from 2013-15 Current Service Level	0.0%	0.0%	6.6%	0.0%	0.0%	0.0%	0.1%	9.9%	9.5%

BUDGET NARRATIVE

Legislatively Approved 2013-2015 Key Performance Measures

Agency: PUBLIC EMPLOYEES RETIREMENT SYSTEM, OREGON

Mission: We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - TIMELY RETIREMENT PAYMENTS: Percent of initial service retirements paid within 45 days from retirement date.		Approved KPM	33.00	80.00	80.00
2 - TOTAL BENEFIT ADMIN COSTS: Total benefit administration costs per member.		Approved KPM	125.00	135.00	135.00
3 - MEMBER TO STAFF RATIO: Ratio of members to FTE staff.		Approved KPM	970.00	975.00	985.00
4 - ACCURATE BENEFIT CALCULATIONS: Percent of service retirement monthly benefits accurately calculated to within \$5 per month.		Approved KPM	99.00	100.00	100.00
5 - LEVEL OF PARTICIPATION: Percent of state employees participating in the deferred compensation program.		Approved KPM	37.00	38.00	38.00
6 - CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent"; overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	88.00	95.00	95.00
6 - CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent"; overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	89.00	95.00	95.00
6 - CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent"; overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	91.00	95.00	95.00
6 - CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent"; overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	90.00	95.00	95.00

Print Date: 6/5/2013

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BUDGET NARRATIVE

Agency: PUBLIC EMPLOYEES RETIREMENT SYSTEM, OREGON

Mission: We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
6 - CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent"; overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	91.00	95.00	95.00
6 - CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent"; overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	89.00	95.00	95.00
7 - TIMELY BENEFIT ESTIMATES: Percent of benefit estimates processed within 30 days.		Approved KPM	40.00	95.00	95.00
8 - BOARD OF DIRECTORS BEST PRACTICES: Percent of total best practices criteria met by the PERS board.		Approved KPM	100.00	100.00	100.00

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the proposed Key Performance Measures and targets with direction that the agency will work with the Department of Administrative Service and the Legislative Fiscal Office to conduct a review of existing KPMs and targets.

Sub-Committee Action:

The General Government Subcommittee adopted the Legislative Fiscal Office recommendation.

Print Date: 6/5/2013

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Agency Request
 Governor's Recommended
 Legislatively Adopted

BUDGET NARRATIVE

Oregon Legislative Emergency Board Minutes – May 23, 2012 (PERS-related items)

49. Public Employees Retirement System

Established an Other Funds expenditure limitation for the Public Employees Retirement System in the amount of \$2,071,410 \$ 2,071,410 and authorized the establishment of three limited duration positions (1.62 FTE) for recovering overpaid retirement benefits.

BUDGET NARRATIVE

52. Legislative Fiscal Office

LEGISLATIVE FISCAL OFFICE

900 COURT ST. NE, RM. H-178
SALEM, OR 97301
(503) 986-1828
FAX (503) 373-7807



EMERGENCY BOARD

SEN. PETER COURTNEY, SENATE CO-CHAIR
REP. BRUCE HANNA, HOUSE CO-CHAIR
REP. ARNIE ROBLAN, HOUSE CO-CHAIR

Item #52 Legislative Fiscal Office

The Presiding Officers and Co-Chairs of the Joint Committee on Ways and Means thank the Legislative Fiscal Office (LFO) staff and the executive branch for their work on the \$28 million in reductions in mid-level management, public affairs positions, contract positions, and advertising expenditures that helped the Legislature to rebalance the 2011-13 budget in the 2012 session. We understand the complexity of this task and the short timeline to accomplish it. We are instructing LFO to continue to monitor the impact of these reductions on agencies, including the Department of Corrections, the Department of Human Services, and the Oregon Health Authority, and to report to the September meeting of the Emergency Board on the implementation of these reductions and any adjustments that might be needed to maintain vital services.

The Presiding Officers and Co-Chairs will be meeting with Emergency Board members, Ways and Means members, and other caucus members at the start of next week to discuss any questions or concerns in the LFO recommendation.

BUDGET NARRATIVE

Analyst: Rocco, et.al.

52. Legislative Fiscal Office

Request: Acknowledge receipt of a report on agency plans to accommodate a combined \$28 million General Fund/Lottery Funds reductions assumed in the rebalanced 2011-13 biennium legislatively approved budget from an effort to restructure state government business operations; approve appropriation transfers and expenditure limitation increases within selected state agencies to clarify organizational changes resulting from the reduction as provided in the attached budget adjustment table; and direct the Legislative Fiscal Office to provide the details of the reductions to the Department of Administrative Services for inclusion in the development of the 2013-15 budget.

Recommendation: Approve the request.

Analysis: As part of the legislative plan during the 2012 session to rebalance the 2011-13 biennium budget, the Legislative Assembly included a reduction of \$28 million in combined General Fund and Lottery Funds (and \$3.8 million Other Funds) as part of an effort to restructure state government business operations. It was the intent of this budget reduction to make permanent changes to the management of agency programs and services.

To implement this reduction, the personal services budgets of selected state agencies were reduced by targeted amounts. A budget note was approved in the budget report for SB 5701, the 2011-13 budget reconciliation bill passed during the 2012 session, to apply to each agency subject to the management service personal services reduction. The budget note directed the Legislative Fiscal Office (LFO) to work with the selected agencies to reduce the number of middle managers and public affairs positions in state government and to reduce the amount currently planned for advertising and personal services contracts. The affected agencies were directed to report on the status of this effort, with the assistance of LFO, to the Emergency Board in May 2012. Since the reduction affected 26 agencies, LFO has summarized the recommended actions in this analysis by program area. Detailed displays for each program area are attached.

It should be noted that the Emergency Board does not have the authority to reduce agency budgets or to eliminate positions. Since the budget reductions were previously made by the Legislative Assembly during the 2012 session, the recommended actions in certain cases represent transfers of appropriations within the identified agency's budgets with no net change to the agency's total appropriation. Positions recommended for elimination will technically be eliminated in the 2013-15 budget, but will not be filled during the current budget period in order to achieve the identified savings.

BUDGET NARRATIVE

17	PERS	Management position elimination	300/Ops		70,518		1	0.54	1	1.00	PS	Y	Eliminate Support Services Supervisor 1, effective June 4, 2012; estimated 2013-15 reduction is \$140,377.
18	PERS	Training & Office Supplies reduction related to position eliminated	300/Ops		3,223						S&S	Y	Eliminate Training & Office Supplies related to the position eliminated above; estimated 2013-15 reduction is \$5,975.
19	PERS	Personal Services	300/Ops		479,966						PS	Y	Estimated allocation of target; specifics to be determined upon completion of strategic planning/reorganizational work by September 2012.
20	PERS	Services & Supplies	300/Ops		196,293						S&S	Y	Estimated allocation of target; specifics to be determined upon completion of strategic planning/reorganizational work by September 2012.
Agency Total					0	750,000	0	1	0.54	1	1.00		

BUDGET NARRATIVE

2013 Budget Reports

76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY

MEASURE: HB 5039-A

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. Eyre Brewer
Carrier – Senate: Sen. Whitsett

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 25 – 0 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant
– Nays:
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters
– Nays:
– Exc:

Prepared By: Blake Johnson, Department of Administrative Services

Reviewed By: Laurie Byerly, Legislative Fiscal Office

Meeting Date: May 27, 2011

Agency

Public Employees Retirement System

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LFO Analysis Page

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Biennium

2011-13

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BUDGET NARRATIVE

Budget Summary*

	2009-11	2011-13	2011-13	2011-13	Committee Change from 2009-11 Leg Approved	
	Legislatively Approved Budget (1)	Current Service Level	Governor's Budget	Committee Recommendation	\$ Change	% Change
Other Funds	\$ 83,261,952	\$ 74,463,268	\$ 79,463,054	\$ 76,999,319	\$ (6,262,633)	-7.5%
Other Funds Debt Service	1,423,075	1,418,600	1,418,600	1,418,600	(4,475)	-0.3%
Other Funds Nonlimited	6,476,885,664	7,434,012,310	7,434,012,310	7,434,012,310	957,126,646	+14.8%
Total Funds	6,561,570,691	7,509,894,178	7,514,893,964	7,512,430,229	950,859,538	+14.5%

Position Summary

Authorized Positions	368	325	368	363	-5
Full-time Equivalent (FTE) Positions	363.18	324.50	367.50	363.33	+0.15

(1) Includes adjustments through March 2011.

* Excludes Capital Construction expenditures

Summary of Revenue Changes

Principal revenue sources for the Public Employees Retirement System (PERS) are investment earnings, employer contributions, member contributions and fees. Employee contributions, whether made by employees or by employers on employees' behalf, are credited to members' Individual Account Program (IAP) accounts. Funding for administration of the IAP accounts is drawn from the accounts.

The PERS operating budget is funded primarily by revenue transfers from the retirement programs. Revenues to fund administrative activities for deferred compensation programs come largely from participant fees.

Summary of General Government Subcommittee Action

PERS is responsible for administering retirement programs for public employees, including state, school and local government workers. PERS distributes \$2.9 billion in benefits annually. The agency manages a number of programs, including the Tier One and Tier Two Retirement programs, the Oregon Public Service Retirement Program (OPSRP) and the Individual Account Program (IAP), three health insurance programs, Social Security Administration activities and a deferred compensation program.

The Subcommittee approved a budget of \$78,417,919 Other Funds, \$7,434,012,310 Other Funds Nonlimited, and 363.33 full-time equivalent positions. Other Funds (operational activities) and full-time equivalents were reduced from the 2009-11 legislatively approved budget by 7.4 percent and 1.4 percent respectively, while Other Funds Nonlimited (benefit payments) increased by 14.8 percent. The approved budget includes 335 permanent and 28 limited duration positions.

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BUDGET NARRATIVE

Tier One and Tier Two Plan

The Tier One and Tier Two Plan program unit accounts for employer contributions and interest earnings related to those retirement plans. It also reflects retirement payments made to Tier One and Tier Two retirees, as well as activity related to the agency's health insurance programs. As a result of statutory changes to the Tier One and Tier Two plans, this program unit no longer includes employee contributions as those are directed to the IAP. This program unit is made up entirely of Other Funds Nonlimited. The Subcommittee approved the Governor's budget request for this program unit.

Oregon Public Service Retirement Plan

This program accounts for employee contributions into the IAP, including contributions made by employers on behalf of employees. It also reflects employer contributions for the defined benefit portion of the Oregon Public Service Retirement Plan. This program unit is made up entirely of Other Funds Nonlimited. The Subcommittee approved the Governor's budget request for this program unit.

Operations

This program unit reflects operational costs associated with administration of various retirement related plans and programs. The Subcommittee approved modifications to the following packages:

- Package 081 establishes six positions as approved by the May 2010 Legislative Emergency Board to administer the data verification provisions within Senate Bill 897. The Subcommittee approved the package but made the four Retirement Counselor positions limited duration.
- Package 131 has a total of eight components that together convert 29 limited duration positions to permanent and request four new permanent positions. The Subcommittee denied the three new data verification positions, approved the conversion of eight limited duration benefit application intake processing positions to permanent, and approved all the other positions as limited duration instead of permanent.

The Subcommittee discussed concerns over the data verification workload created by Senate Bill 897 (2009 legislation) and the effect on retirement calculation error rates. The agency acknowledged that a large backlog tends to increase staff anxiety which could lead to higher error rates. The agency plans to prioritize verification requests by eligible retirement dates (those closest to retirement will be processed first) in order to minimize the staff's need to rush through the verifications. The agency may come back to the Legislature during the February 2012 session or to the Emergency Board to request additional resources if, with a few months of experience after the July 1, 2011 start up of the verification process, they can demonstrate a need due to higher than anticipated number of member requests or high error rates. In addition, the agency seeing a higher than normal number of retirement applications, so the agency will have to handle that workload as well.

- Package 132 extends the use of leased office space, covers costs for new software, provides for the purchase of a backup generator and the implementation of a disaster recovery strategy, and requests the conversion of three limited duration positions to permanent and the establishment of one new permanent position. The Subcommittee denied the new position in production control, denied the conversion of two limited duration positions for system development and support, and approved all the other package components.

BUDGET NARRATIVE

- Package 133 would fund the reclassification of 20 positions within the Information Services Division for the higher level of planning, analysis and design required for the planned implementation of a new 24 hour Online Member Services system. The Subcommittee approved the reclassification of 12 Office Assistant 2 positions to Office Specialist 1, but denied the reclassification of the eight Information Systems Specialist positions.
- Package 134 provides funding to make system changes in response to the PERS Board sponsored housekeeping measure – House Bill 2113. The Subcommittee denied this package as the bill is currently in the Joint Committee on Ways and Means and can be amended to include the appropriate level of expenditure limitation.
- Package 136 is a placeholder for PERS Board sponsored House Bill 2114, which at the time requested had an indeterminate fiscal impact. The Subcommittee denied the package because the bill in its current form is not expected to have a fiscal impact. The bill is currently in the Joint Committee on Ways and Means and can be amended to address a fiscal impact, if necessary.

The Subcommittee also approved the following additional packages:

- Package 801 implements a statewide reduction action, which is a 6.5 percent reduction from total Services and Supplies expenditures included in the Governor's budget.
- Package 802 eliminates one permanent part-time Electronic Publishing Design Specialist 2 position, which has been vacant for an extended period of time.

Debt Service

This program includes debt service on Certificates of Participation sold to finance construction of the PERS headquarters building in Tigard and replacement of the RIMS legacy information system. The Subcommittee approved the requested budget for this program.

Summary of Performance Measure Action

See attached Legislatively Adopted 2011-13 Key Performance Measures form.

BUDGET NARRATIVE

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5039-A

Public Employees Retirement System
Blake Johnson -- (503) 378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 * \$	0	0	\$ 84,685,027	\$ 6,476,885,664	\$ 0	\$ 0	\$ 6,561,570,691	368	363.18
2011-13 ORBITS printed Current Service Level (CSL)* \$	0	0	\$ 75,881,868	\$ 7,434,012,310	\$ 0	\$ 0	\$ 7,509,894,178	325	324.50
2011-13 Governor's Recommended Budget* \$	0	0	\$ 80,881,654	\$ 7,434,012,310	\$ 0	\$ 0	\$ 7,514,893,964	368	367.50
SUBCOMMITTEE ADJUSTMENTS (from GRB)									
<i>Operations</i>									
Package 131: Business Enterprise-Core Business Functions									
Personal Services	\$ 0	\$ 0	\$ (305,799)	\$ 0	\$ 0	\$ 0	\$ (305,799)	(3)	(3.00)
Services and Supplies	\$ 0	\$ 0	\$ (15,000)	\$ 0	\$ 0	\$ 0	\$ (15,000)	0	0.00
Package 132: Infrastructure Maintenance & Enhancement									
Personal Services	\$ 0	\$ 0	\$ (131,019)	\$ 0	\$ 0	\$ 0	\$ (131,019)	(1)	(1.00)
Services and Supplies	\$ 0	\$ 0	\$ (3,000)	\$ 0	\$ 0	\$ 0	\$ (3,000)	0	0.00
Package 133: Position Reclass/Realignment									
Personal Services	\$ 0	\$ 0	\$ (121,715)	\$ 0	\$ 0	\$ 0	\$ (121,715)	0	0.00
Package 134: Legislative Concept: PERS Housekeeping Bill									
Services and Supplies	\$ 0	\$ 0	\$ (475,600)	\$ 0	\$ 0	\$ 0	\$ (475,600)	0	0.00
Package 136: Legislative Concept: OFSRP Pension Withdrawal Restrictions									
Services and Supplies	\$ 0	\$ 0	\$ (1)	\$ 0	\$ 0	\$ 0	\$ (1)	0	0.00
Package 801: Targeted Statewide Adjustments									
Services and Supplies	\$ 0	\$ 0	\$ (1,398,249)	\$ 0	\$ 0	\$ 0	\$ (1,398,249)	0	0.00
Package 802: Vacant Position Savings									
Personal Services	\$ 0	\$ 0	\$ (13,352)	\$ 0	\$ 0	\$ 0	\$ (13,352)	(1)	(0.17)
TOTAL ADJUSTMENTS	\$ 0	\$ 0	\$ (2,463,735)	\$ 0	\$ 0	\$ 0	\$ (2,463,735)	(5)	(4.17)
SUBCOMMITTEE RECOMMENDATION *	\$ 0	\$ 0	\$ 78,417,919	\$ 7,434,012,310	\$ 0	\$ 0	\$ 7,512,430,229	363	363.33
% Change from 2009-11 Leg Approved Budget	0.0%	0.0%	-7.4%	14.8%	0.0%	0.0%	14.5%	-1.4%	0.0%
% Change from 2011-13 Current Service Level	0.0%	0.0%	3.3%	0.0%	0.0%	0.0%	0.0%	11.7%	12.0%
% Change from 2011-13 Gov's Recommended Budget	0.0%	0.0%	-3.0%	0.0%	0.0%	0.0%	0.0%	-1.4%	-1.1%

*Excludes Capital Construction Expenditures

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BUDGET NARRATIVE

Legislatively Approved 2011-2013 Key Performance Measures

Agency: PUBLIC EMPLOYEES RETIREMENT SYSTEM, OREGON

Mission: We are a well-respected organization that serves its members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - TIMELY RETIREMENT PAYMENTS: Percent of initial service retirements paid within 45 days from retirement date.		Approved KPM	21.00	80.00	80.00
2 - TOTAL BENEFIT ADMIN COSTS: Total benefit administration costs per member.		Approved KPM	121.00	130.00	130.00
3 - MEMBER TO STAFF RATIO: Ratio of members to FTE staff.		Approved KPM	924.00	925.00	933.00
4 - ACCURATE BENEFIT CALCULATIONS: Percent of service retirement monthly benefits accurately calculated to within \$5 per month.		Approved KPM			
5 - LEVEL OF PARTICIPATION: Percent of state employees participating in the deferred compensation program.		Approved KPM	34.00	42.00	43.00
6 - CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.		Approved KPM		95.00	95.00
6 - CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	89.00	95.00	95.00
6 - CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	89.00	95.00	95.00
6 - CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	92.00	95.00	95.00

Print Date: 5/26/2011

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___ Agency Request

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X Legislatively Adopted

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BUDGET NARRATIVE

Agency: PUBLIC EMPLOYEES RETIREMENT SYSTEM, OREGON

Mission: We are a well-respected organization that serves its members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
6 - CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	91.00	95.00	95.00
6 - CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	91.00	95.00	95.00
6 - CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	90.00	95.00	95.00
7 - TIMELY BENEFIT ESTIMATES: Percent of benefit estimates processed within 30 days.		Approved KPM	47.00	95.00	95.00
8 - BOARD OF DIRECTORS BEST PRACTICES: Percent of total best practices criteria met by the PERS board.		Approved KPM	100.00	100.00	100.00
4 - AVERAGE DOLLARS DEFERRED: Average monthly deferral per state employee deferred compensation participant		Legislative Delete	383.00		

LFO Recommendation:

Approve the Key Performance Measures as proposed by the Public Employees Retirement System, with the following modification: Increase 2012 and 2013 targets for KPM #6 - Customer Service from 80 to 95.

Sub-Committee Action:

The Subcommittee approved the Legislative Fiscal Office recommendation.

Print Date: 5/26/2011

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___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY

MEASURE: HB 2113-B

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. G. Smith
Carrier – Senate: Sen. Johnson

Action: Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed

Vote: 25 – 0 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant
– Nays:
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters
– Nays:
– Exc:

Prepared By: Blake Johnson, Department of Administrative Services

Reviewed By: Laurie Byerly, Legislative Fiscal Office

Meeting Date: June 24, 2011

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Public Employees Retirement System (PERS)	I-15	235	2011-13

BUDGET NARRATIVE

Budget Summary*

	2009-11	2011-13	2011-13	2011-13	Committee Change from	
	Legislatively Approved Budget	Current Service Level	Governor's Budget	Committee Recommendation	\$ Change	% Change
<u>Public Employees Retirement System</u>						
Other Funds				\$ 475,600	\$ 475,600	

Summary of Revenue Changes

House Bill 2113 is primarily a housekeeping bill and has no effect on revenues.

Summary of Capital Construction Subcommittee Action

This measure modifies retirement plan statutes administered by the Public Employees Retirement System (PERS) as follows:

- Resolves statutory conflicts governing retirement plan choices for legislators and conform to federal retirement plan laws. Removes incongruous requirements or incompatible elections, consistent with the repeal of “Break in Service.”
- Amends current statute to include the retirement credit purchases omitted in SB 399 (2009).
- Allows a member to vest in the Oregon Public Service Retirement Plan (OPSRP) pension program and in an Individual Account Program employer account if the member is an active member on or after the date the member reaches normal retirement age.
- Removes statutory sections that were invalidated by the Oregon Supreme Court in the *Strunk* case.
- Allows the Public Employees Retirement Board to offer Roth Individual Retirement Account contributions within the Oregon Growth Savings Plan program
- Changes statutes to prevent dual membership status upon reemployment of a member who withdrew from the Individual Account Program (IAP) but was unable to withdraw from the OPSRP Pension Program. Provides common start date for active membership in both programs upon reemployment.

The Subcommittee approved \$475,600 Other Funds for PERS to make one-time system modifications supporting the changes in this bill.

Summary of Performance Measure Action

There are no performance measures relating to this bill.

BUDGET NARRATIVE

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 2113-B

Public Employees Retirement System
 Blake Johnson -- (503) 378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
<i>Operations</i>									
<i>Package 840 - HB 2113</i>									
Services and Supplies	\$ 0	\$ 0	\$ 475,600	\$ 0	\$ 0	\$ 0	\$ 475,600	0	0.00
TOTAL ADJUSTMENTS	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 475,600</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 475,600</u>	<u>0</u>	<u>0.00</u>

*Excludes Capital Construction Expenditures

HB 2113-B
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Agency Request
 Governor's Recommended
 Legislatively Adopted

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BUDGET NARRATIVE

76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY

MEASURE: HB 2456-B

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. G. Smith
Carrier – Senate: Sen. Nelson

Action: Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed

Vote: 21 – 4 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Komp, Kotek, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant
– Nays: Garrard, McLane
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Verger, Winters
– Nays: Thomsen, Whitsett
– Exc:

Prepared By: Blake Johnson, Department of Administrative Services

Reviewed By: Laurie Byerly, Legislative Fiscal Office

Meeting Date: June 24, 2011

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Public Employees Retirement System (PERS)	I-15	235	2011-13

HB 2456-B
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___ Agency Request ___ Governor's Recommended X Legislatively Adopted

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BUDGET NARRATIVE

Budget Summary*

	2009-11	2011-13	2011-13	2011-13	Committee Change from	
	Legislatively Approved Budget	Current Service Level	Governor's Budget	Committee Recommendation	2009-11 Leg Approved	
					\$ Change	% Change
<u>Public Employees Retirement System</u>						
Other Funds				\$ 570,412	570,412	

Position Summary

Authorized Positions	1
Full-time Equivalent (FTE) Positions	0.75

Summary of Revenue Changes

House Bill 2456 makes changes to retirement benefits paid by PERS to members who reside in states other than Oregon. This measure has no direct effect on revenues.

Summary of Capital Construction Subcommittee Action

House Bill 2456 eliminates a benefit for certain Public Employees Retirement System (PERS) retirees who reside out of state. PERS retirees living in Oregon receive an increased benefit to offset Oregon income taxes on their retirement benefits. However, retirees that subsequently move out of state continue to receive the benefit even though they no longer pay taxes to the State of Oregon.

This bill prohibits the increased benefit in these cases, but only for employees retiring on or after January 1, 2012. While this change should reduce some future benefit payments, that reduction is indeterminate and directly tied to member retirement behavior. If the bill does decrease system liabilities, the earliest employer rates would be affected is in the 2015-17 biennium. The bill also allows the Department of Revenue to share taxpayer information with PERS or other public employee retirement plans for the purpose of determining if a payee is ineligible for the increased benefit payment.

A person may challenge the bill by filing a petition with the Oregon Supreme Court within 60 days after the effective date of the bill. The court is required to give priority to this proceeding and may appoint a special master to hear evidence and prepare findings of fact. Potential costs for the Judicial Department associated with these actions are indeterminate and can be addressed by the Legislature when incurred.

The Subcommittee approved \$570,412 Other Funds and one part-time, limited duration Retirement Counselor position (0.75 FTE) to make required system modifications and implement a manual work-around until such modifications are completed.

Summary of Performance Measure Action

There are no performance measures relating to this bill.

BUDGET NARRATIVE

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 2456-B

Public Employees Retirement System
Blake Johnson -- (503) 378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
<i>Operations</i>									
<i>Package 841 - HB 2456</i>									
Personal Services	\$ 0	\$ 0	\$ 125,412	\$ 0	\$ 0	\$ 0	\$ 125,412	1	0.75
Services and Supplies	\$ 0	\$ 0	\$ 445,000	\$ 0	\$ 0	\$ 0	\$ 445,000	0	0.00
TOTAL ADJUSTMENTS	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 570,412</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 570,412</u>	<u>1</u>	<u>0.75</u>

*Excludes Capital Construction Expenditures

HB 2456-B
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___ Agency Request ___ Governor's Recommended X Legislatively Adopted

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BUDGET NARRATIVE

76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY

MEASURE: SB 5508-A

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. Richardson
Carrier – Senate: Sen. Devlin

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 24 – 0 – 1

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant
– Nays:
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Whitsett, Winters
– Nays:
– Exc: Verger

Prepared By: Sheila Baker, Legislative Fiscal Office

Reviewed By: Daron Hill, Legislative Fiscal Office

Meeting Date: June 29, 2011

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Emergency Board	L-1	263	2011-13
Various Agencies			2009-11

BUDGET NARRATIVE

SENATE BILL 5508-A
ATTACHMENT A: 2011-13 Agency Adjustments

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
ADMINISTRATION								
ADVOCACY COMMISSIONS OFFICE	Operating Expenses	HB 5001	01	GF	(229)	-	-	-
DEPT OF ADMIN SERVICES	Mill Creek Debt Service	SB 5502	01-02	GF	(114,267)	-	-	-
DEPT OF ADMIN SERVICES	Operating Expenses	SB 5502	02-01	OF	-	-	(1,039,891)	-
DEPT OF ADMIN SERVICES	Debt Service (Other)	SB 5502	02-05	OF	-	-	(625,330)	-
DEPT OF ADMIN SERVICES	Debt Service - OPB	SB 5502	03-01	LF	-	(311,063)	-	-
DEPT OF ADMIN SERVICES	Debt Service - Tillamook FEMA Match	SB 5502	03-06	LF	-	(559,068)	-	-
DEPT OF ADMIN SERVICES	Debt Service - Lane Transit District EmX	SB 5502	03-07	LF	-	238,158	-	-
OREGON STATE TREASURY	Administrative Expenses - Operations	HB 5048	01-01	OF	-	-	(92,844)	-
OREGON STATE TREASURY	Administrative Expenses - College Savings	HB 5048	01-02	OF	-	-	(3,362)	-
RACING COMMISSION	Operating Expenses	SB 5543	01	OF	-	-	(48,788)	-
PUB EMPLOYEES RETIREMNT SYSTEM	Administrative and operating expenses	HB 5039	01-01	OF	-	-	(34,511)	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	HB 5041	01-01	GF	(249)	-	-	-
SECRETARY OF STATE	Elections Division	HB 5041	01-02	GF	(6,360)	-	-	-
SECRETARY OF STATE	Archives Division	HB 5041	01-03	GF	(404)	-	-	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	HB 5041	02-01	OF	-	-	(2,390)	-
SECRETARY OF STATE	Audits Division	HB 5041	02-03	OF	-	-	(4,419)	-
SECRETARY OF STATE	Archives Division	HB 5041	02-04	OF	-	-	(122)	-
SECRETARY OF STATE	Corporation Division	HB 5041	02-05	OF	-	-	10,191	-
SECRETARY OF STATE	Help America Vote Act	HB 5041	03	FF	-	-	-	(45)
LIQUOR CONTROL COMMISSION	Administrative expenses	SB 5522	01-01	OF	-	-	6,755	-
DEPT OF REVENUE	Administrative Expenses	HB 5040	01	GF	(259,006)	-	-	-
DEPT OF REVENUE	Operating Expenses	HB 5040	02	OF	-	-	(56,229)	-
EMPLOYMENT RELATIONS BOARD	Assessments of agencies transferred to DAS	SB 5510	03	OF	-	-	(1,811)	-
OFFICE OF THE GOVERNOR	Operating Expenses	HB 5025	01	GF	(8,746)	-	-	-
OFFICE OF THE GOVERNOR	Economic Revitalization Team	HB 5025	03	LF	-	(943)	-	-
OFFICE OF THE GOVERNOR	Operating Expenses	HB 5025	04	OF	-	-	(862)	-
GOVERNMENT ETHICS COMMISSION	Other Funds	HB 5024	01	OF	-	-	(1,354)	-
OREGON STATE LIBRARY	Operating Expenses	SB 5521	01	GF	(1,859)	-	-	-
OREGON STATE LIBRARY	Operating Expenses - Assessments	SB 5521	03	OF	-	-	(2,711)	-
OREGON STATE LIBRARY	Operating Expenses - Non-Assessment	SB 5521	02	OF	-	-	(71)	-
OREGON STATE LIBRARY	Operating Expenses	SB 5521	04	FF	-	-	-	(1,776)
CONSUMER AND BUSINESS SERVICES								
STATE BOARD OF ACCOUNTANCY	Operating Expenses	SB 5501	01	OF	-	-	(9,129)	-
TAX PRACTITIONERS BOARD	Operating Expenses	HB 5044	01	OF	-	-	(3,095)	-
CONSTRUCTION CONTRACTOR BOARD	Operating Expenses	HB 5012	01	OF	-	-	(10,154)	-
COUNSELORS AND THERAPISTS BRD	Operating Expenses	HB 5015	01	OF	-	-	1,195	-
PSYCHOLOGISTS EXAMINERS BOARD	Operating Expenses	HB 5038	01	OF	-	-	(42,775)	-
CHIROPRACTIC EXAMINERS BOARD	Operating Expenses	HB 5007	01	OF	-	-	3,255	-
CLINICAL SOCIAL WORKERS BOARD	Operating Expenses	HB 5008	01	OF	-	-	(441)	-
OREGON BOARD OF DENTISTRY	Operating Expenses	HB 5017	01	OF	-	-	(7,473)	-
HEALTH RELATED LICENSING BRDS	State Mortuary and Cemetary Board	HB 5028	02	OF	-	-	10,034	-
HEALTH RELATED LICENSING BRDS	Board of Naturopathic Examiners	HB 5028	03	OF	-	-	11,026	-
HEALTH RELATED LICENSING BRDS	Occupational Therapy Licensing Board	HB 5028	04	OF	-	-	(207)	-
HEALTH RELATED LICENSING BRDS	Board of Medical Imaging	HB 5028	05	OF	-	-	(4,822)	-
HEALTH RELATED LICENSING BRDS	State Board of Examiners for Speech-Language Pathology and Audiology	HB 5028	06	OF	-	-	1,452	-

BUDGET NARRATIVE

Public Employees Retirement System

Agency Summary

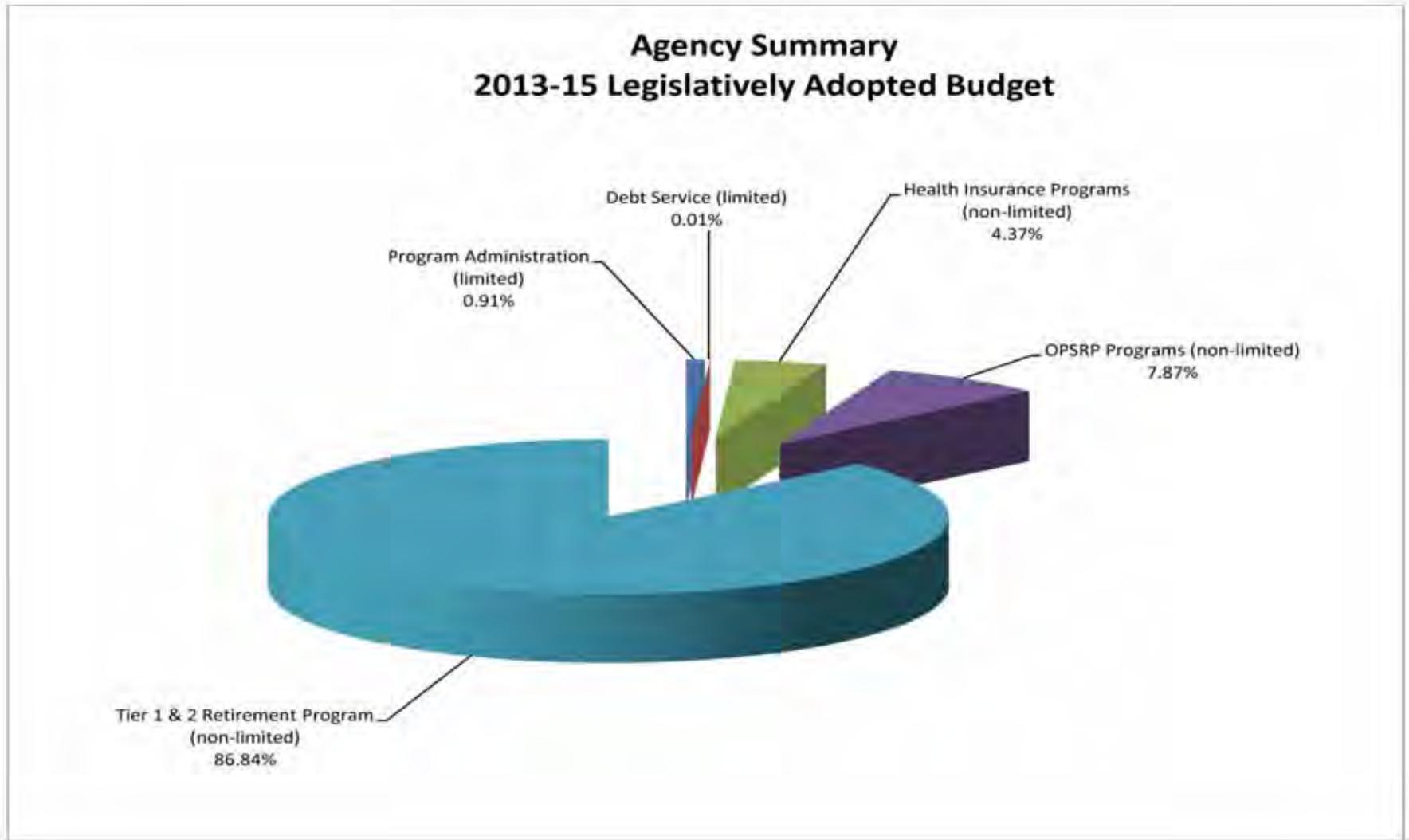
Agency Summary

The Public Employees Retirement System (PERS) provides a full range of retirement services to more than 900 public employers and their employees throughout the state of Oregon. These services are provided to all state agencies, universities, and community colleges; all public school districts; and almost all cities, counties, and other local government units. The agency administers the Tier One and Tier Two Retirement programs, Judge Member Retirement Program, Oregon Public Service Retirement Plan Pension Program, Individual Account Program, Oregon Savings Growth Plan (a deferred compensation program), Public Employee Benefit Equalization Fund, Social Security Administration Program, and Retiree Health Insurance Program.

BUDGET NARRATIVE

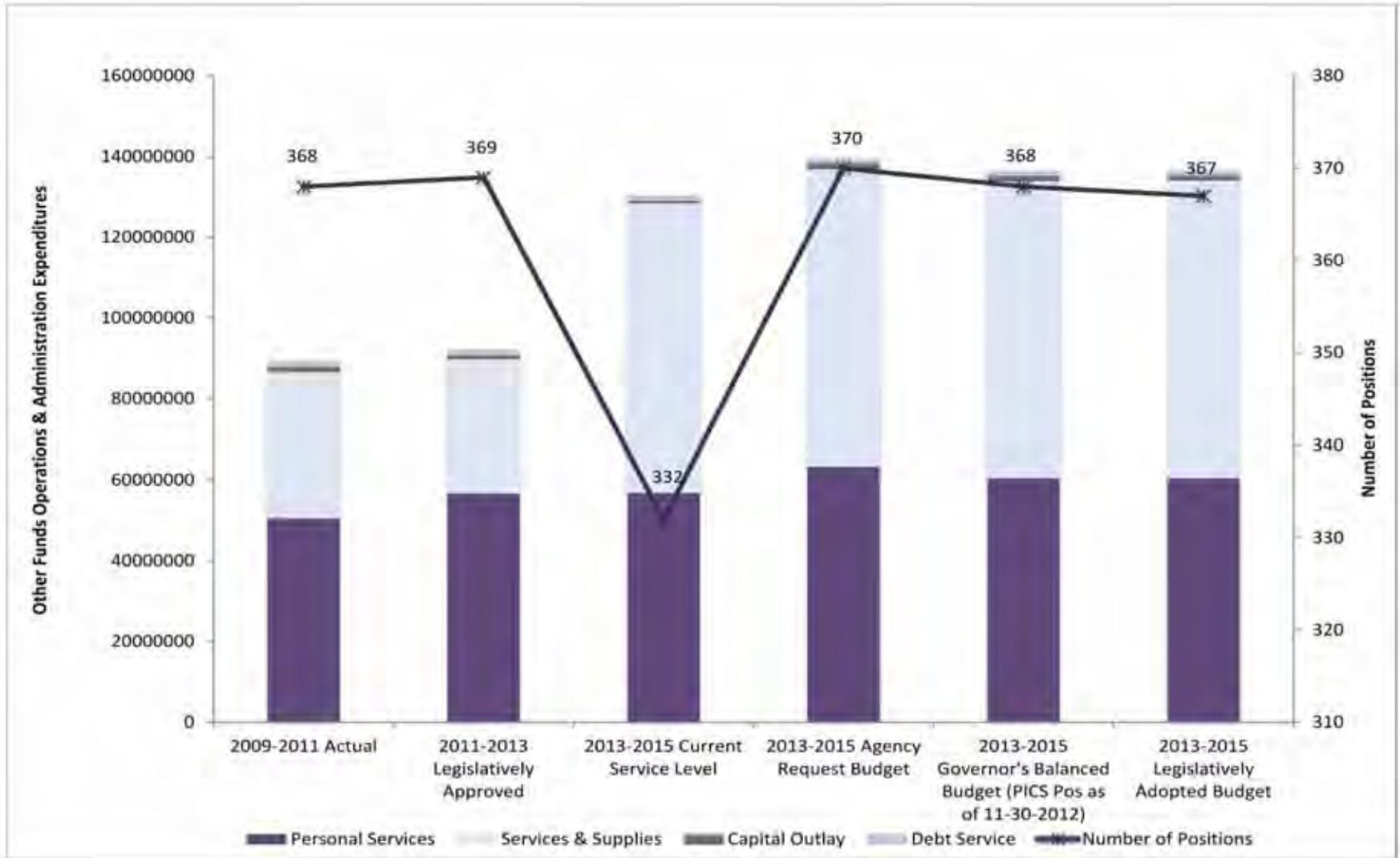
Budget Summary Graphics

PERS Expenditures by Activity



BUDGET NARRATIVE

PERS Expenditure and Position Number Comparison



BUDGET NARRATIVE

The following table shows the agency’s budget as a percentage of the historical and projected *PERS Fund balance over the time periods shown (also known as a “basis point” comparison):

PERS Budget / PERF Comparison

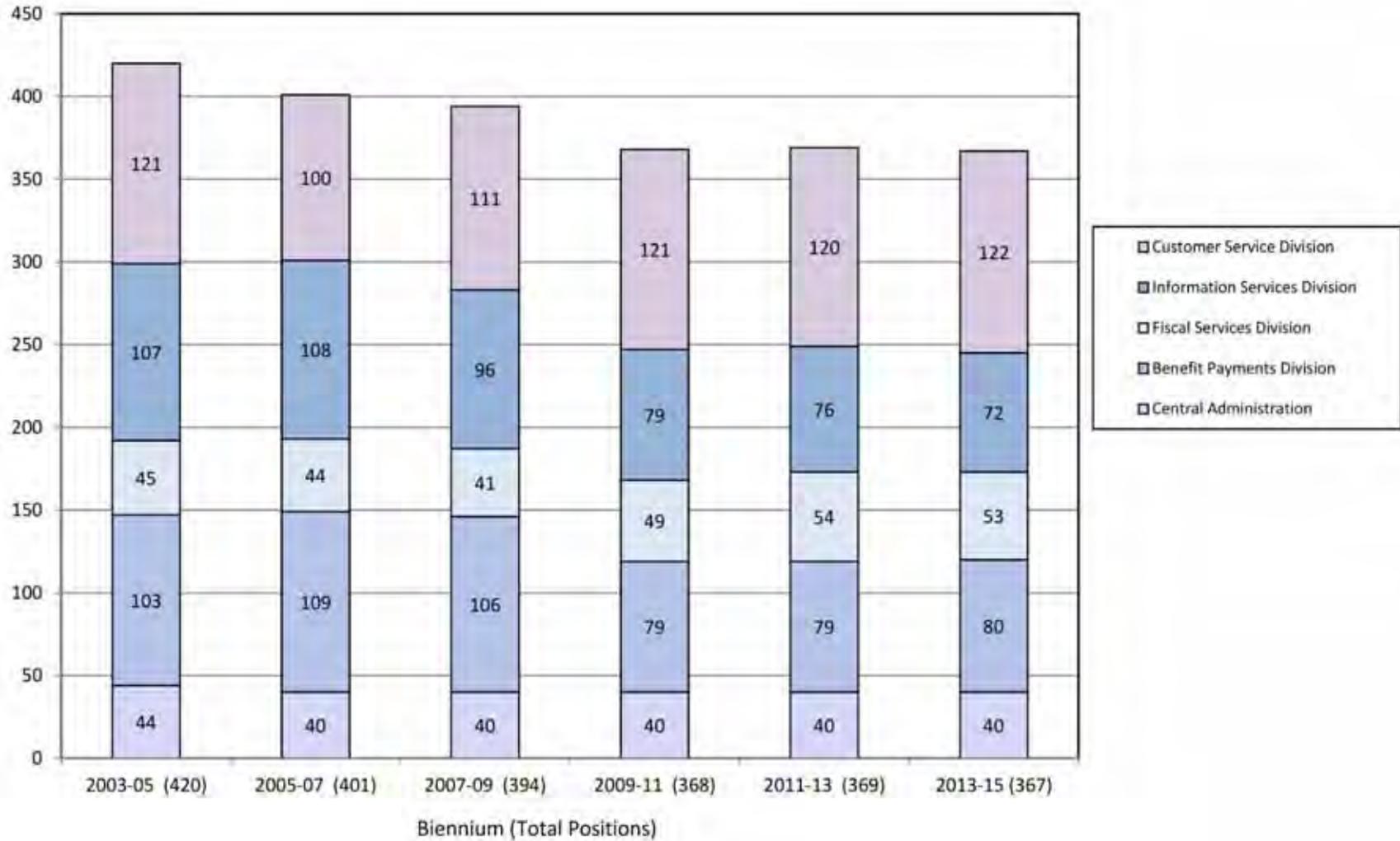
PERS Budget/PERF Comparison						
Biennium	Legislatively Approved Limited Budget	Fiscal Year Ended June 30th	Limited Budget	PERF Balance	Percent	
2005-2007	\$ 81,703,709	2006	\$ 40,851,855	\$ 56,554,878,450	0.0722%	
		2007	\$ 40,851,854	\$ 66,009,334,073	0.0619%	
2007-2009	\$ 86,960,346	2008	\$ 43,480,173	\$ 61,409,698,133	0.0708%	
		2009	\$ 43,480,173	\$ 46,043,394,714	0.0944%	
2009-2011	\$ 84,685,027	2010	\$ 42,342,514	\$ 51,747,943,735	0.0818%	
		2011	\$ 42,342,513	\$ 61,189,774,807	0.0692%	
2011-2013	\$ 80,750,830	2012	\$ 40,375,415	\$ 59,456,250,160	0.0679%	
		2013	\$ 40,375,415	\$ 65,362,545,518	0.0618%	
2013-2015	\$ 86,851,130	2014	\$ 43,425,565	\$ 72,506,910,000	0.0599%	
		2015	\$ 43,425,565	\$ 75,714,580,000	0.0574%	

Although the agency’s 2013-15 budget request is a small increase in absolute dollars over the previous biennium, it still represents a stable percentage of the PERS fund.

BUDGET NARRATIVE

Similarly, the following graph shows the agency's staffing levels by division over previous biennia. As detailed, total staffing peaked in the 2003-05 biennium at 420 positions and has been declining since then. The Legislatively Adopted Budget (LAB) for 2013-15 shows a slight decrease from the agency's current 2011-13 Legislatively Approved Budget.

Divisional Position Totals by Biennium



BUDGET NARRATIVE

Mission Statement and Statutory Authority

Mission Statement

We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

Core Values

Integrity - Inspiring trust through transparency and accountability

Innovation - Empowering change through collaborative teamwork

Simplicity - Reducing barriers through clear communication and streamlined processes

Core Operating Principles

Member Service - Enabling our diverse membership to make informed decisions

Data Integrity - Partnering with employers and members to ensure timely and reliable information

Information Security - Constantly vigilant to safeguard confidential information

The Public Employees Retirement System (PERS) was created by the 1945 Oregon Legislature and commenced operation July 1, 1946. Statutory references for the agency are:

- Tier One and Tier Two Member Retirement Programs
 - ORS 237.950 to 237.980, 238.005 to 238.480, and 238.600 to 238.750
- Retiree Health Insurance Program
 - ORS 238.410 to 238.420
- Judge Member Retirement Program
 - ORS 238.500 to 238.585
- Oregon Public Service Retirement Plan (OPSRP) Pension Program
 - ORS 238A.005 to 238A.475
- Individual Account Program (IAP)
 - ORS 238A.300 to 238A.475
- Deferred Compensation Program
 - ORS 243.401 to 243.507
- Public Employee Benefit Equalization Fund
 - ORS 238.485 to 238.492

BUDGET NARRATIVE

- Social Security Administration Program
 - ORS 237.410 to 237.515

Oregon Administrative Rules (Chapter 459) govern the implementation of PERS' statutory responsibilities.

BUDGET NARRATIVE

Agency Strategic Plans

Long-Term Plan

PERS' 2011-15 Strategic Outcomes, Strategies, and Key Indicators:

PERS is developing and implementing an outcome-based management system that drives improvements to daily operations and work processes. The system provides a framework to engage employees in personal and organizational planning that is directly aligned with the agency's mission, vision, and core values and operating principles. We are integrating problem-solving and decision-making tools that depend on active engagement from front-line staff with the most direct connection with our members and stakeholders.

The management system's progress towards success will be measured against six key goals:

1. Collaborative and transparent leadership,
2. Engaged and empowered workforce,
3. Efficient, effective, adaptable organization,
4. Engaged and educated stakeholders,
5. Timely and accurate service, and
6. Trusted and credible agency.

Progress on these goals will be monitored through Outcome Measures that, collectively, define the areas where measurable improvements are already occurring, or are needed to advance these goals. The agency's core functions are separated between six operating processes and six supporting processes. Each process has been assigned an owner, who is responsible for Process Measures that are actively tracked through Quarterly Target Reviews to review our progress and identify areas for improvement. These operating and supporting processes, with their associated process measures, are shown in the tables below.

BUDGET NARRATIVE

OPERATING PROCESSES

CORE PROCESSES	Collecting Member Data	Collecting Contributions	Assessing Benefit Eligibility	Processing Benefit Applications	Calculating Benefits	Paying Benefits
	<ol style="list-style-type: none"> 1. Receiving member data 2. Analyzing member data 3. Reconciling member data 4. Correcting member data 5. Maintaining member data 6. Auditing member data 7. Archiving and imaging member data 	<ol style="list-style-type: none"> 1. Creating and maintaining employers 2. Establishing an employer rate 3. Generating an employer invoice 4. Receiving employer contributions 5. Posting contributions to invoices 6. Crediting contributions to the general ledger 7. Reconciling contributions submitted to State Treasury 8. Collecting on delinquent employer invoices 9. Receiving member purchases 10. Collecting supplemental benefit member contributions 	<ol style="list-style-type: none"> 1. Reviewing beneficiary designations for pre-and post-retirement death benefits 2. Requesting and reviewing divorce decrees 3. Determining eligibility for disability 4. Completing estimate requests 5. Completing data verification requests 6. Reviewing account for pre-benefit eligibility 7. Determining eligibility for PERS Health Insurance Program 	<ol style="list-style-type: none"> 1. Receiving benefit application 2. Reviewing benefit application 3. Entering application data 4. Corresponding with applicant and Employer 5. Processing “just in time” eligibility review 6. Initiating the benefit calculation process 	<ol style="list-style-type: none"> 1. Reviewing account 2. Calculating initial benefit (service, death, divorce, disability, withdrawals) 3. Recalculating benefit after an estimated benefit or when an adjusted or retroactive benefit is due 4. Validating benefit calculations 5. Initiating the payment benefits process 	<ol style="list-style-type: none"> 1. Ensuring cash is available to fund benefit payments. 2. Creating and transmitting payment files 3. Processing manual checks 4. Validating payment files 5. Processing returns/cancels 6. Maintaining payee information 7. Maintaining deductions 8. Ensuring tax reporting

BUDGET NARRATIVE

CORE PROCESSES	Collecting Member Data	Collecting Contributions	Assessing Benefit Eligibility	Processing Benefit Applications	Calculating Benefits	Paying Benefits
PROCESS MEASURES	<ul style="list-style-type: none"> • % reports received vs. expected • % of returned bulk mail • % of employer reports received are complete and accurate • % of member data forms processed within 30 days • % of employer reports received within three business days of reporting cycle 	<ul style="list-style-type: none"> • % of IAP contributions posted that are due • % of employers that rate the employer statement as good or excellent • % of total employers utilizing the Automated Clearing House • # of invoices outstanding more than 30 days • % of member purchases posted within 14 days of receipt 	<ul style="list-style-type: none"> • % of disability and divorce determinations completed within 180 and 90 days respectively • % of appeals that are upheld compared to total # of eligibility, disability, and divorce appeals filed • % of estimates completed within 30 days of receipt • % of data verification requests completed within 180 days from receipt 	<ul style="list-style-type: none"> • % of applications completed by the eligibility team within 30 days of effective retirement • % of estimated payments per month • % of applications returned or rejected to the applicant • % of applications with two or more requests made to an applicant or employer for information • % of non-canceled applications completed and ready for calculation within 30 days of the effective date • % of non-canceled applications completed and ready for calculation within five business days of all required documents received • % of non-canceled applications completed and ready for calculation within 60 days of the effective date 	<ul style="list-style-type: none"> • # of calculations completed per FTE • % of sample calculations that are within plus or minus \$5 • % of calculations completed within 15 calendar days from completed application date 	<ul style="list-style-type: none"> • # of manual checks processed • % of electronic payments over total payments • Average # of days to resolve returned payments • # of exceptions not cleared prior to pension lock • % of tax reports completed by Federal and State deadline

BUDGET NARRATIVE

SUPPORTING PROCESSES

CORE PROCESSES	Communicating Externally & Internally	Managing Compliance & Risk	Leveraging Technology	Managing Organizational Finances & Resources	Managing & Developing the Workforce	Strategic & Operational Planning
	<ol style="list-style-type: none"> 1. Developing communications strategy 2. Generating and responding to correspondence 3. Generating and responding to phone calls 4. Creating and making presentations 5. Creating and maintaining publications and forms 6. Maintaining electronic & social media 7. Communicating with Legislators and interest groups 8. Responding to media and public records requests 9. Communicating with agency staff 	<ol style="list-style-type: none"> 1. Providing policy advice to employees 2. Resolving disputes 3. Managing legal services 4. Maintaining tax qualified status 5. Managing strategic relationships 6. Conducting enterprise risk management efforts 7. Managing audit services 	<ol style="list-style-type: none"> 1. Developing IT strategy and roadmap to meet agency technology needs 2. Ensuring system availability and performance 3. Delivering HelpDesk/desktop support 4. Maintaining applications and systems 5. Enhancing applications and systems 6. Implementing new applications and systems 7. Ensuring system security 	<ol style="list-style-type: none"> 1. Administering accounting and payroll services 2. Managing funds and investments 3. Administering budget and finance operations 4. Developing and managing contracts and agreements 5. Maintaining and managing facilities and equipment 6. Managing actuarial services 	<ol style="list-style-type: none"> 1. Assessing employee needs 2. Recruiting/onboarding 3. Developing employees 4. Managing performance 5. Classifying and compensating 6. Bargaining and administering CBA's, HRSD policies, and employment laws 7. Responding to employee claims 8. Managing personnel records 9. Retaining employees 10. Separating employees 11. Planning succession 12. Managing cultural competency 13. Leveraging contractors 	<ol style="list-style-type: none"> 1. Nurturing the agency's mission, values, and core operating principles 2. Developing and maintaining the agency's strategic plan 3. Ensuring budget development and execution support agency strategic plan 4. Prioritizing and managing the completion of projects and breakthroughs 5. Conducting quarterly target reviews of agency scorecards and making adjustments 6. Facilitating the implementation of new legal and policy mandates

BUDGET NARRATIVE

CORE PROCESSES	Communicating Externally & Internally	Managing Compliance & Risk	Leveraging Technology	Managing Organizational Finances & Resources	Managing & Developing the Workforce	Strategic & Operational Planning
PROCESS MEASURES	<ul style="list-style-type: none"> • # of emails to PERS Board email box with complaints • % who rate forms as easily understandable • % of media coverage events with neutral or positive mentions • % rating satisfaction as good or excellent • Average length of wait before caller reaches live person • % of correspondence responded to within 10 days of receipt • % of public records requests responded to with a cost estimate within 14 days of receipt 	<ul style="list-style-type: none"> • % of operating budget expended for attorney and administrative hearing fees and risk management premiums • # of Member and Employer appeals and contested case matters, employment disputes, litigation disputes, notices of dispute and risk management claims • % of staff determinations that are reversed on appeal • % of high risk audit findings resolved within committed time period 	<ul style="list-style-type: none"> • # of business days in a month ORION systems are not available within the standard service window • % of time systems are available during the service window • % of survey respondents indicating satisfaction with our technology • # domains in the Information Security Business Risk Assessment report that meet agency goal • # of batch incidents/abends in a month • % of Change Requests scheduled for a release that are actually deployed • # of instances where system status change is not mitigated within four hours • % of HelpDesk Tickets resolved within the Service Level Agreement 	<ul style="list-style-type: none"> • % of months with no interest cost incurred due to borrowing • % of accounts receivable dollars collected (based on total dollars of accounts receivable) • % of actuarial services milestones met (e.g., experience studies, valuations, CAFR data, employer rates updated in jClarety, economic impact report) • % of invoices with payments released for payment within 20 business days of receipt by Accounts Payable 	<ul style="list-style-type: none"> • % of employees' annual development plans created • % of employees receiving corrective action for violations • % of employees completing trial service • % of data fields entered correctly into the personnel database (PPDB) • % of employees evaluated overall performance rating "meets expectations" • % of performance evaluations completed by due date 	<ul style="list-style-type: none"> • % of outcome and process measures with new or current data reported for that quarter • % of employees that rate mission relevance as high • Net # of measures that improve per each quarterly target review (QTR) • # of breakthroughs on schedule • # of problem solving initiatives in process

BUDGET NARRATIVE

2013-15 Short-Term Plan

Agency Programs

The program operations of PERS have a significant impact on Oregon's economy. PERS provides retirement services to roughly 10 percent of Oregon's population, and the agency distributes approximately \$2.8 billion in benefits annually to Oregonians who served in the public sector and their beneficiaries. The specific programs administered by PERS are described below:

Tier One and Tier Two Programs

The Tier One/Tier Two programs are statutorily created programs, the administration of which is funded with Other Fund revenues that provide retirement, death, and disability benefits to approximately 140,000 non-retired members and approximately 120,000 retired members and beneficiaries. Active Tier One/Tier Two membership will decline over time as the program is now closed to new members. However, due to the aging demographics of the Tier One/Tier Two membership, agency retirement workloads will increase dramatically over the next 10 to 15 years. Over 70,000 Tier One/Tier Two members are currently eligible to retire by virtue of age or years of service.

The Tier One/Tier Two Programs services include:

- Maintaining demographic and employment data throughout a member's career that will form the basis for benefit eligibility and calculations, tracking account balances and earnings crediting for member contributions to the regular and variable annuity accounts, and generating annual member account statements.
- Providing information to members regarding retirement, disability, and death benefits; providing benefit estimates and explaining plan options for members and beneficiaries. PERS projects that minimally 12,000 - 16,000 members will retire during the next biennium.
- Calculating and paying withdrawal, retirement, death, disability, and excess benefits.

BUDGET NARRATIVE

Retiree Health Insurance Programs

PERS serves as a group sponsor, providing health insurance services to approximately 56,000 retired members and dependents. PERS designs benefits, devises specifications, analyzes carrier responses, and awards contracts based on care quality and cost containment. PERS uses a third-party administrator to provide these services directly to members. The PERS Health Insurance Program is comprised of the following three statutorily-mandated activities:

Retirement Health Insurance Account (RHIA)

This program provides a \$60 per month subsidy to help offset the cost of insurance premiums in PERS-sponsored health insurance plans for eligible retirees enrolled in Medicare Parts A and B. All PERS employers fund this subsidy through contributions. Approximately 40,000 retirees receive this subsidy, for which PERS issues approximately \$28.5 million in premium subsidies annually.

Retiree Health Insurance Premium Account (RHIPA)

This program subsidizes the cost of insurance premiums in PERS-sponsored health insurance plans for those who retired directly from state of Oregon employment but are not yet Medicare eligible and are not enrolled in the state employee health insurance retiree plans sponsored by Public Employees Benefit Board. The subsidy, which is funded by the state of Oregon through its contribution rate, is based on the number of years the retired member was employed in state service. PERS issues approximately \$2.5 million in premium subsidies annually to about 1,100 retirees.

Standard Retiree Health Insurance Account (SRHIA)

SRHIA covers all administrative services related to the PERS Health Insurance Program that are not specific to RHIA and RHIPA. This program encompasses such health insurance-related administrative activities as premium transfers of approximately \$120 million per year, third-party administrative agreements, and consultant services. Member fees and earnings on dollars held by SRHIA fund this activity.

Judge Member Retirement Program

PERS administers a separate retirement program for all judges of the Oregon Circuit Courts, Court of Appeals, and Supreme Court. This formula-based benefit has a different contribution and payment structure than the Tier One/Tier Two Programs. All judges, as employees of the state of Oregon, have 7 percent of their salary contributed to an account to fund a benefit payable for the judge's life starting no earlier than age 60. The benefit is capped at 75 percent of the judge's final average salary.

BUDGET NARRATIVE

Benefit Equalization Fund (BEF)

The Legislature created the Benefit Equalization Fund (BEF) in 1997 as permitted by the Internal Revenue Service (IRS) to allow a full payment of PERS retirement benefits to recipients whose benefits would otherwise be capped by Internal Revenue Code (IRC) Section 415, which limits contributions and benefits in a tax-qualified plan. The BEF pays the amount of PERS benefits earned by these few members (approximately 100 each year) over and above the IRS limits. The BEF began paying members affected by IRC 415 in 1998 and issues benefits of approximately \$1.4 million per year. Benefit changes for new retirees related to PERS reforms, combined with periodic adjustments to the IRC 415 cap, will slow the growth of and eventually shrink the BEF. Fees are assessed to employers with members paid from the BEF to fund those benefits.

Social Security Administration (SSA)

PERS has the statutorily mandated responsibility to administer federal Social Security Administration (SSA) programs to over 1,000 Oregon public employers. The scope of that responsibility involves facilitating employer education, assisting with SSA coverage referendums, and other ancillary duties. Annual fees assessed to participating employers fund the State's SSA service.

Deferred Compensation Program

The Deferred Compensation Program administered by PERS provides the opportunity for public employees to voluntarily save additional funds to supplement their retirement benefits. This program is also known as the Oregon Savings Growth Plan (OSGP) and is available to all state employees and those school districts and local government employers that choose to offer the program.

This program benefits participants by providing an incentive for saving additional funds to be used at retirement while reducing current taxable income. It presently serves approximately 23,000 current and former state, school district, and local government employees. Plan assets were valued at approximately \$1.24 billion as of June 2010.

A third-party administrator provides OSGP record keeping and investment account services. Investment alternatives are selected with assistance of Oregon State Treasury staff with oversight from the Oregon Investment Council (OIC). Agency staff manage the third-party administrator's contracts, provide plan enrollment and educational support, monitor participant satisfaction, and assist participants with issues irresolvable by the third-party administrator. Member contributions and related earnings fund OSGP's administration.

In 1997, the Legislative Assembly authorized PERS to extend deferred compensation services to local government employees through its third-party agreement. PERS responsibilities are to coordinate local government applications and to provide information about the program to local public employers. Employers work with the OSGP staff to resolve any administrative issues, but send contributions and contribution reports directly to the third party administrator.

BUDGET NARRATIVE

Oregon Public Service Retirement Plan (OPSRP)

The Oregon Public Service Retirement Plan (OPSRP) authorized by the 2003 Legislature (codified as ORS Chapter 238A) and financed with Other Funds, provides both individual account-based and pension benefit programs. Employees hired by PERS-participating employers in qualifying positions on or after August 29, 2003, participate in the OPSRP Pension Program. As of December 31, 2011, the OPSRP Pension Program had approximately 84,000 members. All Tier One, Tier Two, and OPSRP members who made contributions after January 1, 2004, also participate in the OPSRP Individual Account Program (IAP), with 226,327 IAP active accounts as of December 31, 2011.

OPSRP Individual Account Program

The Individual Account Program (IAP) requires all active PERS members in qualifying positions to contribute 6 percent of their salary into a supplemental retirement savings account invested as part of the Oregon Public Employees Retirement Fund (OPERF) regular account under the oversight of the Oregon Investment Council (OIC). The IAP became effective January 1, 2004. Under 2003 PERS Reform, employee contributions from Tier One/Tier Two members were also directed into this separate IAP effective January 1, 2004.

At retirement, members can choose to receive their IAP account balance in a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or over the member's anticipated life span. A third-party administrator provides record keeping services. Member contributions and earnings on those contributions fund the administrative costs related to the IAP. Under the IAP, there is no guarantee of a particular investment return or retirement amount. Members make contributions that are invested and subject to market fluctuation. Employers may or may not also make contributions. When a member retires, he or she receives the accumulated contributions and any earnings or losses that accrue. Approximately \$182 million in IAP benefit payments were issued during FY 2012.

OPSRP Pension Program

The OPSRP Pension Program is solely funded by employer contributions and associated earnings. Employees who started work with a participating public employer in a qualifying position on or after August 29, 2003, participate in the OPSRP Pension Program. An employee becomes fully vested into the program upon working five consecutive years in a qualifying position. Members' retirement benefits are based on their final average salary, length of service, and type of service (general vs. police/fire).

BUDGET NARRATIVE

Debt Service

Overview

This program accounts for debt service payments on Certificates of Participation (COP) issued to finance the PERS headquarters building construction.

On April 4, 2012 the Department of Administrative Services (DAS) partially refunded Oregon Public Retirement System Certificate of Participation Series 2002, Series B to achieve debt savings, and 2012 Series K Article XI-Q Bonds was issued in order to refund the old debt. Under the new debt schedule, PERS is to make the principle payment of \$1,110,000 Other Funds and interest payments of \$192,850. The remaining balance is \$1.2 million as of May 2015 and will be fully paid by May 2017.

Base Budget Adjustments

This is a decrease of \$115,750 in Other Funds Limitation debt service. The debt service adjustment is made in accordance with budget instructions and based on established repayment schedules provided by DAS.

BUDGET NARRATIVE

Environmental Factors

The primary environmental factors affecting PERS can be summarized in three specific issue areas:

- Increases to the agency workload from an aging member population, with over 70,000 members eligible to retire as of June 30, 2012.
- Complex and evolving service delivery requirements caused by retirement program changes and new benefit structures.
- Program administration complexities resulting from systemic plan dynamics like serial plan changes, eligibility screens, litigation, and niche-plan customization.

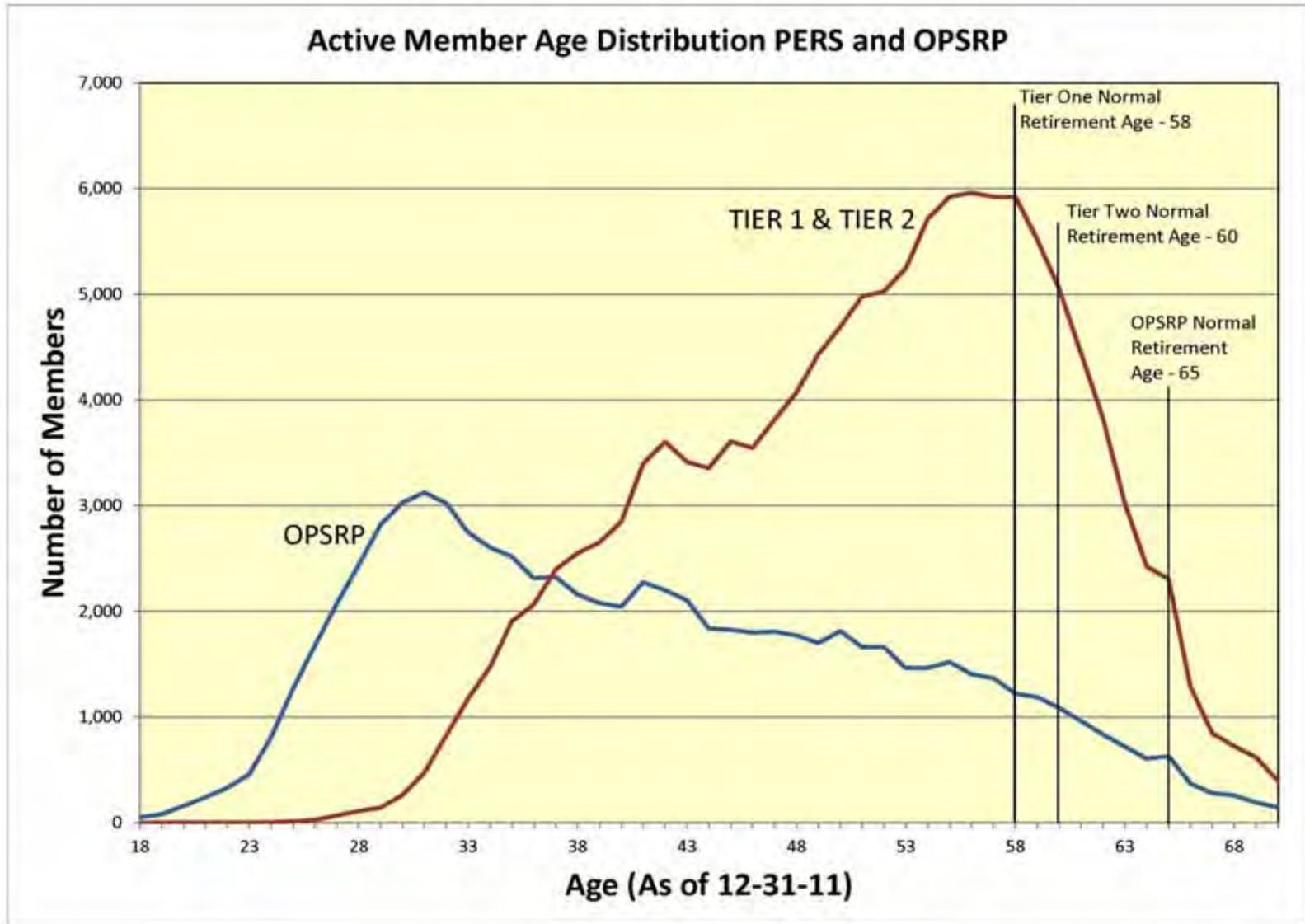
These combined factors present unique challenges PERS continues to address by stabilizing and improving operations, resolving accumulated workloads, and permanently implementing changes resulting from legislation and other plan amendments.

Aging of PERS Membership and Participants

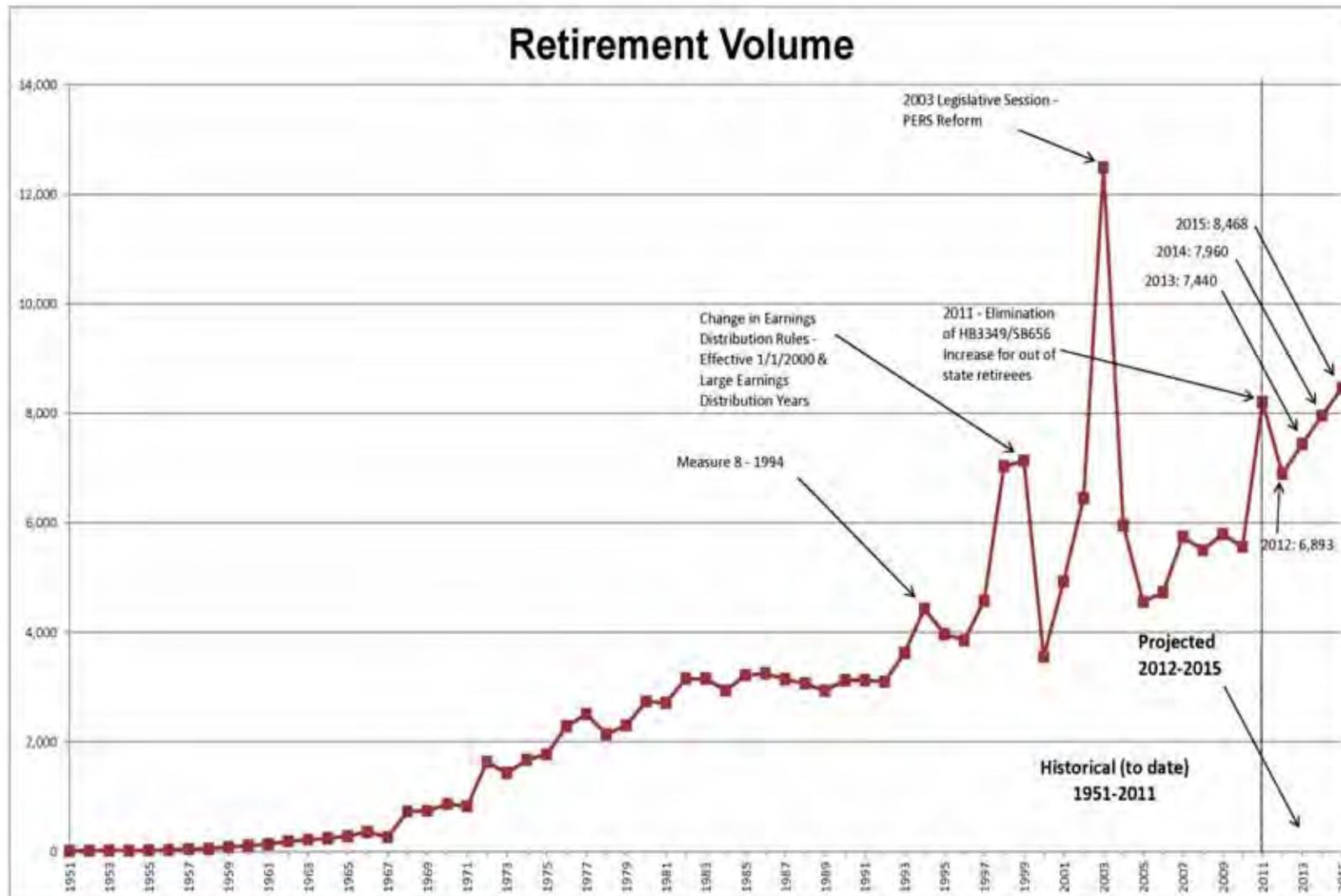
Membership and participant demographics indicate the demand for PERS services will continue to increase. PERS is funded at the Current Service Level (CSL) to process a baseline of 6,000 retirements per year. The demographic trend of increasing retirees is expected to continue before leveling out at approximately 9,000 retirements per year. In 2003, retirements spiked to over 12,000 due to benefit changes brought on by the 2003 reforms. As of June 30, 2012, approximately 70,000 members (about 33 percent of all active and inactive members) were eligible for immediate retirement.

Member retirements typically impact other activities and services. As a member approaches retirement, requests for estimates and retirement information increase significantly. The retirement process itself triggers significant data compilation and verification to support the benefit calculation and resulting notice of entitlement. Data is also needed to resolve any subsequent appeals or contests of benefits. In addition, many retiring members choose to participate in PERS' Health Insurance Program. The newly hired replacement employee must then be established on PERS' database under Oregon Public Service Retirement Plan (OPSRP), where management of their service data and Individual Account Program (IAP) begins. All these activities are volume driven and compose a major part of PERS' services and related operational demands. Finally, the continually growing number of living retired members represents an ever increasing workload for PERS in terms of the pension roll, cost-of-living adjustments (COLAs), mailing address and bank account changes, and tax withholding and reporting.

BUDGET NARRATIVE



BUDGET NARRATIVE



BUDGET NARRATIVE

Complex and Evolving Service Delivery Requirements

PERS statutes have evolved over the past 67 years and now encompass more than 100 pages. The context, terms, and relationships between statutes have become more intertwined. In 2003, the legislature made broad, sweeping changes to the current PERS retirement system by adding the new OPSRP Pension and IAP Programs. The sum of the changes mandated in 2003 had a major effect on PERS programs and benefit structures and created multiple special projects. PERS found both its administration and infrastructure inadequate to meet the reasonable expectations of stakeholders. The intricacy and volume of changes to PERS' statutes also led to serial litigation from both employers and members, continued acceleration in the number of contested cases, and delays in providing even the most basic services to PERS members. The 2005 legislative session brought minor changes and refinements, but the 2007 legislative session brought both significant challenges and opportunities for improved services as some elements of the PERS reforms were modified and further refined. In the 2009 and 2010 sessions, changes continued as one bill created an entirely new process (allowing members to request a retirement data verification) and another required fundamental changes to an existing process (allowing purchases using pre-tax funds). A key change from the 2011 legislative session prohibits PERS from paying an increased tax remedy benefit if a person is not a resident of Oregon or not subject to Oregon personal income tax for those eligible members who retire on or after January 1, 2012.

Federal law and regulation changes, along with court decisions, continue to reshape and refine the agency's ground rules, requiring increased flexibility and adaptability from PERS at the administrative level and throughout its business processes and systems.

BUDGET NARRATIVE

Program Administration Complexities

With its legislatively approved staffing and budget resources, PERS provides a variety of retirement services to approximately 330,000 members (Tier One, Tier Two, and OPSRP) and beneficiaries, and approximately 900 public employers. The agency augments staff-provided services through the use of various information technology platforms and uses third-party administrators for Retiree Health Insurance, the Individual Account and Deferred Compensation Programs. The agency is completing an upgrade to its technology system, but that system's useful life and scope is greatly challenged by the frequent revisions to the Tier One/Tier Two, OPSRP Pension Program, and IAP.

BUDGET NARRATIVE

Agency Initiatives

2011-13 Progress Report

With the combined resources of the agency's base budget and POPs, PERS made significant progress on the objectives set forth in the Six-Year Strategic Outlook and the Key Performance Measures, as well as in the area of business process improvements. Indicators of that progress are discussed below.

Timely and Accurate Payment of PERS Benefits. The Key Performance Measure is to provide 80 percent of initial retirement payments within 45 days of the member's effective retirement date. PERS has made progress toward this measure, attaining a 59 percent rate for the six-month period of January through June 2010. This upward trend from the 2009 calendar year percentage of 23 percent is attributable to process improvements and focused prioritization. The 2009 rate was also reduced as a result of allocating staff resources to the RIMS Conversion Project to test new system functionality, write procedures, and train staff on new tools and processes. The payoff has been the 2010 resulting improvement as new processes and system functionality have improved service delivery on this measure after successfully working through a deployment and transition period. Eligibility determinations have also been streamlined and moved further up the timeline. PERS also made a process improvement by centralizing the processing of all incoming documents, and better utilizing new automation and workflow tools, which has improved the tracking of applications, separations, and information requests. In addition, PERS has established quality assurance procedures to increase accuracy.

High-Quality Customer Service. PERS' Key Performance Measure is to achieve a customer satisfaction rating of "good" or "excellent" from 80 percent of members and employers. The percentage of members rating our service either "good" or "excellent" was 83 percent in 2011; employers' ratings were 78 percent. Adding Retirement Application Assistance Sessions to review retirement applications has reduced the rejection rate to approximately 1 percent compared to a 10 percent rejection rate for applications not reviewed in those sessions. Response times on email and letter inquiries have been reduced to only a few days instead of weeks.

Optimize Effectiveness and Efficiency. PERS strives to deliver high-quality, cost-effective service to members and employers. The successful completion of the *Strunk/Eugene* project and the RIMS Conversion Project will help to stabilize PERS' annual operating expenditures. PERS' member to staff ratio increased to 928:1 in Fiscal Year 2010, up from 848:1 in 2009, continuing the trend of member to staff ratios exceeding the Performance Measure over the last three years. This trend shows PERS has been able to provide services to a greater number of members without significantly increasing its staffing levels. Within our current budget, efficiencies have allowed the agency to process more retirements (Tier One/Two, IAP, and OPSRP Pension`), increasing from 13,303 in 2010 to 16,548 in 2011; more membership eligibility reviews (from 17,850 in 2010 to 21,670 in 2011; and more member information requests via emails (from 63,827 in 2010 to 122,388 in 2011).

BUDGET NARRATIVE

Business Process Improvements. The most recent technology improvements implemented in connection with the RIMS Conversion Project continued to expand employer's Web functionality. With the deployment of functionality to the new platform, the Oregon Retirement Information On-line Network (ORION), employers have improved access and are submitting more reports and accomplishing more tasks via the Web interface instead of manually submitting paper documents. Updates to system validation rules continue to enhance the quality of the data submitted. ORION is providing a stronger connection between membership information and benefit payments, thus offering more automated checks and balances. Workflow requirements for cash processing provides greater control over refund processing. Since ORION deployment in 2011, all payments are generated and disbursed through that new system, offering improved audit controls and discontinuing the practice of paper check requests. Lastly, two final initiatives are creating positive expectations: 1) An update to our financial reporting software will move us from antiquated COBOL code to a new SQL environment. This update will allow more efficient data access, the ability to query fresher data, and to efficiently extract selected transactions. 2) A business case is under development to examine current banking processes and costs, study current banking trends and options, and contemplate greater efficiencies and reduced costs for cash management.

BUDGET NARRATIVE

Annual Performance Progress Report (APPR)

Budget Form #107BF04c

Public Employees Retirement System Annual Performance Progress Report (APPR) for Fiscal Year 2012

Final Submission Date: December 31, 2012

2011-13 KPM#	2011-13 Key Performance Measures (KPMs)	Page #
1	TIMELY RETIREMENT PAYMENTS: Percentage of initial service retirements paid within 45 days from retirement date	4
2	TOTAL BENEFIT ADMINISTRATION COSTS: Total benefit administration costs per member	6
3	MEMBER TO STAFF RATIO: Ratio of members to FTE staff	8
4	ACCURATE BENEFIT CALCULATIONS: Percent of service retirement monthly benefits accurately calculated to within \$5 per month	10
5	LEVEL OF PARTICIPATION: Percent of state employees participating in the deferred compensation program	12
6	CUSTOMER SERVICE- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent"; overall customer service: timeliness, accuracy, helpfulness, expertise and availability of information.	14
7	TIMELY BENEFIT ESTIMATES: Percent of benefit estimates processed within 30 days	17
8	BOARD OF DIRECTORS BEST PRACTICES: Percent of total best practices criteria met by the PERS board	19

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

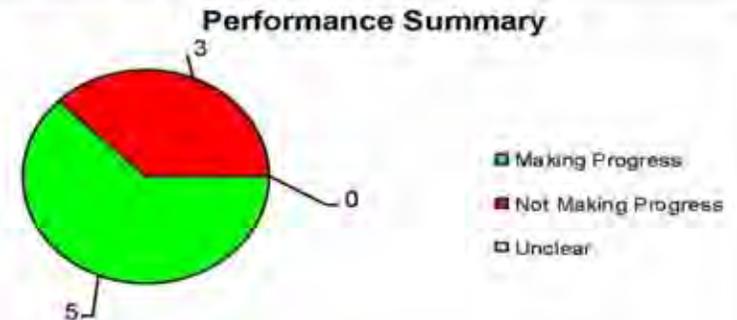
II. KEY MEASURE ANALYSIS

Agency Mission: We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

Contact: Matthew Rickard, Budget Analyst	Phone: (503) 603-7576
Alternate: Kyle Knoll, Budget Officer	Phone: (503) 603-7568

1. SCOPE OF REPORT

The Public Employees Retirement System (PERS) provides a full range of retirement services to public employers and public employees throughout the state of Oregon. These services are provided to approximately 900 state and local government entities across the state. The agency administers the Tier One and Tier Two Retirement programs, the Judge's retirement program, the Oregon Public Service Retirement Plan (or OPSRP) Pension Program, the Individual Account Program (IAP), the Oregon Savings Growth Plan (a deferred compensation program), the Public Employee Benefit Equalization Fund (BEF), the Social Security Administration program, and the Retiree Health Insurance program. With the Debt Service program, PERS also administers the financing of projects that were funded by Certificates of Participation.



2. THE OREGON CONTEXT

The program operations of PERS have a significant impact on Oregon's economy. PERS administers a retirement plan that covers roughly 10 percent of Oregon's population, and the agency distributes approximately \$3 billion in benefits annually to Oregonians that served in the public sector. This substantial and widespread distribution of benefit payments (some \$250 million each month) is a direct infusion into the Oregon economy.

The Tier One-Tier Two, Judge's, OPSRP, and IAP programs provide retirement services to approximately 211,000 non-retired members and 118,000 retired members and beneficiaries (including CY11 lump sum retirees and withdrawal recipients). The Retiree Health Insurance program serves as a group sponsor, providing health insurance services to more than 50,000 retirees and dependents. With approximately 10 percent of Oregonians directly participating in PERS programs (and many more who are family members and/or beneficiaries of those participants), the importance of delivering high-quality, cost-efficient services is evident.

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

3. PERFORMANCE SUMMARY

Five KPMs, Total Benefit Administration Costs (page 6), Member to Staff Ratio (page 8), Accurate Benefit Calculations (page 10), Level of Participation (page 12), and Board of Directors Best Practices (page 19) are making continued progress toward the targets (showing improvements over the previous year's performance). Three KPMs, Timely Retirement Payments (page 4), Customer Service (page 14), and Timely Benefit Estimates (page 17) are not making progress for this period.

4. CHALLENGES

There are several key challenges facing the PERS retirement programs. An aging membership, including some 30% of PERS non-retired members who are eligible to retire, increases demands for near-retirement services including the call center, benefit estimates, group presentations, individual sessions, and the website. As a result, the number of retired members and beneficiaries who receive regular, recurring contacts and benefit payments continues to grow. There is increased workload resulting from two additional retirement programs added with PERS reform. PERS now administers four major retirement programs, maintains at least two accounts for each member with a combined annual statement, calculates and pays at least two retirement benefits or two withdrawal benefits, and issues at least two 1099-R statements for each benefit recipient.

PERS operations continued their transition to the Oregon Retirement Information On-line Network (ORION), which replaced the outdated information technology system (RIMS) when the IT conversion project was completed at the start of this fiscal year. Introducing the new technology limited the agency's service levels and resulted in workload backlogs, additional work-arounds, and less efficient utilization of agency resources. By the close of the fiscal year 2012, however, the transition had improved and plans were in place to resolve the resulting backlogs by the end of the calendar year 2012. Service levels in the noted KPMs (Timely Retirement Payments, Customer Service, and Timely Benefit Estimates) should return to making progress in the fiscal year 2013 period.

One challenge impacting the OSGP deferred compensation program is the large number of soon-to- retire and actively retiring baby boomers. The large number of retirements impacts the participation level as those people withdraw or roll their accounts to other institutions. Also, the financial impact of the recent economic downturn and wage reductions is being reflected in the participation rate. Despite these challenges, OSGP is taking steps to keep eligible employees and participants educated about the importance and advantages of participating in this supplemental retirement savings program.

5. RESOURCES USED AND EFFICIENCY

For FY2012 PERS expended \$44.3 million in administrative and special project expenditures, and \$3.9 billion in total expenditures (this includes benefit payments). Efficiency measures include KPM #2 - Total Benefit Administration Costs per Member, and KPM #3 – Member to Staff Ratio. The performance in these measures reflects that PERS has achieved cost and staff efficiencies during this period.

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

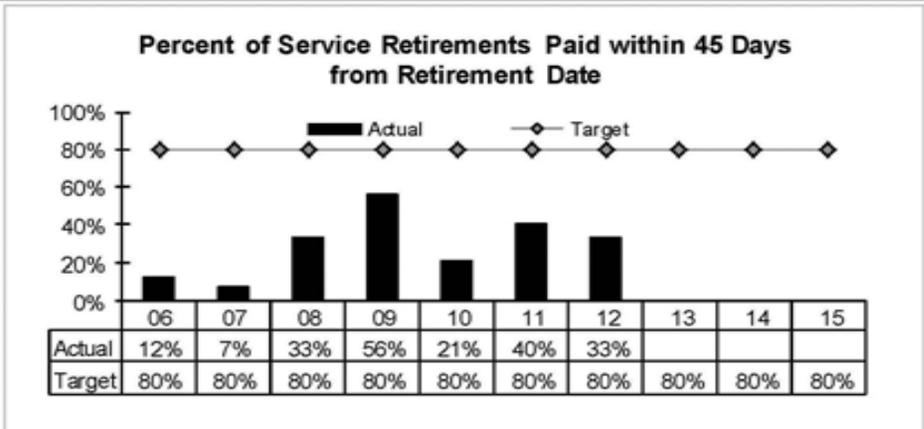
KPM #1	TIMELY RETIREMENT PAYMENTS Percent of initial service retirements paid within 45 days from retirement date	Measure since: 1995
Goal	To deliver retirement benefits effectively and efficiently.	
Oregon Context	Oregon Benchmark #59: Independent Seniors. Encourage member independence and financial well-being into retirement.	
Data source	Benefit Payments Division (BPD) statistics.	
Owner	BPD Administrator Brian Harrington, 503-431-8259	

1. OUR STRATEGY

PERS' main priority is delivering benefits to members in an accurate and timely manner. All areas of the agency play a role in this effort, but the Customer Service Division and Benefit Payments Division in particular have been partnering to improve processes and communication to ensure progress is made to reach this performance goal.

2. ABOUT THE TARGETS

While statute requires PERS to issue the first benefit payment within 92 days from retirement date, PERS' goal is always to provide the first payment as quickly and accurately as possible. The target of 80% paid within 45 days represents this priority. While this target is ambitious considering pervasive reporting complexities, and the additional programs added in 2003, the goal is still to provide timely and accurate benefits, and PERS believes the goal to be reachable.



3. HOW WE ARE DOING

During FY2012, PERS issued 33% of its benefit inceptions within 45 days of the retirement date, down from the 40% performance rate in FY2011. While significant improvements have been made in the processes involved with calculating and issuing pensions (pension inception), the final deployment of a multi-phase IT replacement project occurred early in the fiscal year. The IT system transition during the deployments hampered the progress that has been made with the pension inception processes, and during the first half of the fiscal year (July – December 2011) only 13% of new retirements were issued in 45 days. Performance has markedly improved since then, however, as staff has transitioned to the new system and become more adept at processing benefits under the new processes. For the last half of the fiscal year (January through June), PERS issued 72% of new retirements in 45 days, and PERS expects to continue This improved performance and be back on track toward reaching the targeted 80% of new retirements issued in 45 days.

4. HOW WE COMPARE

PERS uses the services of a third-party benchmarking firm (CEM Benchmarking, Inc.) to compare its costs, services, and performance to other public retirement systems. According to CEM Benchmarking, Inc., other systems in PERS' peer group were able to pay 90% of benefit inceptions within one month of the final pay check date in FY2011 versus 15% for PERS. While this is significantly higher than PERS' performance, it is important to note that

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Agency Mission: We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

other systems have less complicated statutory requirements and many have fewer program options than PERS. Moreover, public retirement systems in PERS' peer group issue 67% of their initial benefit payments based on estimates (making corrections and finalizing the benefit later on), rather than issuing finalized benefit payments as PERS strives to produce (PERS issued less than 1% of initial payments based on estimates in FY2011).

5. FACTORS AFFECTING RESULTS

In June 2011 PERS deployed the final phase of its multi-year IT replacement project, but assorted defects still needed to be resolved and staff needed to relate the new functionality to their ongoing production processes. Subsequent releases have corrected critical defects and the capabilities of the new system are better understood. Still, the ongoing resource demands of regression testing to assure new functionality works as designed and that those changes haven't disturbed functionality that had been working continues to need improvement. This ongoing reallocation of staffing resources has impacted retirement processing. In spite of this, the numbers during the second half of FY2012 show that PERS has been making positive improvement towards the goal to process 80% of initial retirements within 45 days.

Other factors that can negatively impact the timeliness of retirement processing include delays in receiving correct final data from employers, applying the eligibility standards to various employment segments, and resolving errors in members' submitted retirement applications. Employers have a benchmark of 30 days following an employee's retirement to send the final data to PERS, a target that is not always reached. With this KPM measuring the standard of retirements processed in 45 days, this leaves a narrow window of time between the employer's timeframe and that of this measure, even when that employer reporting target is hit. Membership data and benefit eligibility have historically not been determined until the time of a retirement or withdrawal, so the member's employment record must be reviewed, verified, and resolved within this span of time.

6. WHAT NEEDS TO BE DONE

Correcting the technical issues and utilizing the full capabilities of the new system will help improve performance toward the target of 80%. Subsequent system releases have already corrected some of the technical problems relating to the benefit calculation process. Workarounds are being used in the benefit calculation and payment process until all of the remaining technical issues are resolved, or as benefit calculations that cannot be completed through the system are identified and processed. Although this can cause the process to be less efficient, BPD staff have a good understanding of the functional elements of the new IT system. In addition, staff also better understand the workarounds. This has led to increased confidence and improved results towards processing 80% of new retirements within 45 days.

PERS continues to cleanse and update data earlier in the member's employment, in partnership with employers and via internal process improvements to facilitate more timely and accurate payments after retirement. The Online Member Services functionality that was a part of the final system deployment also allows members to view their account information and has provided increased transparency so members can raise any questions or concerns they have prior to applying for retirement. Positions are being requested in the 2013-15 Agency Request Budget to further improve the member data and benefit eligibility determination process, which will allow the benefit inception process to run more efficiently and quickly.

7. ABOUT THE DATA

This measure is based on data for the Oregon Fiscal Year period. For the past several years, the finalization of quarterly data has made it impossible for the final fiscal quarter to be included in the Annual Performance Progress Report that is due by September 30 of each year. Because of this, we had been using the reporting period of April 1-March 31 for the APPR. But new technological advancements and improved query methodologies have allowed us to get this data sooner and we are able to move back to the Oregon Fiscal Year period of July 1-June 30.

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Agency Mission: We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

KPM #2	TOTAL BENEFIT ADMIN COSTS Total benefit administration costs per member	Measure since: 2006
Goal	Reduce administrative costs while maintaining high levels of service to members and employers.	
Oregon Context	Oregon Benchmark #35: Public Management Quality and Benchmark #9c: Cost of Doing Business/ Taxes & Charges. Increase service cost-effectiveness to stakeholders.	
Data source	Budget/personnel statistics, PERS CAFR, PERS membership statistics from actuarial valuation, report from CEM Benchmarking, Inc. comparing PERS to its peers.	
Owner	Fiscal Services Administrator Jon DuFrene, 503-603-7512	

1. OUR STRATEGY

PERS strives to deliver high-quality, cost-effective service to members and employers. PERS administrative costs are funded through investment earnings, which PERS works hard to ensure are expended prudently. The challenge is to keep costs per member from growing while in an environment of increasing workload and cost inflation.

2. ABOUT THE TARGETS

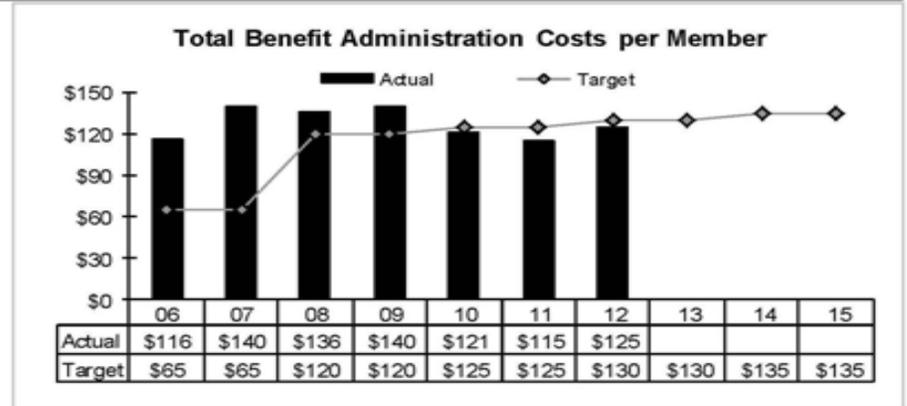
The targets for this measure represent the maximum desired cost per member. The goal is to keep the costs at or below the targeted level. The targets from FY2008 and forward represent a new data structure (total CAFR reported admin expenses per total membership), and all actual data have been updated to the new data structure. The targets for 2009-11 through 2013-15 include minor inflationary increases.

3. HOW WE ARE DOING

For FY2012, PERS' cost per member is \$125, up from \$115 in FY2011. Despite this increase, the cost per member remains within target. And over the last three years, the cost per member has decreased by 11%, from the peak cost of \$140 per member in FY2009. In FY2012, PERS administrative costs increased by 9% to \$44.3 million, over the \$40.7 million in FY2011. Coupled with a flat membership growth from last year, this caused the increase in cost per member.

4. HOW WE COMPARE

PERS uses the services of a third-party benchmarking firm (CEM Benchmarking, Inc.) to compare its costs, services, and performance to other public retirement systems. CEM Benchmarking makes various adjustments in calculating total cost figures to make comparisons among differing systems more realistic. For this reason, PERS focuses on how it compares to its peers on an individual pension administration activity level rather than the adjusted overall cost figure presented by CEM. Since the 2012 CEM Benchmarking Analysis has not yet been published, these comparisons are based on the 2011 analysis report.



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For 2011, CEM Benchmarking, Inc. reported that while PERS' costs were higher than its peers for some activities, there were also a number of activities where PERS' costs were lower than those of its peers. When compared to its average peer costs per unit (or member/employer served - direct cost only), PERS spent more for activities such as Withdrawals/Transfers-out (\$125 vs. \$116), Member 1-on-1 Counseling/Application Assistance (\$97 vs. \$76), Call Center (\$8 vs \$6), Employer/Member Data and Billing (\$14 vs. \$5), Services to Employers (\$6 vs. \$2), Major Projects (\$11 vs. \$5), and Support Services (\$107 vs. \$92). On the other hand, PERS spent less per unit or member/employer served than its average peer for activities like Paying Pensions (\$8 vs. \$11), Pension Inceptions (\$120 vs. \$134), Purchases (\$49 vs. \$227), Disability (\$1,632 vs. \$1,777), Mail room/imaging (\$4 vs. \$7), Member Presentations (\$323 vs. \$1,504), Pension Estimates (\$45 vs. \$57), Mass communication (\$2 vs. \$4) and Governance/financial control (\$6 vs. \$7).

5. FACTORS AFFECTING RESULTS

FY2012 total administrative costs are up by \$3.6 million from FY2011. One of the main contributing factors is the shift in IT costs due to the completion of our multi-year major IT project. In FY2012 we completed the project and recently finished final project acceptance. With the completion of the project, the IT focus shifted from building the system to maintaining it. While the project costs over the last few years were largely capitalized, and therefore not included in CAFR administrative expenses, the maintenance and enhancement costs are all expensed, and included in administrative expenses. This, along with early prep work on our Strunk/Eugene overpayment recovery project, contributed to the higher overall administrative expenses in FY2012.

6. WHAT NEEDS TO BE DONE

PERS' benefit processing workload will increase over the next five to ten years with the inevitable retirement of nearly 70,000 members who are already (or soon will be) eligible to retire. But PERS is committed to limit cost increases in proportion to the workload increase through process and organization efficiencies and improved IT system capabilities. With the policy option packages proposed in the 2013-15 Agency Request Budget, PERS has positioned itself to be staffed, organized, and technologically supported to handle the projected increasing workload with a stable workforce and improved efficiency. The goal is to mitigate potential significant cost increases with continued maintenance and enhancements to the new ORION IT system, continuous process improvements, and staffing productivity gains and efficiencies.

7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period and the calendar year. The cost per member is calculated by dividing the total fiscal year administrative expenses as reported in the PERS Comprehensive Annual Financial Report (CAFR) by the total membership including all active, inactive, and retired members as reported in the calendar year actuarial valuation (plus qualified non-vested inactive OPSRP members and calendar year lump sum and withdrawal recipients that are not included in the actuarial count).

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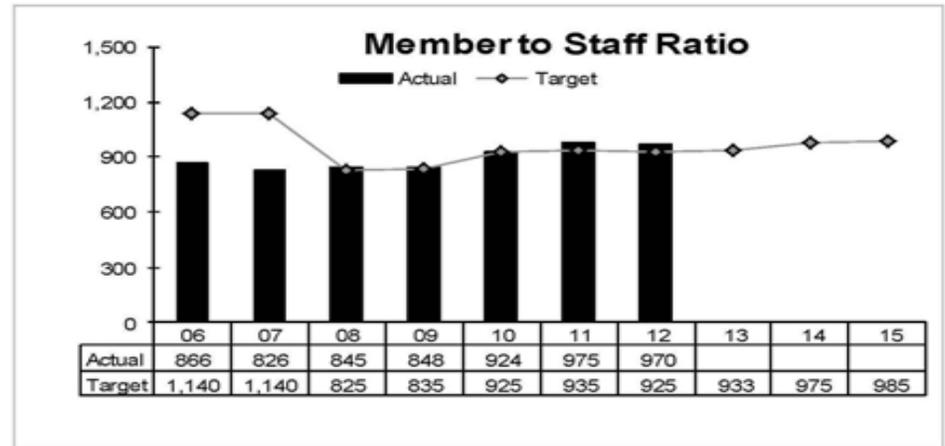
KPM #3	MEMBER TO STAFF RATIO Ratio of members to FTE staff	Measure since: 2006
Goal	Increase productivity of staff to improve service to members and retirees.	
Oregon Context	Oregon Benchmark #35: Public Management Quality. Increase efficiency of service to members.	
Data source	Budget/personnel statistics, PERS membership statistics from actuarial valuation, report from CEM Benchmarking, Inc. comparing PERS to its peers.	
Owner	Fiscal Services Administrator Jon DuFrene, 503-603-7512	

1. OUR STRATEGY

PERS aims to deliver high-quality service in a cost-efficient manner. To accomplish this, PERS needs to keep staffing numbers reasonable while continuing to meet statutory obligations and without sacrificing service.

2. ABOUT THE TARGETS

The long-range goal is to gradually increase the number of members served per employee through technology enhancements and process improvements to be implemented over the next two biennia. As with the 2011-13 targets, the targets for 2013-15 are based on projected membership levels for that biennium, and the staffing requested with the Agency Request Budget (ARB). The staffing included in the 2013-15 ARB has increased slightly from the previous 2011-13 projected levels due to the Strunk/Eugene overpayment recovery project. The membership levels are up from the previous biennium (when the 2011-13 targets were set), but have remained almost unchanged from FY2011. The goal with this KPM is to be at or above the targeted ratio.



3. HOW WE ARE DOING

PERS' member to staff ratio decreased to 970:1 in FY2012, down from 975:1 in FY2011. The staffing is slightly up this year due to the three Limited Duration staff added for the Strunk/Eugene overpayment recovery project. And membership levels are nearly identical to last year. It was discovered that some non-qualified employees were incorrectly included in the counts of OPSRP members in last year's report, but we have additionally included qualified non-vested inactive OPSRP members in the membership counts that are not factored in for actuarial purposes. These members can return to PERS covered employment and become vested at any time, and they have IAP accounts that will need to be paid out at some point regardless of their employment. These two errors were discovered and corrected with this year's membership counts, and they largely offset each other in relation to their impact on the overall membership total. This flat membership growth this year, coupled with the slight staffing increase is the cause for the dip in the member to staff ratio this year.

4. HOW WE COMPARE

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When comparing retirement system peers, PERS' benchmarking consultant, CEM Benchmarking, Inc. uses adjusted staffing and membership criteria that differs from the standard system of measurement presented with this KPM. But comparisons to peers can still be drawn on an individual benefit administration activity level. The 2012 CEM Benchmarking Analysis has not yet been published, so these comparisons are based on the 2011 analysis report. These figures factor in the number of FTE directly involved in each activity (no support or indirect FTE included), and the listed figures represent direct FTE per 10,000 active members and retirees.

For Fiscal Year 2011, CEM Benchmarking, Inc. reported that, because of greater system complexity and a greater number of programs administered, PERS is higher staffed (thus serving fewer members per FTE staff) than many of its peers. However, while PERS is higher staffed for some benefit administration activities, there are also activities that PERS is lower staffed. When compared to its peer average, PERS was heavier staffed per 10,000 members versus its peer average for activities like Pension Inceptions (.92 vs .49), Refunds (.61 vs .24), Written Pension Estimates (.24 vs .18), Call Center (.85 vs .74), Employer Data, Money and Services (1.99 vs .67), Governance and Financial Control (.69 vs .61), Information Technology (1.97 vs 1.29), Support Services (11.07 vs 7.3) and Mail Room/Imaging (.84 vs .35). But PERS was lower staffed per 10,000 members versus its peer average for activities like Purchases (.06 vs .2), Disability (.23 vs .25), Member 1-on-1 counseling/application assistance (.17 vs .30), Member Presentations (.07 vs .16) and Building / Utilities (.03 vs .15). PERS was close or equally staffed per 10,000 members to its peer average for activities like Paying Pensions (.25) and Mass Communication (.2).

5. FACTORS AFFECTING RESULTS

In considering the peer comparison results listed above, note that PERS was observed to be the second most complex system among 15 other similar sized public retirement systems identified in the CEM Benchmarking, Inc. Benchmarking Analysis for 2011. This complexity is driven by PERS' service to multiple classes of public employees, including part-time employees, the large number of retirement options, multiple retirement benefit calculations, and a number of other benefit add-ons. The complexity has made it difficult to provide enterprise-level, IT-based applications and solutions.

The 2003 PERS Reform legislation contributed to increased staffing by adding two new retirement programs (OPSRP and IAP). PERS grew to an agency of 420 positions in FY 03-05 when the reform legislation implementation began and many permanent and limited duration staff were added. PERS' Agency Request Budget for 2013-15 includes staffing of 370 positions (including staffing for the Strunk/Eugene payment recovery project), a decrease of 12 percent from the FY 03-05 peak staffing.

6. WHAT NEEDS TO BE DONE

Demographic research shows that the next five to ten years will see a dramatically increasing number of members who qualify for retirement benefits. While the rising volume of retirements is an issue facing most public pension systems, PERS has also been challenged by transitioning to a newly developed and implemented IT system. This situation is expected to improve as staff adapts to the functionality provided by ORION and the operational demands of statutory changes and program expansions (OPSRP and IAP) are normalized.

In the long term, the improved IT systems will lead to more automated processes, reducing PERS' dependency on staff-intensive desktop applications and allowing the agency to continue to handle increasing workloads with stabilized staffing.

7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period and the calendar year. The member per staff ratio is calculated by dividing the total customer service membership base by the total FTE staff per June PICS reports. The customer service membership base includes all active, inactive and retired members per the calendar year actuarial valuation, plus qualified non-vested inactive members and calendar year lump sum and withdrawal recipients.

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Agency Mission: We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

KPM #4	ACCURATE BENEFIT CALCULATIONS Percent of service retirement monthly benefits accurately calculated to within \$5 per month	Measure since: 2006
Goal	Pay the right person the right benefit at the right time.	
Oregon Context	Oregon Benchmark #59: Independent Seniors. Encourage member independence and financial well-being into retirement.	
Data source	Annual internal audit of sample from Benefit Payments Division service retirement calculations	
Owner	BPD Administrator Brian Harrington, 503-431-8259	

1. OUR STRATEGY

This is a new KPM for the 2011-13 biennium. Our agency's mission is to pay the right person the right benefit at the right time. Calculating benefits accurately the first time is a key element of achieving this.

2. ABOUT THE TARGETS

When this new measure was established during the 2011-13 Budget approval cycle, no targets were attached to it. But our goal is to accurately calculate the service retirement benefits to within \$5 per month 100% of the time. We would like to attach the target of 100% to this measure moving forward.

3. HOW WE ARE DOING

In FY2012, initial service retirement benefit calculations were accurate to within \$5 per month 99% of the time. This was within 1% of the 100% targeted performance. While this was the first year for this KPM, the accuracy audit has been performed for the past five years. This year's results show a significant improvement from the 94% accuracy rate in FY2011. In fact, the accuracy rate has climbed steadily from 87% in 2008 (the first year of the accuracy audit).

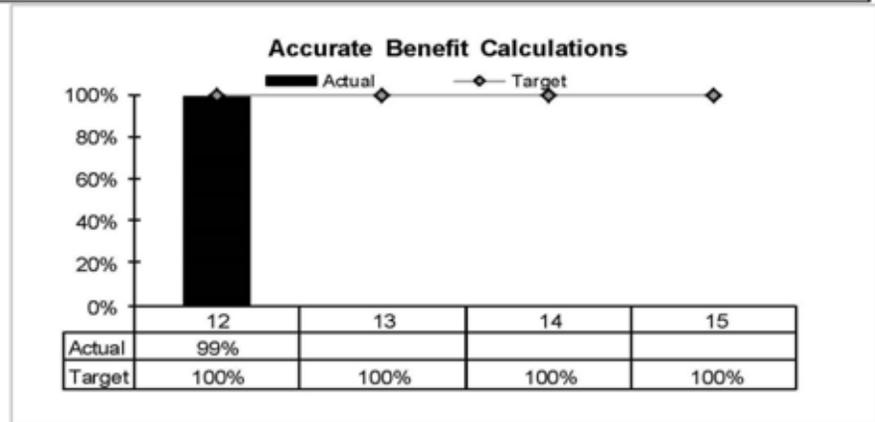
4. HOW WE COMPARE

While we do use the services of a third-party benchmarking consultant (CEM Benchmarking, Inc.), the accuracy of benefit calculations is not one of the comparators they use.

5. FACTORS AFFECTING RESULTS

The agency has taken considerable efforts to improve the accuracy of benefit calculations. There have been three primary areas of focused improvement in this regard. First is the accuracy audit on which this KPM is based. The annual audit is performed by our internal auditors and began in 2008. Second is regular internal quality assurance sampling of benefit calculations. Operations staff randomly test the benefit calculations to ensure that errors are being found and corrected before the benefit goes out the door. And third, IT system improvements have helped improve the accuracy of the calculations.

6. WHAT NEEDS TO BE DONE



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The operations units have been vigilant and will continue to be vigilant when it comes to benefit calculation accuracy. The Benefit Payments Division and Customer Service Division continue to partner with one another to ensure ORION (the new IT system) is calculating benefits correctly by following the change request, user acceptance testing, and regression testing process. In addition, operations will continue to perform regular quality assurance sampling.

7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period. The data is based on a sample audit of the Benefit Payments Division benefit calculations. The audit is conducted by PERS internal audits staff on an annual basis. In this audit, 100 benefit calculations were sampled, consisting of 70 Tier 1/Tier 2 monthly annuity benefits, 10 Tier 1/Tier 2 lump sum benefits (includes lump sum plus annuity), and 20 OPSRP benefits.

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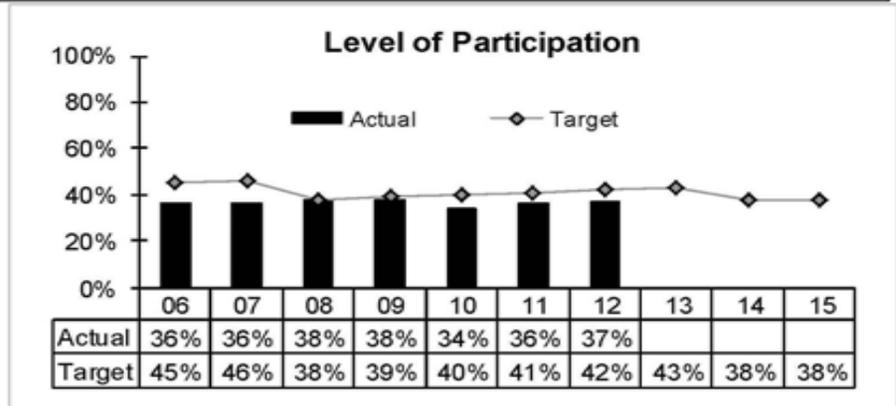
KPM #5	LEVEL OF PARTICIPATION Percent of state employees participating in the deferred compensation program.	Measure since: 2006
Goal	Increase voluntary participation by state employee members in Deferred Compensation Program	
Oregon Context	Encourage member independence and financial well-being into retirement. Has an effect on Oregon Benchmark #59: Independent Seniors.	
Data source	Deferred Compensation records, along with reports from Oregon Savings Growth Plan (OSGP) Third party administrator, ING	
Owner	Deferred Compensation Manager Gay Lynn Bath, 503-378-6425.	

1. OUR STRATEGY

PERS' Deferred Compensation program, the Oregon Savings Growth Plan (OSGP), understands that the financial demands on current and future retirees are increasing. So OSGP aims to provide Oregon public employees with another option to help supplement their PERS benefits and help bridge the gap between retirees' financial needs and their PERS benefits. To remain a valued option for PERS members, OSGP's goal is to provide solid investment options and to educate participants about the importance of retirement preparation through participation in this supplemental savings program.

2. ABOUT THE TARGETS

The annual target increases in the past have been based on OSGP's goal to gradually increase the participation level by 1% annually. While the participation has been increased by 1% annually over the last couple years, achieving participation in the 40% range is highly unlikely and unachievable. With a large number of employees eligible to retire, an ambitious but achievable goal would be to reach and maintain a participation level of 38%. Considering a national average participation rate of 24% among similar plans, the 38% target still puts OSGP well ahead of its peers. Moving forward we request resetting the targets to 38%.



3. HOW WE ARE DOING

State government employee participation in OSGP increased to 37% of active employees in FY2012, up from 36% of active state employees in FY2011.

4. HOW WE COMPARE

The National Association of Government Defined Contribution Administrators (NAGDCA) conducts a periodic survey that measures participation in optional state and local government defined contribution plans. In its 2012 survey results, NAGDCA reported that, among the responding state plans, 24% of the eligible employees participated in optional plans like OSGP. So, at 37% participation among Oregon state employees, OSGP is performing ahead of the national average participation rate for similar plans.

5. FACTORS AFFECTING RESULTS

Because OSGP is voluntary for state employees, to have both a relatively high rate of penetration and average monthly deferrals reflects that the Deferred Compensation program is both well known and represents an important retirement savings tool for many state employees. Despite this, there are other

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factors that potentially limit the participation rates. There are a large number of baby boomer generation employees who are eligible to retire in the near future. Many of these retirees will withdraw their OSGP accounts or roll them into other retirement accounts and the demographics of their replacements (normally younger and lower paid) will create a challenge for increasing participation rates.

The market volatility has kept some employees from enrolling, as they are concerned about risk. Furlough days and step freezes have also impacted employee income levels, and many cannot afford to defer right now. And with high unemployment levels affecting the families of many state employees, there might be less willingness for new eligible employees to participate in an optional program such as the OSGP.

There was a decrease in enrollment for FY2012, with 943 new enrollments, compared to 1,219 during FY2011. This decreased enrollment volume can most likely be attributed to fewer hires in the state, continued furlough days, and increased costs to employees for health insurance. However, the overall participation for state employees as of June 30, 2012 was 37%, an increase of the 36% in FY2011.

6. WHAT NEEDS TO BE DONE

Data shows that participation does not often change drastically from year to year, and the participation rate remains difficult to control or impact. And when factoring in the effect that the many upcoming retirements and the poor economic conditions will have on OSGP participation rates, it will be important for OSGP to educate and remind existing and new employees of the benefits of participating in the program.

OSGP staff are doing their best to educate new employees on the values of enrolling in the plan. The OSGP education specialist has increased the number of on-site visits and travels extensively around the state to meet with state employees. Another strategy is for OSGP staff to meet with HR managers to seek their help in communicating to state employees about OSGP. OSGP's third-party consultant, ING, is also helping to get the word out about OSGP. An ING employee works onsite for OSGP and helps with workshops and enrollments, as well as working with OSGP on formulating targeted mailings, videos and webinars to help increase participation. Roth 457 workshops have been added to the workshop schedule as well.

The plan also added a Roth 457 option, which staff believes will increase participation for younger participants who have been requesting a Roth. OSGP will hold its 7th annual open house during National Save for Retirement Week, and during that time period, state employees will receive an email from OSGP inviting them to the open house and explaining the program.

7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period. The data is provided by OSGP's third-party administrator, ING. Because the available records of certain participating employee groups (Higher Ed, miscellaneous small agencies and participating local government entities) are more difficult to verify, only Oregon State Payroll System (OSPS) employees are factored in this measure. OSPS records are easily verifiable and make for stable comparisons from year to year.

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KPM #6	CUSTOMER SERVICE Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information	Measure since: 2006
Goal	To improve customer satisfaction through effective and efficient delivery of retirement benefits.	
Oregon Context	#35: Public Management Quality - Citizen satisfaction with government services.	
Data source	Agency-administered survey (SurveyMonkey.com online tool was used, along with a hard copy provided in the retiree newsletter).	
Owner	Customer Services Division Administrator Yvette Elledge, 503-603-7685	

1. OUR STRATEGY

PERS is committed to providing high-quality, cost-effective customer service. The goal is to deliver effective and efficient service to PERS members, employers, and stakeholders. The customer satisfaction surveys help to determine areas of strength and needed improvement. PERS management will make strategic decisions based on the results to place resources and effort where improvement is needed.

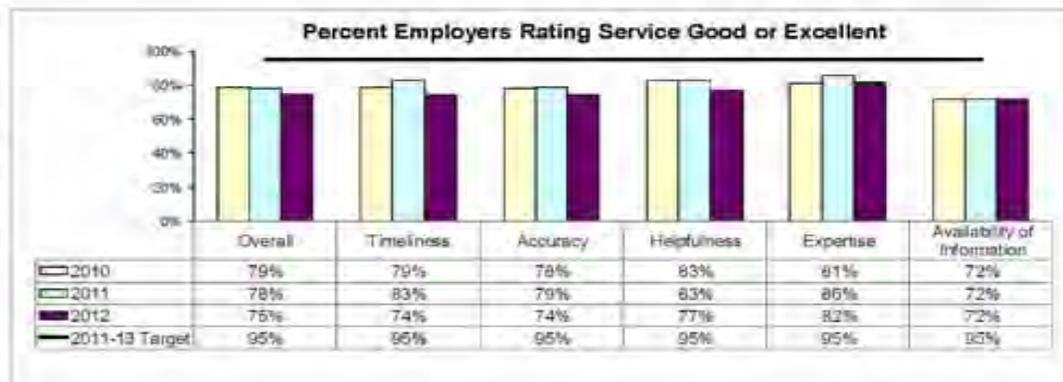
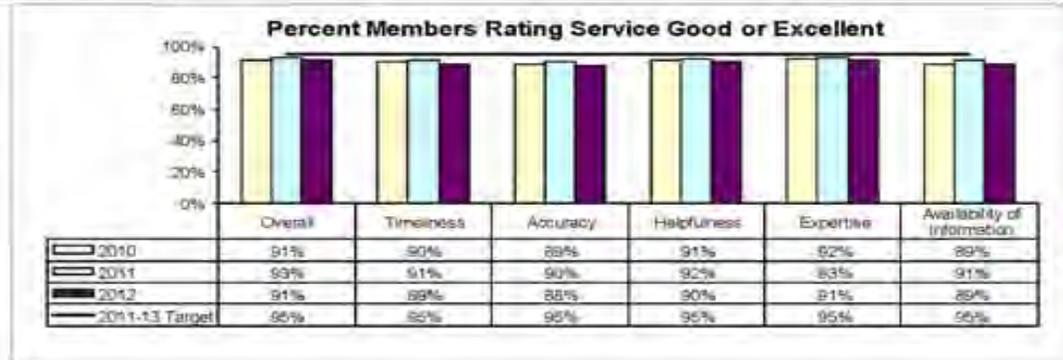
2. ABOUT THE TARGETS

The existing goal has been to maintain 80% of customers rating their PERS service as good or excellent. But during the budget process for the 2011-13 biennium, the Legislative Fiscal Office requested PERS to increase the member satisfaction targets to 95% for the 2011-13 biennium.

3. HOW WE ARE DOING

For the FY2012 member survey, PERS received slightly lower marks in every category from the 2011 levels. PERS scored between 88% and 91% across the categories, with 91% of members rating PERS overall service as "good" or "excellent." Members rated PERS highest in Expertise (91%), and lowest in Accuracy (88%).

In the FY2012 employer survey, the results reflected decreased ratings across all categories, just as with the



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member survey. For the FY2012 employer survey, the employers rated PERS between 72% and 82% “good” or “excellent,” with 75% of employers rating PERS overall service as excellent or good. Employers rated PERS highest in Expertise (82%) and lowest in Availability of Information (72%).

4. HOW WE COMPARE

PERS does use the services of a benchmarking consultant (CEM Benchmarking, Inc.), but customer satisfaction ratings in these categories is not one of the comparators. In accessing a sampling of other state agency customer satisfaction results, the average customer service category satisfaction ratings fell between 51% and 96%, with an average across the sample of about 80%. PERS’ member ratings would fall at the high end of that range, while the employer ratings would be close to the sample average.

5. FACTORS AFFECTING RESULTS

PERS continues to keep customer service and satisfaction as a major focus in its agency strategies and staff efforts. Member-oriented services such as the one-on-one retirement application assistance program continue to be very successful. PERS has also continued to offer workshops and presentations with individual employers and groups beyond the usual outreach presentations. This effort, along with continued success in its employer advocate program and other training efforts, have helped to bolster customer service to employers.

One factor that may have negatively impacted the member ratings is the project to collect overpayments from 1999 earnings that were restated. Many members noted dissatisfaction at being required to repay PERS based on the erroneous earnings crediting and subsequent litigation that was resolved this year.

6. WHAT NEEDS TO BE DONE

PERS solicited comments from the member and employer survey participants and found a few key areas to focus improvement efforts. For the member survey respondents, there were two main areas of desired improvement: Members want to receive an option change sooner in the case of a spouse’s death, and benefit recipients receiving estimated payments want their benefit to be finalized. The Benefit Payments Division and Customer Service Division are working together to process the benefit changes, and their goal is to finish processing all current requests by the end of 2012. There are approximately 200 benefit recipients who are currently receiving estimated payments. The Benefit Payments division anticipates providing a final benefit amount for these recipients by the end of 2012.

In the employer survey, PERS found that there were two main areas of improvements desired by employers: Employers want telephone access to Employer Service Center representatives throughout the business day, and employers requested that PERS process unposted employee records in a timelier manner. While the Employer Call Center is open from 8:30 a.m. to 12:30 p.m. on workdays, employers can also call their designated Employer Service Center representative directly any time during the day. The Employer Call Center hours are half-day in order to allow staff to work directly with their caseloads. But the direct lines for each Employer Service Representative are posted on the PERS website, and we will renew our efforts to communicate with employers about the all-day availability of the service reps. In 2011 there was a new functionality deployed that helped with data accuracy, but necessitated data corrections dating back to 2004. This has prevented some employer records from posting, requiring PERS staff intervention. PERS staff has been working diligently to make the data corrections, and have corrected over 145,000 suspended records from 2011. The goal is to have all of the 2011 suspended records posted by year end.

7. ABOUT OUR CUSTOMER SERVICE SURVEY

The member satisfaction survey was conducted by PERS staff using the online SurveyMonkey.com tool and hard copy surveys included in the agency’s *Perspectives* newsletter mailed to retired members. The survey was open from August 1 through August 31, 2012. The population is consumers, since members are end users of PERS services. For the sampling frame, PERS left the survey open to all members (active, inactive and retired). The survey was advertised in the *Perspectives* newsletter (a PERS newsletter sent to all members), which listed the web link to take part in the survey. The survey link was also posted in a prominent location on the PERS website homepage for all members to view. Since PERS left the survey open to the full population of members, the

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PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

sampling procedure could be considered a passive census. Out of approximately 350,000 members, PERS received approximately 1,700 responses. There was no weighting involved with the tabulation of results.

The employer survey was also conducted by PERS staff using the online SurveyMonkey.com tool. The survey was open from August 1 through August 31, 2012. The employer population could be considered clients, and for the sampling frame, PERS left the survey open to all employers. The survey link was emailed to all employers, and posted on the employer portion of the PERS website. The sampling procedure would be considered a passive census. Out of approximately 900 employers, PERS received 286 responses. This is more than double the response rate of our 2011 employer survey.

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

KPM #7	TIMELY BENEFIT ESTIMATES Percent of benefit estimates processed within 30 days	Measure since: 2008
Goal	To prepare and deliver benefit estimates effectively and efficiently.	
Oregon Context	Oregon Benchmark #59: Independent Seniors. Encourage member independence and financial well-being into retirement.	
Data source	Customer Service Division (CSD) statistics	
Owner	Customer Services Division Administrator Yvette Elledge, 503-603-7685	

1. OUR STRATEGY

PERS understands that receiving timely and accurate benefit estimates is a crucial component of retirement planning. To make sure members have all available information they need to properly plan for retirement, PERS is focused on providing member benefit estimates within 30 days of a qualified request.

2. ABOUT THE TARGETS

PERS' continued goal is to deliver benefit estimates within 30 days at least 95% of the time, and this targeted level of service has been continued through 2011-13, and targeted for 2013-15.

3. HOW WE ARE DOING

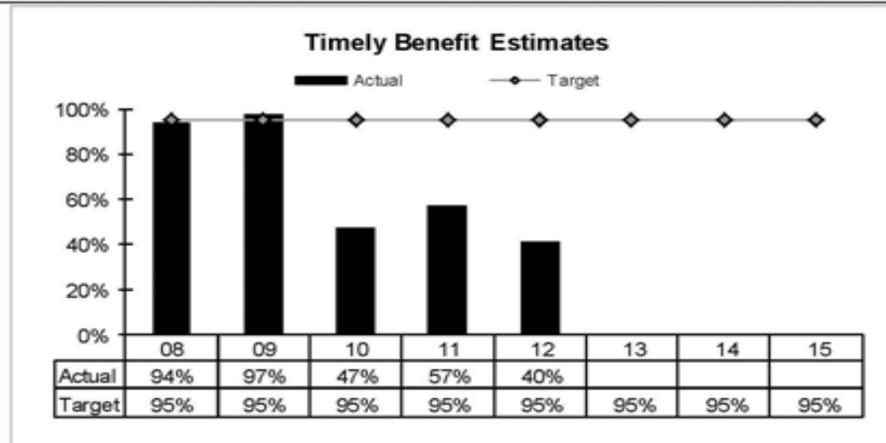
For FY2012, PERS provided member benefit estimates within 30 days 40% of the time. This is a decrease from the FY2011 performance of 57%, showing a regression from the previous year's progress.

4. HOW WE COMPARE

Using the services of a third-party benchmarking consultant (CEM Benchmarking, Inc.), PERS is able to compare its performance with that of its peers. According to CEM Benchmarking, Inc., the average rate for preparing benefit estimates among PERS' peers was 9 days in fiscal year 2011 (CEM's 2012 report is not yet published). By comparison, PERS processed its benefit estimates in an average of 35 days during FY2012. But PERS also provides up to 3 different benefit calculations and 15 different benefit option scenarios with each estimate, as compared to an average of only 3 benefit options amongst its peers.

5. FACTORS AFFECTING RESULTS

Significant progress has been made in reducing the backlog by 52% from FY2011. The strategy to address the backlog was to prioritize and complete estimates based on a combination of the received date (oldest first) and by the requestor's effective retirement date. While the backlog has been addressed and reduced, addressing it has slowed down the response time on new requests, which is part of the reason why performance of this KPM dipped in FY2012. Over the long term, eliminating the backlog will allow full focus on new requests and help improve the turnaround times.



BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

Continued system upgrades have also affected performance. While the system upgrades will help with process and performance improvements in the long run, the deployments have slowed the benefit estimate processing time significantly for the short term. There are some 100 system change requests involving the estimate process. Until these change requests are put into production, there is a workaround needed to generate the estimate, which has greatly slowed this process.

6. **WHAT NEEDS TO BE DONE**

Completion of the change requests will help to make the estimate process more efficient by reducing the number of workarounds needed to complete estimates. Continued progress in reducing the backlog further will also help in the long run.

7. **ABOUT THE DATA**

This measure is based on data for the Oregon fiscal year period. The data is based on tracked performance statistics provided by the Customer Service Division at PERS.

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

KPM #8	BEST PRACTICES: Percent of best practices met by Board/Commission.	Measure since: 2008
Goal	To achieve best practices in governance of PERS	
Oregon Context	#35: Public Management Quality - Citizen satisfaction with government services.	
Data source	Biennial self-administered survey.	
Owner	Executive Director Paul Cleary, 503-603-7711	

1. OUR STRATEGY

The PERS Board is committed to working with the Executive Director and the Executive Management team to implement best practices in the governance of agency operations. In its initial self-assessment in 2008, the Board considered the 15 DAS-assigned best practices criteria and added 3 additional criteria they felt would also be beneficial to consider. These additional criteria are not scored for purposes of this KPM. This format will continue to be applied each biennium.

2. ABOUT THE TARGETS

The PERS Board's goal is to meet 100% of the best practices criteria for this measure.

3. HOW WE ARE DOING

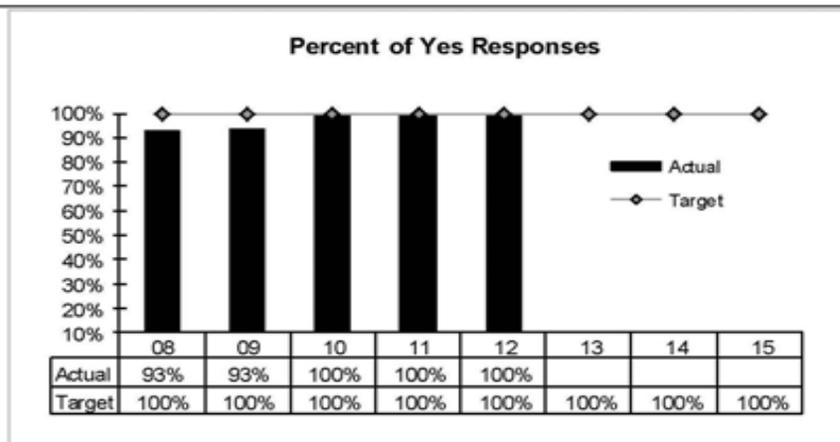
The PERS Board completed the self-assessment survey process using the online SurveyMonkey.com tool in September 2012. The results were presented at their September 28, 2012 public board meeting. Continuing the approach first used in 2008 and 2009, the Board assessed their Fiscal Year 2012 performance in three categories: fully meets, meets but needs improvement, or does not meet. For KPM purposes, the Board concluded that the "meets but needs improvement" and the "meets" responses would be rated as a "yes" for this KPM. The results of the survey showed the Board had satisfactorily met all 15 best practices criteria.

4. HOW WE COMPARE

In past samplings of the Annual Performance Progress Reports of other similar state agency boards, the scores generally fell between 87% and 100%, with an average of about 98%. The PERS Board is in line with this scoring with a 100% rating in FY2012.

5. FACTORS AFFECTING RESULTS

The PERS Board recognizes the importance of providing strategic guidance, budget and financial control, customer service emphasis, regular communications with stakeholders, and maintaining agency focus on cost effective and efficient operations. This emphasis has resulted in increased attention at the staff level on operational best practices, which takes on increasing importance in periods of economic stress. The Board and agency management will continue to support this best practices focus through their activities and discussions at Board and Audit Committee meetings.



BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

6. WHAT NEEDS TO BE DONE

While the PERS Board did realize a 100% rating for Fiscal Year 2012, there were a couple of criteria that received votes of “meets but needs improvement.” Criteria 13, “the Board coordinates with others where responsibilities overlap” received a single “meets but needs improvement” vote, while Criteria 14, “Board members identify and attend appropriate training sessions,” received two “meets but needs improvement” votes. The PERS Board will work to maintain and enhance their overall performance on these best practices criteria whenever possible. PERS staff can assist the Board in this endeavor by communicating and sharing training opportunities with the Board on topics such as governance and benefit administration. The Chair of the Board will work with the Executive Director to identify specific areas of improvement and possible courses of action to make those improvements. At the same time, the Board will continue to focus on their full range of governance responsibilities and regularly review and implement all the identified Board best practices.

7. ABOUT THE DATA

This measure is based on results for Fiscal Year 2012. The PERS Board completed the self-assessment in September 2012.

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

III. USING PERFORMANCE DATA

Agency Mission: We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

Contact: Matthew Rickard, Budget Analyst	Phone: (503) 603-7576
Alternate: Kyle Knoll, Budget Officer	Phone: (503) 603-7568

The following questions indicate how performance measures and data are used for management and accountability purposes.	
1 INCLUSIVITY Describe the involvement of the following groups in the development of the agency's performance measures.	<ul style="list-style-type: none"> Staff: The 2011-13 approved KPMs were developed by PERS staff and executive management and reviewed by the PERS Board. Elected Officials: Elected officials have reviewed and approved the 2011-13 KPMs and targets as a part of the Ways and Means process. Stakeholders: Staff met with key management and stakeholders to determine how each measured success. The KPMs were then formed using strict selection criteria to ensure accuracy, longevity, and applicability to each program. Citizens: While citizens are not involved in the KPM formation process, the annual results are posted on the DAS Budget and Management KPM and PERS websites for the general public to view.
2 MANAGING FOR RESULTS How are performance measures used for management of the agency? What changes have been made in the past year?	The results are used to gauge PERS' progress versus previous performance, as well as its peers. PERS has recently implemented a new management system approach. This new system based on the NOW Management design uses enterprise level process and outcome measure scorecards that are presented on a quarterly basis. Performance results are also used in the formation of business plans and in development of the agency's biennial budget. The agency's six-year strategic plan and two-year tactical plan are also linked to the performance measures to guide longer-term management of the agency. One positive effect of analyzing the previous results involves the improved focus on customer service, and the resulting higher member and employer ratings each year.
3 STAFF TRAINING What training has staff had in the past year on the practical value and use of performance measures?	In the KPM formulation process, meetings with managers and stakeholders have taken place to educate them on the KPM process and to help them understand how the measures can be useful in program and agency management. Staff working directly with the KPMs also have attended statewide KPM trainings and participated in most of the KPM informational meetings.
4 COMMUNICATING RESULTS How does the agency communicate performance results to each of the following audiences and for what purpose?	<ul style="list-style-type: none"> Staff: Results are posted on PERS' internal network, included along with sectional budget execution reports for managers, posted on the PERS website for general staff, and reviewed by the PERS Board. Elected Officials: Results are communicated through the Annual Performance Progress Report and as part of the agency's biennial budget request. Stakeholders: Results are reported directly to the PERS Board and posted on the PERS website for other stakeholders. Citizens: The results are posted on the DAS website and the PERS website.

BUDGET NARRATIVE

Summary of 2013-15 Biennium Budget

Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Public Employees Retirement System, Oregon
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-000-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2011-13 Leg Adopted Budget	364	364.08	7,513,441,730	-	-	79,429,420	-	7,434,012,310	-
2011-13 Emergency Boards	-	-	(750,000)	-	-	(750,000)	-	-	-
2011-13 Leg Approved Budget	364	364.08	7,512,691,730	-	-	78,679,420	-	7,434,012,310	-
2013-15 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(30)	(30.08)	988,156	-	-	988,156	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	(115,750)	-	-	(115,750)	-	-	-
Base Nonlimited Adjustment	-	-	1,843,862,690	-	-	-	-	1,843,862,690	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2013-15 Base Budget	334	334.00	9,357,426,826	-	-	79,551,826	-	9,277,875,000	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	(216,207)	-	-	(216,207)	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	262,181	-	-	262,181	-	-	-
Subtotal	-	-	45,974	-	-	45,974	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	559,232	-	-	559,232	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(2,033,919)	-	-	(2,033,919)	-	-	-
Subtotal	-	-	(1,474,687)	-	-	(1,474,687)	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	682,786	-	-	682,786	-	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	(1,044,265)	-	-	(1,044,265)	-	-	-

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Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Public Employees Retirement System, Oregon
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-000-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal	-	-	(361,479)	-	-	(361,479)	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2013-15 Current Service Level	334	334.00	9,355,636,634	-	-	77,761,634	-	9,277,875,000	-

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Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Public Employees Retirement System, Oregon
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-000-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2013-15 Current Service Level	334	334.00	9,355,636,634	-	-	77,761,634	-	9,277,875,000	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2013-15 Current Service Level	334	334.00	9,355,636,634	-	-	77,761,634	-	9,277,875,000	-
080 - E-Boards									
081 - May 2012 E-Board	3	3.00	965,954	-	-	965,954	-	-	-
082 - September 2012 E-Board	-	-	-	-	-	-	-	-	-
083 - December 2012 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	3	3.00	965,954	-	-	965,954	-	-	-
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Administrative Savings	-	-	(1,468,988)	-	-	(1,468,988)	-	-	-
092 - PERS Taxation Policy	-	-	(161,673)	-	-	(161,673)	-	-	-
093 - Other PERS Adjustments	-	-	(1,291,845)	-	-	(1,291,845)	-	-	-
801 - End-Of-Session Bill Adjustments	-	-	-	-	-	-	-	-	-
802 - Supplemental Statewide Ending Balance	-	-	-	-	-	-	-	-	-
803 - HB 2322 Program Change Bill	-	-	-	-	-	-	-	-	-
810 - LFO Analyst Adjustments	-	-	-	-	-	-	-	-	-
811 - Compliance Plan for SB 5701 (2012)	(3)	(3.75)	(383,718)	-	-	(383,718)	-	-	-
820 - End of Session Bill (HB 5008)	-	-	120,021	-	-	120,021	-	-	-
841 - SB 822 - Administrative Costs	2	1.50	1,008,151	-	-	1,008,151	-	-	-
101 - Current Service Delivery Levels	30	29.64	5,431,929	-	-	5,431,929	-	-	-
102 - Retiree Health Insurance Program	3	2.84	760,879	-	-	760,879	-	-	-

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Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Public Employees Retirement System, Oregon
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-000-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
103 - Infrastructure Maintenance & Enhancement	-	-	1,260,000	-	-	1,260,000	-	-	-
Subtotal Policy Packages	32	30.23	5,274,756	-	-	5,274,756	-	-	-
Total 2013-15 Leg Adopted Budget	369	367.23	9,361,877,344	-	-	84,002,344	-	9,277,875,000	-
Percentage Change From 2011-13 Leg Approved Budget	1.40%	0.90%	24.60%	-	-	6.80%	-	24.80%	-
Percentage Change From 2013-15 Current Service Level	10.50%	9.90%	0.10%	-	-	8.00%	-	-	-

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Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Tier One and Tier Two Plan
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-100-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2011-13 Leg Adopted Budget	-	-	7,225,836,810	-	-	-	-	7,225,836,810	-
2011-13 Emergency Boards	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	7,225,836,810	-	-	-	-	7,225,836,810	-
2013-15 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	1,315,024,190	-	-	-	-	1,315,024,190	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2013-15 Base Budget	-	-	8,540,861,000	-	-	-	-	8,540,861,000	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2013-15 Current Service Level	-	-	8,540,861,000	-	-	-	-	8,540,861,000	-

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Summary of 2013-15 Biennium Budget

**Public Employees Retirement System, Oregon
Tier One and Tier Two Plan
2013-15 Biennium**

**Leg. Adopted Budget
Cross Reference Number: 45900-100-00-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2013-15 Current Service Level	-	-	8,540,861,000	-	-	-	-	8,540,861,000	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2013-15 Current Service Level	-	-	8,540,861,000	-	-	-	-	8,540,861,000	-
080 - E-Boards									
081 - May 2012 E-Board	-	-	-	-	-	-	-	-	-
082 - September 2012 E-Board	-	-	-	-	-	-	-	-	-
083 - December 2012 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Administrative Savings	-	-	-	-	-	-	-	-	-
092 - PERS Taxation Policy	-	-	-	-	-	-	-	-	-
093 - Other PERS Adjustments	-	-	-	-	-	-	-	-	-
801 - End-Of-Session Bill Adjustments	-	-	-	-	-	-	-	-	-
802 - Supplemental Statewide Ending Balance	-	-	-	-	-	-	-	-	-
803 - HB 2322 Program Change Bill	-	-	-	-	-	-	-	-	-
810 - LFO Analyst Adjustments	-	-	-	-	-	-	-	-	-
811 - Compliance Plan for SB 5701 (2012)	-	-	-	-	-	-	-	-	-
820 - End of Session Bill (HB 5008)	-	-	-	-	-	-	-	-	-
841 - SB 822 - Administrative Costs	-	-	-	-	-	-	-	-	-
101 - Current Service Delivery Levels	-	-	-	-	-	-	-	-	-
102 - Retiree Health Insurance Program	-	-	-	-	-	-	-	-	-

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Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Tier One and Tier Two Plan
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-100-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
103 - Infrastructure Maintenance & Enhancement	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	-	-	-	-	-	-	-
Total 2013-15 Leg Adopted Budget	-	-	8,540,861,000	-	-	-	-	8,540,861,000	-
Percentage Change From 2011-13 Leg Approved Budget	-	-	18.20%	-	-	-	-	18.20%	-
Percentage Change From 2013-15 Current Service Level	-	-	-	-	-	-	-	-	-

BUDGET NARRATIVE

Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Oregon Public Service Retirement Plan
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-200-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2011-13 Leg Adopted Budget	-	-	208,175,500	-	-	-	-	208,175,500	-
2011-13 Emergency Boards	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	208,175,500	-	-	-	-	208,175,500	-
2013-15 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	528,838,500	-	-	-	-	528,838,500	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2013-15 Base Budget	-	-	737,014,000	-	-	-	-	737,014,000	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2013-15 Current Service Level	-	-	737,014,000	-	-	-	-	737,014,000	-

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BDV104 - Biennial Budget Summary
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BUDGET NARRATIVE

Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Oregon Public Service Retirement Plan
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-200-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2013-15 Current Service Level	-	-	737,014,000	-	-	-	-	737,014,000	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2013-15 Current Service Level	-	-	737,014,000	-	-	-	-	737,014,000	-
080 - E-Boards									
081 - May 2012 E-Board	-	-	-	-	-	-	-	-	-
082 - September 2012 E-Board	-	-	-	-	-	-	-	-	-
083 - December 2012 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Administrative Savings	-	-	-	-	-	-	-	-	-
092 - PERS Taxation Policy	-	-	-	-	-	-	-	-	-
093 - Other PERS Adjustments	-	-	-	-	-	-	-	-	-
801 - End-Of-Session Bill Adjustments	-	-	-	-	-	-	-	-	-
802 - Supplemental Statewide Ending Balance	-	-	-	-	-	-	-	-	-
803 - HB 2322 Program Change Bill	-	-	-	-	-	-	-	-	-
810 - LFO Analyst Adjustments	-	-	-	-	-	-	-	-	-
811 - Compliance Plan for SB 5701 (2012)	-	-	-	-	-	-	-	-	-
820 - End of Session Bill (HB 5008)	-	-	-	-	-	-	-	-	-
841 - SB 822 - Administrative Costs	-	-	-	-	-	-	-	-	-
101 - Current Service Delivery Levels	-	-	-	-	-	-	-	-	-
102 - Retiree Health Insurance Program	-	-	-	-	-	-	-	-	-

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BUDGET NARRATIVE

Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Oregon Public Service Retirement Plan
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-200-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
103 - Infrastructure Maintenance & Enhancement	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	-	-	-	-	-	-	-
Total 2013-15 Leg Adopted Budget	-	-	737,014,000	-	-	-	-	737,014,000	-
Percentage Change From 2011-13 Leg Approved Budget	-	-	254.00%	-	-	-	-	254.00%	-
Percentage Change From 2013-15 Current Service Level	-	-	-	-	-	-	-	-	-

BUDGET NARRATIVE

Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Operations
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-300-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2011-13 Leg Adopted Budget	364	364.08	78,010,820	-	-	78,010,820	-	-	-
2011-13 Emergency Boards	-	-	(750,000)	-	-	(750,000)	-	-	-
2011-13 Leg Approved Budget	364	364.08	77,260,820	-	-	77,260,820	-	-	-
2013-15 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(30)	(30.08)	988,156	-	-	988,156	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2013-15 Base Budget	334	334.00	78,248,976	-	-	78,248,976	-	-	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	(216,207)	-	-	(216,207)	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	262,181	-	-	262,181	-	-	-
Subtotal	-	-	45,974	-	-	45,974	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	559,232	-	-	559,232	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(2,033,919)	-	-	(2,033,919)	-	-	-
Subtotal	-	-	(1,474,687)	-	-	(1,474,687)	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	682,786	-	-	682,786	-	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	(1,044,265)	-	-	(1,044,265)	-	-	-

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Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Operations
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-300-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal	-	-	(361,479)	-	-	(361,479)	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2013-15 Current Service Level	334	334.00	76,458,784	-	-	76,458,784	-	-	-

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Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Operations
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-300-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2013-15 Current Service Level	334	334.00	76,458,784	-	-	76,458,784	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2013-15 Current Service Level	334	334.00	76,458,784	-	-	76,458,784	-	-	-
080 - E-Boards									
081 - May 2012 E-Board	3	3.00	965,954	-	-	965,954	-	-	-
082 - September 2012 E-Board	-	-	-	-	-	-	-	-	-
083 - December 2012 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	3	3.00	965,954	-	-	965,954	-	-	-
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Administrative Savings	-	-	(1,468,988)	-	-	(1,468,988)	-	-	-
092 - PERS Taxation Policy	-	-	(161,673)	-	-	(161,673)	-	-	-
093 - Other PERS Adjustments	-	-	(1,291,845)	-	-	(1,291,845)	-	-	-
801 - End-Of-Session Bill Adjustments	-	-	-	-	-	-	-	-	-
802 - Supplemental Statewide Ending Balance	-	-	-	-	-	-	-	-	-
803 - HB 2322 Program Change Bill	-	-	-	-	-	-	-	-	-
810 - LFO Analyst Adjustments	-	-	-	-	-	-	-	-	-
811 - Compliance Plan for SB 5701 (2012)	(3)	(3.75)	(383,718)	-	-	(383,718)	-	-	-
820 - End of Session Bill (HB 5008)	-	-	120,021	-	-	120,021	-	-	-
841 - SB 822 - Administrative Costs	2	1.50	1,008,151	-	-	1,008,151	-	-	-
101 - Current Service Delivery Levels	30	29.64	5,431,929	-	-	5,431,929	-	-	-
102 - Retiree Health Insurance Program	3	2.84	760,879	-	-	760,879	-	-	-

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Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Operations
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-300-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
103 - Infrastructure Maintenance & Enhancement	-	-	1,260,000	-	-	1,260,000	-	-	-
Subtotal Policy Packages	32	30.23	5,274,756	-	-	5,274,756	-	-	-
Total 2013-15 Leg Adopted Budget	369	367.23	82,699,494	-	-	82,699,494	-	-	-
Percentage Change From 2011-13 Leg Approved Budget	1.40%	0.90%	7.00%	-	-	7.00%	-	-	-
Percentage Change From 2013-15 Current Service Level	10.50%	9.90%	8.20%	-	-	8.20%	-	-	-

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Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Debt Service
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-400-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2011-13 Leg Adopted Budget	-	-	1,418,600	-	-	1,418,600	-	-	-
2011-13 Emergency Boards	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	1,418,600	-	-	1,418,600	-	-	-
2013-15 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	(115,750)	-	-	(115,750)	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2013-15 Base Budget	-	-	1,302,850	-	-	1,302,850	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2013-15 Current Service Level	-	-	1,302,850	-	-	1,302,850	-	-	-

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Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Debt Service
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-400-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal: 2013-15 Current Service Level	-	-	1,302,850	-	-	1,302,850	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2013-15 Current Service Level	-	-	1,302,850	-	-	1,302,850	-	-	-
080 - E-Boards									
081 - May 2012 E-Board	-	-	-	-	-	-	-	-	-
082 - September 2012 E-Board	-	-	-	-	-	-	-	-	-
083 - December 2012 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Administrative Savings	-	-	-	-	-	-	-	-	-
092 - PERS Taxation Policy	-	-	-	-	-	-	-	-	-
093 - Other PERS Adjustments	-	-	-	-	-	-	-	-	-
801 - End-Of-Session Bill Adjustments	-	-	-	-	-	-	-	-	-
802 - Supplemental Statewide Ending Balance	-	-	-	-	-	-	-	-	-
803 - HB 2322 Program Change Bill	-	-	-	-	-	-	-	-	-
810 - LFO Analyst Adjustments	-	-	-	-	-	-	-	-	-
811 - Compliance Plan for SB 5701 (2012)	-	-	-	-	-	-	-	-	-
820 - End of Session Bill (HB 5008)	-	-	-	-	-	-	-	-	-
841 - SB 822 - Administrative Costs	-	-	-	-	-	-	-	-	-
101 - Current Service Delivery Levels	-	-	-	-	-	-	-	-	-
102 - Retiree Health Insurance Program	-	-	-	-	-	-	-	-	-

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Summary of 2013-15 Biennium Budget

Public Employees Retirement System, Oregon
 Debt Service
 2013-15 Biennium

Leg. Adopted Budget
 Cross Reference Number: 45900-400-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
103 - Infrastructure Maintenance & Enhancement	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	-	-	-	-	-	-	-
Total 2013-15 Leg Adopted Budget	-	-	1,302,850	-	-	1,302,850	-	-	-
Percentage Change From 2011-13 Leg Approved Budget	-	-	-8.20%	-	-	-8.20%	-	-	-
Percentage Change From 2013-15 Current Service Level	-	-	-	-	-	-	-	-	-

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BUDGET NARRATIVE

Program Prioritization for 2013-15

PROGRAM PRIORITIZATION FOR 2013-15

Priority (ranked with highest priority first)		Agency	Program or Activity	Program Unit/Activity Description	Identify Key Performance Indicators	Primary Purpose Program/Activity Code	GF	LF	DF	ML-DF	FF	ML-FF	TOTAL FUNDS	Pos.	FTE	Not or Extended Program (Y/N)	Included in Reductions/Options (Y/N)	Legal Req. Code (C, S, M, F, B)	Legal Clause	Is it Mandatory (for C, FF, and FO Only)	Comments on Proposed Changes to CDR, included in Agency Request	
1	1	PERA	CH228	See One with Two Year Programs	FORM #1: 2, 3, 4, 5, 7 & 8	-4				\$ 132,200,000			\$ 8,126,200,000				N	C	Article 1	See Below	No Changes to CDR	
1	1	PERA	CH228	Individual Account Program	FORM #1: 2, 3, 4, 5, 7 & 8	-4				71,650,000			\$ 116,520,000				N	C	Article 1	See Below	No Changes to CDR	
1	1	PERA	CH228	Pension Program	FORM #1: 2, 3, 4, 5, 7 & 8	-4				15,814,000			\$ 15,814,000				N	C	Article 1	See Below	No Changes to CDR	
		PERA	CH228	Third Party Administration	FORM #1: 2, 3, 4, 5, 7 & 8	-4				4,700,000			\$ 4,700,000				N	S	ORC 237 &		No Changes to CDR	
		PERA	CH228	Claims Administration	FORM #1: 2, 3, 4, 5, 7 & 8	-4				8,847,540			\$ 8,847,540	22	22.50			Y	S	ORC 237, 238 & 238A		2008 Policy Pkg. 081
		PERA	CH228	Employer Payments Division	FORM #1: 2, 3, 4, 5, 7 & 8	-4				62,429,932			\$ 62,429,932	78	78.50			Y	S	ORC 237, 238 & 238A		2008 Policy Pkg. 081 & 101
		PERA	CH228	Financial Services Division	FORM #1: 2, 3, 4, 5, 7 & 8	-4				11,909,071			\$ 11,909,071	38	37.75			Y	S	ORC 237, 238 & 238A		2008 Policy Pkg. 081
		PERA	CH228	Information Services Division	FORM #1: 2, 3, 4, 5, 7 & 8	-4				22,651,116			\$ 22,651,116	75	75.00			Y	S	ORC 237, 238 & 238A		2008 Policy Pkg. 081, 101 & 108
		PERA	CH228	Customer Services Division	FORM #1: 2, 3, 4, 5, 7 & 8	-4				16,603,549			\$ 16,603,549	107	100.00			Y	S	ORC 237, 238 & 238A		2008 Policy Pkg. 081 & 101
		PERA	CH228	Policy Planning/ Legislative Integrate Division	FORM #1: 2, 3, 4, 5, 7 & 8	-4				4,282,116			\$ 4,282,116	-12	12.00			Y	S	ORC 237, 238 & 238A		2008 Policy Pkg. 081 & 101

T. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Crime Justice
- 6 Economic Development
- 7 Education & HR Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Health
- 11 Recreation, Heritage, or Culture
- 12 Social Services

FA. Legal Requirement Code

- C Constitutional
- D Debt Service
- M Mandatory - Mandatory
- FO Optional (some gov entities do participate, include appointments with)
- S Statutory

2013-15 Budget Request (Agency Request) (Budget Program Unit) (Activity)

Document criteria used to prioritize activities:

PERA administers a single integrated system of retirement, disability and death benefits for employees of public employers throughout Oregon. Business processes, service delivery and support functions for the Retirement, Disability and Death Program are integrated across the divisions (detailed cross reference) of the agency. Oregon courts have established that members have a contract right to these benefit programs and, as such, those rights cannot be impaired by law, in accordance with the Oregon Constitution's Article 1. The Retirement, Disability and Death Program is the agency's top priority.

This program serves public employers from the administrative burden of administering individual retirement plans. Economy of scale savings produced. Single plan across the state provides mobility for trained public servants. Provides the Oregon legislature with the ability to influence public pension policy on a statewide basis.

ORS 237, 238, 238A. To ensure the PERA retirement plan remains in compliance with federally mandated pension plan standards, ORS 238.2303(j) directs the PERA Board. "The Board shall adopt rules and take all actions necessary to maintain qualification of the Public Employees Retirement System and the Public Employees Retirement Fund as a qualified governmental retirement plan and trust under the Internal Revenue Code and under regulations adopted pursuant to the Internal Revenue Code. Rules under this paragraph may impose limits on contributions to the system, limits on benefits payable from the system and other limitations or procedures required or imposed under federal law or regulation for the purpose of qualification of the Public Employees Retirement System and Public Employees Retirement Fund under the Internal Revenue Code as a governmental plan and trust."

BUDGET NARRATIVE

PROGRAM PRIORITIZATION FOR 2013-15

Public Employees Retirement System																					
2013-15 Biennium																					
Agency Number: 45900																					
PERS Retiree Health Insurance Program																					
Program/Division Priorities for 2013-15 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (NY)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgr/Div																				
2	2	PERS	RHA	Retiree Health Insurance Account	KPM # 2, 3, 5 & 6				62,500,000			\$ 62,500,000			N		S	ORS 238.420		No Changes to CSL -	
3	2	PERG	RHPA	Retiree Health Insurance Premium Account	KPM # 2, 3, 5 & 6				8,000,000			\$ 8,000,000			N		S	ORS 238.415		No Changes to CSL -	
2	2	PERG	RHA	Standard Retiree Health Insurance Account	KPM # 2, 3, 5 & 6				290,200,000			\$ 290,200,000			N		S	ORS 238.410		No Changes to CSL -	
			Admin	Third Party Administration	KPM # 2, 3, 5 & 6				47,661,000			\$ 47,661,000			N		S	ORS 237.235 & 238A		No Changes to CSL -	
			FSD	Face Services Division	KPM # 2, 3, 5 & 6			1,200,400				\$ 1,200,400	2	4.00		Y	S	ORS 237.235 & 238A		GBB Policy Pkg. 102	
								1,200,400	409,661,000			\$ 409,661,400	2	4.00							

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division Area, prioritize each Budget Program/Unit (Activity) by detail budget level in ORBITE.

Document criteria used to prioritize activities:

The PERS Retiree Health Insurance Programs provide health care insurance protection to eligible members. A Medicare health insurance supplement is also provided. Business processes, service delivery and support functions for the Retiree Health Insurance Program are integrated across the divisions (detailed cross references) of the agency. The Health Insurance Program is the agency's second priority.

This program frees public employers from the administrative burden of administering individual retirement plans with specialized health insurance rules. Economy of scale savings produced. Single plan across the state provides mobility for trained public servants. Provides the Oregon Legislature with the ability to influence public employee health insurance policy on a statewide basis.

ORS 238.410, 415, 420 To ensure the Health Insurance plan remains in compliance with federally mandated pension plan standards ORS 238.630(3)(g) directs the PERS Board, "shall adopt rules and take all actions necessary to maintain qualification of the Public Employees Retirement System and the Public Employees Retirement Fund as a qualified governmental retirement plan and trust under the Internal Revenue Code and under regulations adopted pursuant to the Internal Revenue Code. Rules under this paragraph may impose limits on contributions to the system, limits on benefits payable from the system and other limitations or procedures required or imposed under federal law or regulation for the purpose of qualification of the Public Employees Retirement System and Public Employees Retirement Fund under the Internal Revenue Code as a governmental plan and trust."

2013-15

Program 2

107BF23

___ Agency Request

___ Governor's Recommended

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107BF02

BUDGET NARRATIVE

PROGRAM PRIORITIZATION FOR 2013-15

Public Employees Retirement System																				Agency Number: 45900	
2013-15 Biennium																					
Social Security Coverage Program																					
Program/Division Priorities for 2011-13 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Res. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgrm/Div																				
4	4	PERS	Adms	Central Administration	KPM #2, 3 & 9	4		178,133				\$ 178,133	1	1.00		N	FM	Fed Reg Title 20, 404, 1204	See below	No Changes to CSL -	
4	4	PERS	FSD	Fiscal Services Division	KPM #2, 3 & 9	4		183,223				\$ 183,223		0.25		N	FM	Fed Reg Title 20, 404, 1204	See below	No Changes to CSL -	
												\$ -									
												\$ -									
												\$ -									
												\$ -									
												\$ -									
												\$ 359,356	1	1.25							

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activity) by detail budget level in ORBITS.

Document criteria used to prioritize activities:

Federal Regulations, Title 20, 404.1204 The Social Security Coverage Program is a federally mandated program to assist public employers who wish to voluntarily join the Social Security Old Age and Survivorship Program. The State is required to maintain a single point of contact for the federal program. PERS is the established state level contact. The program is the agency's fourth budget priority.

ORS 237.412 This program allows public employers to deal with a local state representative providing a direct channel for information to the federal program administrators. PERS staff allow public employers better opportunity to resolve reporting issues before escalating to federal intervention.

A total of approximately 1,000 public employers are directly benefited by having a venue for making a voluntary election into the Social Security Old Age and Survivorship program, while also having a direct local venue for program clarification.

NOTE: This program is solely funded by an administrative charge to participating employers.

2013-15

Program 4

107BF23

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

PROGRAM PRIORITIZATION FOR 2013-15

Public Employees Retirement System																						
2013-15 Biennium																			Agency Number: 45900			
Debt Service Program																						
Program/Division Priorities for 2011-13 Biennium																						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measures(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request		
Agcy	Prgm/ Div																					
	PERS		Debt Service	KPM #2	4			1,302,850				\$ 1,302,850				N	D			No Changes to CSL...		
												\$ -										
												\$ -										
												\$ -										
												\$ -										
												\$ -										
												\$ -										
								1,302,850				\$ 1,302,850	0	0.00								

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS.

Document criteria used to prioritize activities:

The debt service for the Public Employee Retirement Program is repayment for the PERS Headquarters Building located in Tigard.

The amount of debt service included in the agency's budget is taken from debt schedules produced by the Department of Administrative Services (DAS) and is not a discretionary budget item for PERS. As such, information is provided for budget disclosure rather than prioritization purposes.

BUDGET NARRATIVE

10% REDUCTIONS OPTIONS (ORS 291-216)

10% REDUCTIONS OPTIONS (ORS 291-216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
1. Eliminate toll-free telephone line	Eliminates toll-free telephone line, requiring members, employers and retirees outside of the Portland area to personally incur long-distance charges for contacting PERS by telephone. (Amount based on 160,000 calls averaging 10 minutes per call, at \$.06 per minute)	\$96,000 Other Funds	Toll-free telephone line is provided to facilitate customer service for statewide population of members, employers and retirees. Eliminating the toll-free number will not change the nature of the service customers receive, but will hamper customer access to that service, challenging this Agency's Key Performance Measure (KPM) #6 - 80% of customers rating service as "good" or "excellent."
2. Eliminate printed newsletter for active members	Eliminates publication and mailing of Agency newsletter to active PERS members	\$35,000 Other Funds	Eliminates a cost-effective communication tool that pushes information to active members in furtherance of this Agency's KPM #6 - Customer Service. The Newsletter would continue to be available on the PERS website for those active members with Internet access.
3. Reduce employee overtime, and use of temporary staffing	Reduces overtime and use of temporary staffing by 50% supporting Customer Services program.	\$165,226 Other Funds	Increases time needed for work completion and response time to the Agency's customers and business lines, hindering the Agency's ability to achieve KPM #6 - Customer Service.

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___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

10% REDUCTIONS OPTIONS (ORS 291-216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
4. Reduce AG fees	Limits legal sufficiency review to contracts over \$150,000 (per OAR 137-045-0030 requirements), and decreases litigation support.	\$150,000 Other Funds	Decreased legal sufficiency review and DOJ litigation support will increase risk to the Agency. Staff will provide policy direction and contract services without complete resolution of legal issues, or in a less timely manner, resulting in reduced Customer Service (KPM #6), and making achievement of KPM #8 (meeting 100% of Board Best Practice criteria) less likely.
5. Reduce IT contracting budget and professional services.	Reduces IT contracting budget and professional services for Agency projects by 50%.	\$939,255 Other Funds	Decreases the Agency's timeliness and efficiency in implementing IT modifications, such as in response to legislative changes or process improvements, increasing Total Benefit Admin. Costs (KPM #2), and hindering achievement of KPM #8 - Board Best Practices.,
6. Reduce IT systems and equipment upgrades	Reduces system modifications / upgrades, scheduled replacement of IT hardware, software and ancillary equipment.	\$287,166 Other Funds	Increases risk of failed network and desktop equipment, and service delays, hindering the Agency's ability to achieve KPM #6 – Customer Service.

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Agency Request

Governor's Recommended

Legislatively Adopted

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BUDGET NARRATIVE

10% REDUCTIONS OPTIONS (ORS 291-216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
7. Reduce Information Technology training plan	Eliminates training not related to support and maintenance of jClarety.	\$84,671 Other Funds	Reduces consistent and up-to-date training, increasing the risk of inconsistent or inaccurate Agency processes. Impedes progress on KPM #8 - Board Best Practices.
8. Reduce office supplies (S&S)	Reduces office supplies support to all divisions and sections.	\$50,000 Other Funds	Challenges the Agency's ability to meet customers and business lines' needs, hindering the Agency's ability to achieve KPM #6 - Customer Service.
9. Reduce expert witness and Independent Medical Exam (IME) support	Reduces professional services expert witness and IME contract budget for disability claim review / determination.	\$153,522 Other Funds	Forces Agency to be more reliant on member's medical evaluations instead of independent reviews, leading to increased potential for fraud or abuse. Inconsistent with KPM #8 - Board Best Practices.
10. Reduce centrally coordinated mail services and supply ordering/delivery	Eliminates position supporting mail services, supply ordering and delivery. (1 position - 1.00 FTE)	\$114,803 Other Funds	Decreases mail and supply delivery, increases Agency response time to customer correspondence, and increases risk of inconsistent ordering practices and outcomes. Hinders the Agency's ability to achieve KPM #1 - 80% of initial benefit payment within 45 days, KPM #7 - 95% of benefit estimates within 30 days, and KPM #6 - Customer Service.

2013-15

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Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 115

BUDGET NARRATIVE

10% REDUCTIONS OPTIONS (ORS 291-216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
11. Reduce Agency training support	Eliminates 1 position responsible for coordination and delivery of training plans and materials. (1 position - 1.00 FTE)	\$153,861 Other Funds	Reduces consistent and up-to-date training, increasing the risk of inconsistent or inaccurate Agency processes. Impedes progress on KPM #8 - Board Best Practices.
12. Reduce disability program support	Eliminates 2 positions processing IME documentation and disability claims (2 position - 2.00 FTE)	\$248,096 Other Funds	Increases risk of inappropriate claim determinations, and costs that could lead to benefit fraud or abuse, as well as increasing the time needed for disability claim processing. Hinders the Agency's ability to achieve KPM #1 - Timely Retirement Payments, KPM #6 - Customer Service, and KPM #7 - Timely Benefit Estimates.
13. Reduce divorce section program support	Eliminates 1 position processing divorce decrees. (1 position - 1.00 FTE)	\$143,614 Other Funds	Increases time needed for disability claim processing and customer response time, hindering the Agency's ability to achieve KPM #1 - Timely Retirement Payments, KPM #6 - Customer Service, and KPM #7 - Timely Benefit Estimates.

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Agency Request

Governor's Recommended

Legislatively Adopted

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BUDGET NARRATIVE

10% REDUCTIONS OPTIONS (ORS 291-216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
14. Eliminate Health Insurance Program administrative support	Eliminates 1 position providing administrative support to Health Insurance Program Manager. (1 position – 1.00 FTE)	\$125,644 Other Funds	Increases response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #1 - Timely Retirement Payments, and KPM #6 - Customer Service.
15. Eliminate Customer Services Division administrative support	Eliminates 2 positions providing administrative support for Customer Services Division. (2 positions – 2.00 FTE)	\$217,687 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #6 - Customer Service.
16. Eliminate Fiscal Services Division executive support	Eliminates 1 position providing executive support to Chief Financial Officer, Fiscal Services Division managers and staff. (1 positions – 1.00 FTE)	\$118,365 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #6 – Customer Service.
17. Eliminate Deputy Director executive support	Eliminates 1 position providing executive support to Deputy Director. (1 position – 1.00 FTE)	\$147,994 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #6 - Customer Service.

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Agency Request

Governor’s Recommended

Legislatively Adopted

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BUDGET NARRATIVE

10% REDUCTIONS OPTIONS (ORS 291-216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
18. Reduce Social Security Program support	Eliminates 1 position responsible for Social Security Program support for employers regarding Program updates, changes in regulations, and new rules. (1 position – 1.00 FTE)	\$178,751 Other Funds	Eliminates FTE used to support state’s responsibility to administer federal Social Security program. Position functions would be spread among Agency staff or directed to another Agency, increasing benefit administration costs counter to KPM #2 - Total Benefit Admin. Costs, and hindering the Agency’s ability to achieve KPM #6 - Customer Service.
19. Reduce IT quality assurance and metrics engineering program support	Eliminates 1 QA Project Manager position, and 1 IT metrics engineering position. (2 positions – 2.00 FTE)	\$423,971 Other Funds	Eliminates resources used to improve Agency quality and accountability on operations and projects. Prevents efforts to reduce Agency costs in support of KPM #2 - Total Benefit Costs, and impedes progress on KPM #8 - Board Best Practices.

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Agency Request

Governor’s Recommended

Legislatively Adopted

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BUDGET NARRATIVE

10% REDUCTIONS OPTIONS (ORS 291-216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
20. Eliminate Deferred Compensation Program support in Salem	Eliminates 2 program support positions, closes Salem office, and reassigns staff to Tigard office. (2 positions – 2.00 FTE)	\$467,074 Other Funds	Increases time needed to complete work and response time to the Agency’s customers, risks limiting the Deferred Compensation Program’s growth, and eliminates local presence and direct customer service in Salem. Impedes efforts to achieve KPM #5 - Increase participation to 39%, as well as hindering progress on KPM #6 - Customer Service.
21. Reduce IT systems development support	Eliminates 3 developer positions supporting Agency projects. (3 positions – 3.00 FTE)	\$557,420 Other Funds	Decreases Agency timeliness and efficiency in implementing IT modifications, such as in response to legislative changes or process improvements, increasing Total Benefit Admin. Costs (KPM #2), hindering achievement of KPM #8 - Board Best Practices.
22. Reduce fiscal services program support	Eliminates 1 accounting position supporting general ledger transactions, journal entries for jClarety activity, and reconciliation of employer and member accounts. (1 position – 1.00 FTE)	\$148,774 Other Funds	Increases time needed to complete work, response time to customers, and file audit risks, hindering progress on KPM #8 - Board Best Practices.

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Agency Request

Governor’s Recommended

Legislatively Adopted

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BUDGET NARRATIVE

10% REDUCTIONS OPTIONS (ORS 291-216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
23. Reduce tax accounting program support	Eliminates 1 accountant position supporting financial reporting, and federal and state tax compliance. (1 positions – 1.00 FTE)	\$154,488 Other Funds	Increases time needed to complete work, and risks of untimely tax compliance, reporting, and remittance, contrary to KPM #8 - Board Best Practices.
24. Discontinue specialized judge retirement program support	Eliminates 1 counselor/specialist processing judge retirements. (1 position – 1.00 FTE)	\$134,184 Other Funds	Increase time needed to complete work, and risks associated with decreased level of expertise processing judge retirements, hindering the Agency's ability to achieve KPM #6 – Customer Service.
25. Reduce Contracts and Procurement program support	Eliminates 1 procurement assistant support position. (1 position – 1.00 FTE)	\$154,488 Other Funds	Increases time needed to complete work, response time to customers and contract file audit risks, hindering progress on KPM #8 – Board Best Practices.
26. Reduce IT application / software engineering program support	Eliminates 1 position supporting IT applications, and 1 position supporting Agency-wide software configuration engineering. (2 positions – 2.00 FTE)	\$366,013 Other Funds	Increases time needed to complete work, and risks for the Agency's business lines related to systems and desktop performance, as well as increases administration costs, contrary to KPM #2.

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Agency Request

Governor's Recommended

Legislatively Adopted

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BUDGET NARRATIVE

10% REDUCTIONS OPTIONS (ORS 291-216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
27. Reduce imaging and records management program support	Eliminates 2 imaging and records management positions. (2 positions – 2.00 FTE)	\$207,800 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #6 - Customer Service.
28. Reduce program management and IT systems technical support	Eliminates 3 positions supporting Customer Services program management, productivity enhancements problem resolution / troubleshooting. (3 positions – 3.00 FTE)	\$529,650 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #6 - Customer Service.
29. Reduce benefit estimate and data validation program support	Eliminates 1 position supporting benefit estimates, and 1 position supporting data validation. (2 positions – 2.00 FTE)	\$277,798 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #6 - Customer Service.
30. Reduce business rules coordination program support	Eliminates 1 position providing Agency-wide coordination of business rules. (1 position – 1.00 FTE)	\$200,641 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #8 - Board Best Practices.

2013-15

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Agency Request

Governor’s Recommended

Legislatively Adopted

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BUDGET NARRATIVE

10% REDUCTIONS OPTIONS (ORS 291-216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
31. Reduce BAIP Tech Team	Eliminates 1 position. (1 position – 1.00 FTE)	\$159,094 Other Funds	Eliminates resources used to improve Agency quality and accountability on the RIMS Conversion Project (RCP). Prevents efforts to reduce Agency costs in support of KPM #2 - Total Benefit Admin. Costs, and conform to KPM #8 - Board Best Practices.
32. Reduce Actuarial service program support	Eliminates 1 position (1 position – 1.00 FTE)	\$217,073 Other Funds	Increases time needed to complete work, response time to customers, and file audit risks, hindering progress on KPM #8 - Board Best Practices.
33. Reduce BPD RSS Support	Eliminates 1 position (1 position – 1.00 FTE)	\$143,614 Other Funds	Increases time needed making adjustments to service retirements, hindering the Agency's ability to achieve KPM #6 - Customer Service.
34. Reduce CSD Call Center Support	Eliminates 1 position (1 position – 1.00 FTE)	\$143,614 Other Funds	Increases call waiting time, call abandonment, and hinders the Agency's ability to achieve KPM #6 - Customer Service.
Totals	37 Positions (37.00 FTE)	\$7,695,351 Other Funds	

11.07% of 334 CSL Positions

10.06% of \$76,458,784 CSL

2013-15

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___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

2011-13 Organization Chart

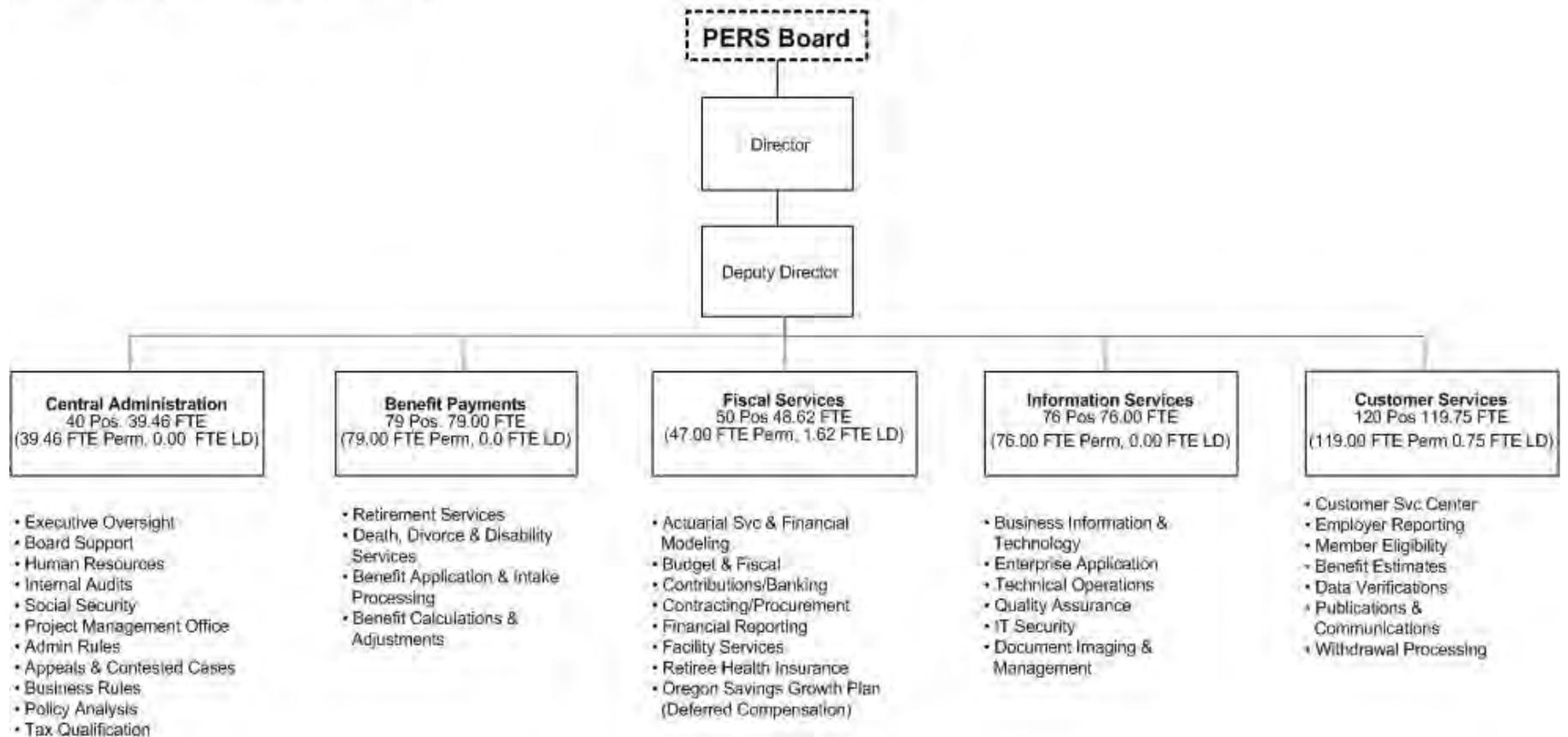
Public Employees Retirement System 2011-13 Legislatively Approved Budget

(Includes May 2012 Emergency Board Actions)

365.00 Positions (PPDB PICS Report as of Nov. 30, 2012)

362.83 FTE (PPDB PICS Report as of Nov. 30, 2012)

Total Personal Services: \$56,744,618



BUDGET NARRATIVE

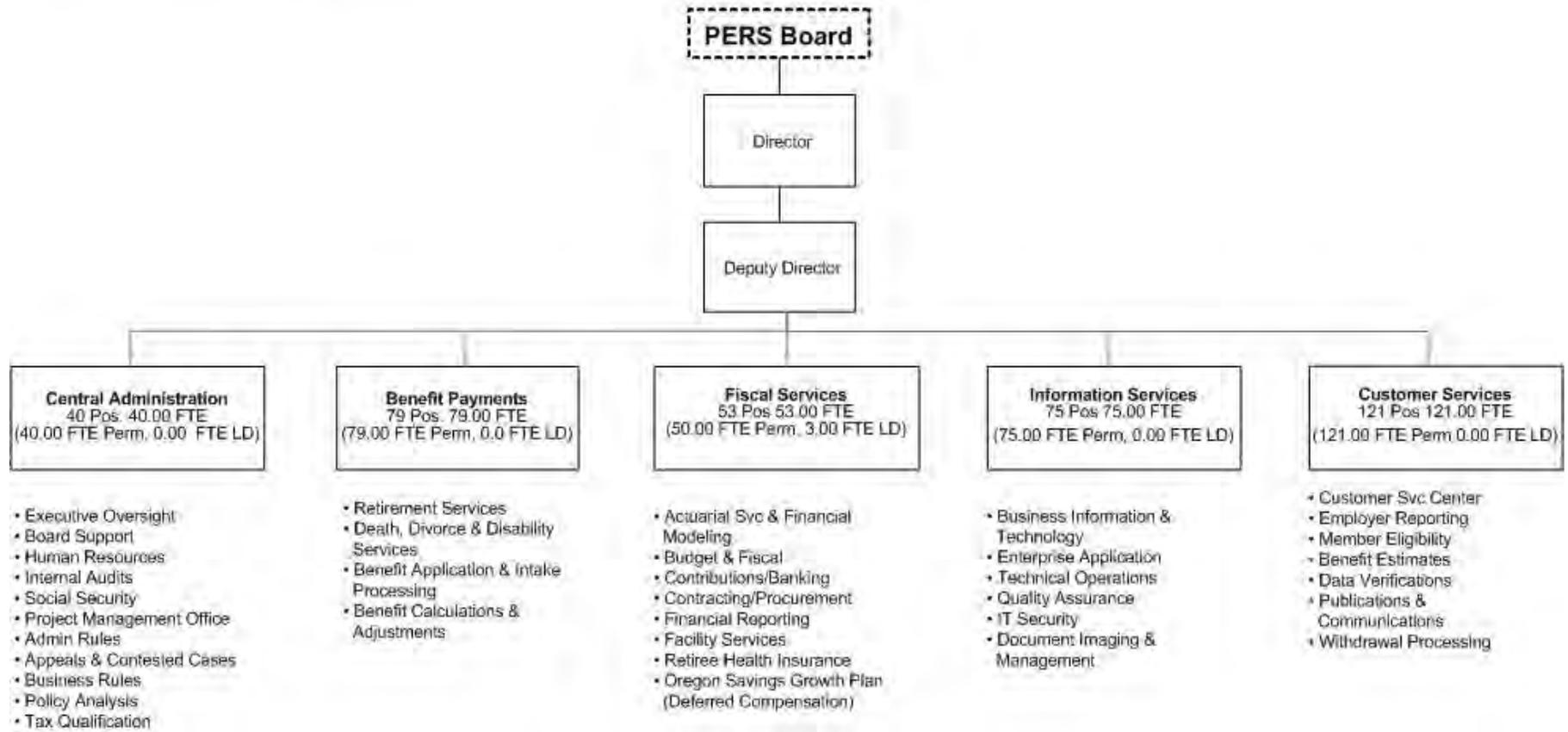
2013-15 Organization Chart

Public Employees Retirement System
2013-15 Governor's Balanced Budget

368 Positions (PPDB PICS System)

368.00 FTE (PPDB PICS System)

Total Personal Services: \$60,533,935



BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Agencywide Appropriated Fund Group
2013-15 Biennium**

Version: Z - 01 - Leg. Adopted Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
LIMITED BUDGET (Excluding Packages)						
Other Funds	77,884,834	78,010,820	77,260,820	78,483,780	78,248,976	78,248,976
AUTHORIZED POSITIONS	368	364	364	334	334	334
AUTHORIZED FTE	361.80	364.08	364.08	334.00	334.00	334.00
LIMITED BUDGET (Essential Packages)						
010-NON-PICS PSNL SVC / VACANCY FACTOR						
Other Funds	-	-	-	46,102	45,974	45,974
021-PHASE-IN						
Other Funds	-	-	-	559,232	559,232	559,232
022-PHASE-OUT PGM & ONE-TIME COSTS						
Other Funds	-	-	-	(2,034,036)	(2,033,919)	(2,033,919)
031-STANDARD INFLATION						
Other Funds	-	-	-	(838,244)	(361,479)	(361,479)
TOTAL LIMITED BUDGET (Essential Packages)						
Other Funds	-	-	-	(2,266,946)	(1,790,192)	(1,790,192)
LIMITED BUDGET (Current Service Level)						
Other Funds	77,884,834	78,010,820	77,260,820	76,216,834	76,458,784	76,458,784
AUTHORIZED POSITIONS	368	364	364	334	334	334
AUTHORIZED FTE	361.80	364.08	364.08	334.00	334.00	334.00
LIMITED BUDGET (Policy Packages)						
081-MAY 2012 E-BOARD- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	1,315,510	965,954	965,954
Authorized Positions	-	-	-	3	3	3
Authorized FTE	-	-	-	3.00	3.00	3.00

Agencywide Appropriated Fund Group - BPR001

___ Agency Request ___ Governor's Recommended X Legislatively Adopted

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Agencywide Appropriated Fund Group
2013-15 Biennium**

Version: Z - 01 - Leg. Adopted Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
091-STATEWIDE ADMINISTRATIVE SAVINGS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(1,468,988)	(1,468,988)
092-PERS TAXATION POLICY- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(161,673)	(161,673)
093-OTHER PERS ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(1,291,845)	(1,291,845)
811-COMPLIANCE PLAN FOR SB 5701 (2012)- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(383,718)
Authorized Positions	-	-	-	-	-	(3)
Authorized FTE	-	-	-	-	-	(3.75)
820-END OF SESSION BILL (HB 5008)- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	120,021
841-SB 822 - ADMINISTRATIVE COSTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	1,008,151
Authorized Positions	-	-	-	-	-	2
Authorized FTE	-	-	-	-	-	1.50
101-CURRENT SERVICE DELIVERY LEVELS- RANK 1 - 300-00-00-00000						
Other Funds	-	-	-	5,474,611	5,455,428	5,431,929
Authorized Positions	-	-	-	30	30	30
Authorized FTE	-	-	-	30.00	30.00	29.64
102-RETIREE HEALTH INSURANCE PROGRAM- RANK 2 - 300-00-00-00000						
Other Funds	-	-	-	805,913	803,696	760,879
Authorized Positions	-	-	-	3	3	3
Authorized FTE	-	-	-	3.00	3.00	2.84

Agencywide Appropriated Fund Group - BPR001

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Agencywide Appropriated Fund Group
2013-15 Biennium**

Version: Z - 01 - Leg. Adopted Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
103-INFRASTRUCTURE MAINTENANCE & ENHANCEMENT- RANK 3 - 300-00-00000						
Other Funds	-	-	-	1,860,000	1,860,000	1,260,000
TOTAL LIMITED BUDGET (Policy Packages)						
Other Funds	-	-	-	9,456,034	6,162,572	6,240,710
AUTHORIZED POSITIONS	-	-	-	36	36	35
AUTHORIZED FTE	-	-	-	36.00	36.00	33.23
TOTAL LIMITED BUDGET (Including Packages)						
Other Funds	77,884,834	78,010,820	77,260,820	85,672,868	82,621,356	82,699,494
AUTHORIZED POSITIONS	368	364	364	370	370	369
AUTHORIZED FTE	361.80	364.08	364.08	370.00	370.00	367.23
NONLIMITED BUDGET (Excluding Packages)						
Other Funds	6,730,356,220	7,434,012,310	7,434,012,310	9,277,875,000	9,277,875,000	9,277,875,000
NONLIMITED BUDGET (Current Service Level)						
Other Funds	6,730,356,220	7,434,012,310	7,434,012,310	9,277,875,000	9,277,875,000	9,277,875,000
TOTAL NONLIMITED BUDGET (Including Packages)						
Other Funds	6,730,356,220	7,434,012,310	7,434,012,310	9,277,875,000	9,277,875,000	9,277,875,000
OPERATING BUDGET (Excluding Packages)						
Other Funds	6,808,241,054	7,512,023,130	7,511,273,130	9,356,358,780	9,356,123,976	9,356,123,976
AUTHORIZED POSITIONS	368	364	364	334	334	334
AUTHORIZED FTE	361.80	364.08	364.08	334.00	334.00	334.00
OPERATING BUDGET (Essential Packages)						
010-NON-PICS PSNL SVC / VACANCY FACTOR						
Other Funds	-	-	-	46,102	45,974	45,974
021-PHASE-IN						

Agencywide Appropriated Fund Group - BPR001

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Agencywide Appropriated Fund Group
2013-15 Biennium**

Version: Z - 01 - Leg. Adopted Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Other Funds	-	-	-	559,232	559,232	559,232
022-PHASE-OUT PGM & ONE-TIME COSTS						
Other Funds	-	-	-	(2,034,036)	(2,033,919)	(2,033,919)
031-STANDARD INFLATION						
Other Funds	-	-	-	(838,244)	(361,479)	(361,479)
TOTAL OPERATING BUDGET (Essential Packages)						
Other Funds	-	-	-	(2,266,946)	(1,790,192)	(1,790,192)
OPERATING BUDGET (Current Service Level)						
Other Funds	6,808,241,054	7,512,023,130	7,511,273,130	9,354,091,834	9,354,333,784	9,354,333,784
AUTHORIZED POSITIONS	368	364	364	334	334	334
AUTHORIZED FTE	361.80	364.08	364.08	334.00	334.00	334.00
OPERATING BUDGET (Policy Packages)						
081-MAY 2012 E-BOARD- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	1,315,510	965,954	965,954
Authorized Positions	-	-	-	3	3	3
Authorized FTE	-	-	-	3.00	3.00	3.00
091-STATEWIDE ADMINISTRATIVE SAVINGS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(1,468,988)	(1,468,988)
092-PERS TAXATION POLICY- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(161,673)	(161,673)
093-OTHER PERS ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(1,291,845)	(1,291,845)
811-COMPLIANCE PLAN FOR SB 5701 (2012)- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(383,718)

Agencywide Appropriated Fund Group - BPR001

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Appropriated Fund Group

Version: Z - 01 - Leg. Adopted Budget

2013-15 Biennium

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Authorized Positions	-	-	-	-	-	(3)
Authorized FTE	-	-	-	-	-	(3.75)
820-END OF SESSION BILL (HB 5008)- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	120,021
841-SB 822 - ADMINISTRATIVE COSTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	1,008,151
Authorized Positions	-	-	-	-	-	2
Authorized FTE	-	-	-	-	-	1.50
101-CURRENT SERVICE DELIVERY LEVELS- RANK 1 - 300-00-00-00000						
Other Funds	-	-	-	5,474,611	5,455,428	5,431,929
Authorized Positions	-	-	-	30	30	30
Authorized FTE	-	-	-	30.00	30.00	29.64
102-RETIREE HEALTH INSURANCE PROGRAM- RANK 2 - 300-00-00-00000						
Other Funds	-	-	-	805,913	803,696	760,879
Authorized Positions	-	-	-	3	3	3
Authorized FTE	-	-	-	3.00	3.00	2.84
103-INFRASTRUCTURE MAINTENANCE & ENHANCEMENT- RANK 3 - 300-00-00-00000						
Other Funds	-	-	-	1,860,000	1,860,000	1,260,000
TOTAL OPERATING BUDGET (Policy Packages)						
Other Funds	-	-	-	9,456,034	6,162,572	6,240,710
AUTHORIZED POSITIONS	-	-	-	36	36	35
AUTHORIZED FTE	-	-	-	36.00	36.00	33.23
TOTAL OPERATING BUDGET (Including Packages)						
Other Funds	6,808,241,054	7,512,023,130	7,511,273,130	9,363,547,868	9,360,496,356	9,360,574,494

Agencywide Appropriated Fund Group - BPR001

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Appropriated Fund Group
2013-15 Biennium

Version: Z - 01 - Leg. Adopted Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
AUTHORIZED POSITIONS	368	364	364	370	370	369
AUTHORIZED FTE	361.80	364.08	364.08	370.00	370.00	367.23
DEBT SERVICE (Excluding Packages)						
Other Funds	1,423,075	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850
DEBT SERVICE (Current Service Level)						
Other Funds	1,423,075	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850
TOTAL DEBT SERVICE (Including Packages)						
Other Funds	1,423,075	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850
TOTAL BUDGET (Excluding Packages)						
Other Funds	6,809,664,129	7,513,441,730	7,512,691,730	9,357,661,630	9,357,426,826	9,357,426,826
AUTHORIZED POSITIONS	368	364	364	334	334	334
AUTHORIZED FTE	361.80	364.08	364.08	334.00	334.00	334.00
TOTAL BUDGET (Essential Packages)						
010-NON-PICS PSNL SVC / VACANCY FACTOR						
Other Funds	-	-	-	46,102	45,974	45,974
021-PHASE-IN						
Other Funds	-	-	-	559,232	559,232	559,232
022-PHASE-OUT PGM & ONE-TIME COSTS						
Other Funds	-	-	-	(2,034,036)	(2,033,919)	(2,033,919)
031-STANDARD INFLATION						
Other Funds	-	-	-	(838,244)	(361,479)	(361,479)
TOTAL BUDGET (Essential Packages)						
Other Funds	-	-	-	(2,266,946)	(1,790,192)	(1,790,192)
TOTAL BUDGET (Current Service Level)						

Agencywide Appropriated Fund Group - BPR001

___ Agency Request ___ Governor's Recommended X Legislatively Adopted

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Agencywide Appropriated Fund Group
2013-15 Biennium**

Version: Z - 01 - Leg. Adopted Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Other Funds	6,809,664,129	7,513,441,730	7,512,691,730	9,355,394,684	9,355,636,634	9,355,636,634
AUTHORIZED POSITIONS	368	364	364	334	334	334
AUTHORIZED FTE	361.80	364.08	364.08	334.00	334.00	334.00
TOTAL BUDGET (Policy Packages)						
081-MAY 2012 E-BOARD- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	1,315,510	965,954	965,954
Authorized Positions	-	-	-	3	3	3
Authorized FTE	-	-	-	3.00	3.00	3.00
091-STATEWIDE ADMINISTRATIVE SAVINGS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(1,468,988)	(1,468,988)
092-PERS TAXATION POLICY- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(161,673)	(161,673)
093-OTHER PERS ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(1,291,845)	(1,291,845)
811-COMPLIANCE PLAN FOR SB 5701 (2012)- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(383,718)
Authorized Positions	-	-	-	-	-	(3)
Authorized FTE	-	-	-	-	-	(3.75)
820-END OF SESSION BILL (HB 5008)- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	120,021
841-SB 822 - ADMINISTRATIVE COSTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	1,008,151
Authorized Positions	-	-	-	-	-	2
Authorized FTE	-	-	-	-	-	1.50

Agencywide Appropriated Fund Group - BPR001

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Agencywide Appropriated Fund Group
2013-15 Biennium**

Version: Z - 01 - Leg. Adopted Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
101-CURRENT SERVICE DELIVERY LEVELS- RANK 1 - 300-00-00-00000						
Other Funds	-	-	-	5,474,611	5,455,428	5,431,929
Authorized Positions	-	-	-	30	30	30
Authorized FTE	-	-	-	30.00	30.00	29.64
102-RETIREE HEALTH INSURANCE PROGRAM- RANK 2 - 300-00-00-00000						
Other Funds	-	-	-	805,913	803,696	760,879
Authorized Positions	-	-	-	3	3	3
Authorized FTE	-	-	-	3.00	3.00	2.84
103-INFRASTRUCTURE MAINTENANCE & ENHANCEMENT- RANK 3 - 300-00-00-00000						
Other Funds	-	-	-	1,860,000	1,860,000	1,260,000
TOTAL BUDGET (Policy Packages)						
Other Funds	-	-	-	9,456,034	6,162,572	6,240,710
AUTHORIZED POSITIONS	-	-	-	36	36	35
AUTHORIZED FTE	-	-	-	36.00	36.00	33.23
TOTAL BUDGET (Including Packages)						
Other Funds	6,809,664,129	7,513,441,730	7,512,691,730	9,364,850,718	9,361,799,206	9,361,877,344
AUTHORIZED POSITIONS	368	364	364	370	370	369
AUTHORIZED FTE	361.80	364.08	364.08	370.00	370.00	367.23

Agencywide Appropriated Fund Group - BPR001

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Agencywide Program Unit Summary
2013-15 Biennium**

Version: Z - 01 - Leg. Adopted Budget

Summary Cross Reference Number	Cross Reference Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
100-00-00-00000	Tier One and Tier Two Plan						
	Other Funds	6,518,482,087	7,225,836,810	7,225,836,810	8,540,861,000	8,540,861,000	8,540,861,000
200-00-00-00000	Oregon Public Service Retirement Plan						
	Other Funds	211,874,133	208,175,500	208,175,500	737,014,000	737,014,000	737,014,000
300-00-00-00000	Operations						
	Other Funds	77,884,834	78,010,820	77,260,820	85,672,868	82,621,356	82,699,494
400-00-00-00000	Debt Service						
	Other Funds	1,423,075	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850
TOTAL AGENCY							
	Other Funds	6,809,664,129	7,513,441,730	7,512,691,730	9,364,850,718	9,361,799,206	9,361,877,344

Agencywide Program Unit Summary - BPR010

___ Agency Request

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BUDGET NARRATIVE

Revenues

Revenue Forecast Discussion

Revenue Discussion

PERS provides administrative support to a number of programs and related retirement activities. Every program account and activity has dedicated revenue sources authorized by statute. Revenue streams for several of the programs and activities are combined for revenue projection purposes because the revenue sources are similar. Revenues for the Public Employees Retirement Fund (PERF) (ORS 238), Oregon Public Service Retirement Plan (OPSRP) (ORS 238A), Benefit Equalization Fund (BEF) (ORS 238.485), Retirement Health Insurance Account (RHIA) (ORS 238.420), and Retirement Health Insurance Premium Account (RHIPA) (ORS 238.415) are combined. The Deferred Compensation Program (State) (ORS 243) and the Standard Retiree Health Insurance Account (SRHIA) (ORS 238.410(7)) have different funding sources and are discussed separately.

PERS expects adequate revenues for all programs and activities during the 2013-15 biennium.

Source of Funds

Revenue sources include investment earnings, contributions, and fees from employers and public employees (members). Primary revenue sources for SRHIA are investment earnings and insurance premiums from retirees or a spouse or dependent of a deceased retired member. PERS derives revenues to fund administrative activities for the Deferred Compensation Program primarily through a participant fee. All revenue is Other Funds and no matching funds are required.

Defined Benefit and Post Employment Health Care Revenue

Oregon PERS has two defined benefit pension programs (Chapter 238, also known as Tier One/Tier Two, and Oregon Public Service Retirement Program (OPSRP)), and two post-employment health care programs (Retiree Health Insurance Account (RHIA) and Retiree Health Insurance Premium Account (RHIPA)). All members serving in active public employment since January 1, 2004, also participate in the Individual Account Program (IAP). Revenues for these programs, which currently make up 97 percent of PERS' revenues, are to be used solely for the benefit of the PERS members as described in ORS 238.660 (2) and ORS 238A.025.

Investment Earnings

Historically, investment earnings have provided the largest single source of system revenues. If investment earnings less administrative expenses are below the assumed earnings rate at the end of the calendar year, the contribution accounts of those who established membership in the system before January 1, 1996, and alternate payees of those members, will be credited the assumed rate and the difference made up from the Tier One Rate Guarantee Reserve. Any earnings in excess of the assumed earnings rate shall first be deposited in that reserve until the reserve is fully funded with amounts determined by the PERS Board based on advice from the PERS' actuary. Both earnings and losses are distributed to members' accounts that have variable annuity accounts (ORS 238.260) and/or Tier Two members' regular accounts for those who became members, and their alternate payees, on or after January 1, 1996. The Board may draw out of interest and investment income an amount to remain in the Fund and constitute one or more reserve accounts (ORS 238.670). Each member's Individual Account, as described in

BUDGET NARRATIVE

ORS 238A.350, is adjusted annually in accordance with rules adopted by the Board to reflect any net earnings or losses less administrative costs of maintaining the program. Investment earnings, after adjustment for administrative costs, are also credited to the OPSRP and Chapter 238 employer and retiree (Benefits In Force) reserves.

Employee/Employer Contributions

Beginning January 1, 2004, all employee (or member) contributions, except for contributions by judge members, were prospectively placed in the OPSRP Individual Account Program (IAP). Employee contributions prior to January 1, 2004 were credited to members' accounts as directed by ORS 238.250 and 238.260. The employee contribution rate for PERS is six percent of PERS-covered salary (Judge members rate is seven percent).

Employer contributions are credited to the individual employer's accounts or to the account of the pool in which the employer participates. A portion of employer Chapter 238 Program contributions is credited to the RHIA and RHIPA post-employment health care programs in accordance with ORS 238.415 and ORS 238.420. Employer contribution rates effective July 2011 were based on the December 31, 2009 actuarial valuation; employer contribution rates effective July 2013 are based on the December 31, 2011 actuarial valuation. Employer rates, as a percent of PERS-covered salary, effective July 1, 2011 and 2013 are:

PERS Chapter 238 Program	July 2011*	July 2013*
State Agencies	11.2%	15.2%
State and Local Government Rate Pool	15.8%	20.2%
School Pool	19.5%	26.5%
Political Subdivisions (non-pooled)	14.6%	18.4%
Judiciary	18.3%	22.3%
 OPSRP Chapter 238A Program		
General Service Pool (all employers)	6.21%	6.42%
Police and Fire Pool (all employers)	8.92%	9.15%

*Except for State Agencies, the rates listed are gross employer rates. Certain schools, community colleges, and political subdivisions have made Unfunded Actuarial Liability (UAL) payments. Their contribution rates have been reduced and are lower than the rates shown above. Both 2011 and 2013 rates for State Agencies reflect the offset from the UAL payment made in 2003.

Benefit Equalization Fund (BEF) and Social Security Program

The revenues for the administration of the Benefit Equalization Fund (BEF) and the Social Security Program are derived from fees assessed to those employers receiving services from these programs. Administrative fees are reviewed and adjusted annually based on expected numbers of participating employers and projected administrative expenses. Currently, the employers of the Benefit Equalization Fund are charged \$155 per month per participant (retirees receiving benefits in excess of IRS limits) and a one-time initial setup fee of \$700 per participant. Employers of the Social Security Program are charged an annual administration fee of \$0.50 per employee or \$15 minimum, whichever is higher.

___ Agency Request ___ Governor's Recommended X Legislatively Adopted

BUDGET NARRATIVE

Standard Retiree Health Insurance Account Revenue

Revenues for the Standard Retiree Health Insurance Account (SRHIA) are received from plan participants and used by the Board only to pay the cost of health insurance coverage and to pay the administrative costs incurred by the Board in administering health insurance coverage for eligible persons as defined in 238.410(b). ORS 238.410 established SRHIA as a public entity risk pool. SRHIA is both a risk sharing and insurance purchasing pool. The Board contracts for medical and hospital insurance on behalf of retired members. Members and their dependents are eligible for PERS healthcare coverage if the member is receiving a retirement allowance or benefit under the System. A surviving spouse or dependent of a PERS retiree is eligible to participate if he or she was covered under the health plan at the time of the retiree's death.

The PERS' Retiree Health Insurance Program offers a variety of medical health insurance carriers and two dental plan carriers for both Medicare healthcare plans and non-Medicare healthcare plans. Rates vary depending on the plan option selected by the participants. PERS has contracted with various carriers on an insurance purchasing basis and remits premiums collected from participating members to the carriers. PERS has contracted with Oregon Dental Service (ODS) for claims payment services for a maximum claims risk sharing plan and also remits premiums monthly for stop-loss coverage.

Deferred Compensation Program

PERS may assess a charge to the participants not to exceed 2 percent on amounts deferred, both contributions and investment earnings, to cover costs incurred for administering the program. The annual participant fee is currently .08 percent (.0008) of participant assets held in the trust. At this time, PERS does not anticipate a fee increase in the 2013-15 biennium. All administrative revenue is Other Funds and no matching funds are required.

ORS 243.411 requires that all earnings of the Deferred Compensation Fund must be credited to the fund and moneys in the fund may be used solely for the purposes of implementing and administering the Deferred Compensation Program.

Basis for 2013-15 Revenue Estimates

Projected investment income is based on taking into consideration several factors – the recent market downturn in the economy, prolonged period of slow economic growth, and the actuarial assumed future earnings rate of 8 percent annually once economic growth has returned. Using trend analysis of employer and employee contributions, and separately analyzing employer prepayments funding the Unfunded Actuarial Liability (UAL), PERS projected future total contributions based on a system-wide rate average. PERS separated the 6 percent employee contribution into the OPSRP Individual Account Program (IAP) from these total projected contributions beginning January 2004. An 8 percent turnover rate, one of PERS' actuarial assumptions, was used to project the number of participants establishing membership in the system on or after August 29, 2003. Projections for future growth in the three health insurance accounts (SRHIA, RHIA, and RHIPA) were also based on using trend analysis.

BUDGET NARRATIVE

Public Employees Retirement System Revenues by Source (in millions)				
Fiscal Year	Member Contributions & Insurance Premiums	Employer Contributions *	Net Investment Income or (Loss) and Other Income	Total
2001	415.7	682.5	(3,468.4)	(2,370.2)
2002	443.8	1,030.7	(2,425.6)	(951.1)
2003	467.4	2,621.8	1,469.5	4,558.7
2004	459.9	3,209.9	7,205.7	10,875.5
2005	458.3	855.5	5,756.7	7,070.5
2006	512.8	824.3	7,083.3	8,420.4
2007	542.2	640.9	10,939.7	12,122.8
2008	581.4	792.7	(2,869.3)	(1,495.2)
2009	619.8	680.5	(13,509.9)	(12,209.6)
2010	646.5	457.1	7,705.7	8,809.3
2011	699.3	447.7	11,715.6	12,862.6
2012	719.4	880.0	455.3	2,054.7

* Employer contributions for fiscal years 2000 and thereafter include employer prepayments of unfunded liabilities.

Source of Information: Oregon Public Employees Retirement System, an Agency of the State of Oregon, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2011 and June 30, 2012.

BUDGET NARRATIVE

Other Charges for Services

ORS 237.420 allows PERS to set a rate to cover the costs of administering the Social Security Program. That rate is currently 50 cents per employee per year or \$15, whichever is higher. A total of \$312,000 Other Funds Limited is projected for the 2013-15 biennium.

Employers are invoiced a fee consisting of a \$750 initial set-up charge and a \$155 monthly ongoing administrative fee per participant to fund the administrative costs of the Benefit Equalization Fund (BEF). A total of \$294,000 Other Funds Limited is projected for the 2013-15 biennium.

ORS 238.465(9) charges both the member and the alternate payee an administrative expense in an amount not more than \$300 in total for related costs of obtaining data or making calculations that are necessary by a court-ordered divorce judgment, order, or agreement. PERS estimates a total of \$50,000 Other Funds Limited and \$135,600 Other Funds Non-Limited in the 2013-15 biennium.

ORS 238.610 allows the PERS Board, by rule, to establish procedures for recovering administrative costs from members for services provided in estimating retirement benefit amounts and processing payments if the board determines that the services requested by an individual member result in extraordinary costs to the system. Effective January 1, 2004 PERS established a new charge to the member of \$60 per additional estimate to cover administrative costs of providing members additional retirement benefit estimates after the two allowed at no cost. PERS estimates a total of \$4,000 Other Funds Limited in benefit estimate service charges in the 2013-15 biennium.

PERS collects fees for various other services provided. PERS estimates a total of \$3,500 Other Funds Limited in the 2013-15 biennium based on historical trend analysis.

Projected revenue for the Deferred Compensation Program in the 2011-13 biennium is based on historical data. The participant fee will remain the same and the amount collected is not anticipated to vary significantly from historical patterns. The Local Government Deferred Compensation (ORS 243.474-243.478) and State Deferred Compensation Programs are projected as a single amount, although the revenue sources associated with the Local Government Deferred Compensation Program is insignificant as compared to the State Deferred Compensation program. The total projected revenue is \$1,870,000 in the 2013-15 biennium.

During fiscal year 2011, PERS became aware that the Standard Retiree Health Insurance Account had not been reported in accordance with generally accepted account principals in prior fiscal years. Prior to fiscal year 2011, the activity of this account was reported using an Employee Benefit Plan fiduciary fund. PERS determined that activity should be reported in an enterprise fund, thus the financial statements were restated to correct this change in the *Comprehensive Annual Financial Report Oregon Public Employees Retirement System, An Agency of the State of Oregon, for the fiscal year ended June 30, 2011*. The revenue activity that was previously reported as member contributions is now reported as insurance premium revenue which is classified as Other Charges for Services at the budget account level. PERS estimates a total of \$427,000,000 Other Funds Non-Limited in insurance premium revenue during the 2013-15 biennium.

BUDGET NARRATIVE

Other Revenue

ORS 238.705 allows PERS to charge employers that are delinquent in remitting contributions one percent per month on the total amount of contributions due. Employers that are delinquent in providing annual reports, or supplying annual employee information, are charged a penalty of the lesser of \$2,000 or 1 percent of the total annual contributions for each month they are late. PERS estimates a total of \$150,000 Other Funds Limited for all employer penalty fees in the 2013-15 biennium. The estimates for the current biennium will be lower because PERS temporarily shut off the penalty charges when PERS discovered an error in jClarety program.

Retirees can participate in a Long Term Health Insurance program and a small portion of the premiums is collected to cover administration costs of open enrollment and other miscellaneous costs. The projected revenue is \$45,000 Other Funds Limited in the 2013-15 biennium.

Other revenue also consists of prior period reductions of expense, surplus sales, MICR errors, total of checks that have been outstanding for over 2 years and are no longer negotiable, prior period adjustments and other revenue. PERS projects revenue from these sources of \$961,500 Other Funds Non-Limited and \$11,000 Other Funds Limited in the 2013-15 biennium.

BUDGET NARRATIVE

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Public Employees Retirement System, Oregon
2013-15 Biennium

Agency Number: 45900
Cross Reference Number: 45900-000-00-00-00000

Source	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Other Funds						
Charges for Services	1,881,999	2,422,928	2,422,928	2,533,500	2,533,500	2,533,500
Interest Income	314,765	1,566,500	1,566,500	26,250	26,250	26,250
Other Revenues	285,974	223,500	223,500	206,000	206,000	206,000
Transfer In - Intrafund	77,300,757	73,165,179	73,165,179	83,948,051	83,948,051	83,948,051
Transfer Out - Intrafund	(974,372)	(1,752,391)	(1,752,391)	(764,944)	(764,944)	(764,944)
Tsfr To Governor, Office of the	(79,504)	(79,500)	(79,500)	(70,000)	(70,000)	(70,000)
Total Other Funds	\$78,729,619	\$75,546,216	\$75,546,216	\$85,878,857	\$85,878,857	\$85,878,857
Nonlimited Other Funds						
Charges for Services	166,536	140,000	140,000	427,135,600	427,135,600	427,135,600
Interest Income	7,767,976,297	7,127,404,900	7,127,404,900	13,132,922,000	13,132,922,000	13,132,922,000
Retirement System Contribution	2,257,180,716	3,074,179,800	3,074,179,800	2,410,280,000	2,410,280,000	2,410,280,000
Other Revenues	877,953	800,000	800,000	961,500	961,500	961,500
Transfer In - Intrafund	384	-	-	-	-	-
Transfer Out - Intrafund	(76,326,769)	(71,412,788)	(71,412,788)	(83,183,107)	(83,183,107)	(83,183,107)
Total Nonlimited Other Funds	\$9,949,875,117	\$10,131,111,912	\$10,131,111,912	\$15,888,115,993	\$15,888,115,993	\$15,888,115,993

Detail of LF, OF, and FF Revenues - BPR012

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

Detail of Lottery Funds, Other Funds, and Federal Funds Revenue

Source	Fund	ORBITS Revenue Acct	2009-2011 Actual	2011-13 Legislatively Adopted	2011-13 Estimated	2013-15		
						Agency Request	Governor's Recommended	Legislatively Adopted
Limited Other Funds:								
Charges for Services	Limited Other	Charges for Services	1,881,999	2,422,928	2,346,500	2,533,500	2,533,500	2,533,500
Interest and Investment Earnings	Limited Other	Interest Income	314,765	1,566,500	18,800	26,250	26,250	26,250
Other	Limited Other	Other Revenues	285,974	223,500	194,200	206,000	206,000	206,000
Non-limited Other Funds:								
Charges for Services	Nonlimited Other	Charges for Services	166,536	140,000	358,131,000	427,135,600	427,135,600	427,135,600
Interest and Investment Earnings	Nonlimited Other	Interest Income	7,767,976,297	7,127,404,900	7,046,835,500	13,132,922,000	13,132,922,000	13,132,922,000
Donations and Contributions	Nonlimited Other	Retirement System Contribution	2,257,180,716	3,074,179,800	2,450,883,500	2,410,280,000	2,410,280,000	2,410,280,000
Other	Nonlimited Other	Other Revenues	877,953	800,000	248,600	961,500	961,500	

2013-15

107BF07

___ Agency Request

___ Governor's Recommended

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BUDGET NARRATIVE

Agencywide Revenues and Disbursements Summary

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Revenues and Disbursements Summary
2013-15 Biennium

Version: Z-01-Leg. Adopted Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
Other Funds	46,116,854,988	48,904,338,621	48,904,338,621	51,598,305,019	51,598,305,019	51,598,305,019
0030 Beginning Balance Adjustment						
Other Funds	12,587,362,730	-	-	12,587,362,730	12,587,362,730	12,587,362,730
TOTAL BEGINNING BALANCE						
Other Funds	58,704,217,718	48,904,338,621	48,904,338,621	64,185,667,749	64,185,667,749	64,185,667,749
REVENUE CATEGORIES						
CHARGES FOR SERVICES						
0410 Charges for Services						
Other Funds	2,048,535	2,562,928	2,562,928	429,669,100	429,669,100	429,669,100
INTEREST EARNINGS						
0605 Interest Income						
Other Funds	7,768,291,062	7,128,971,400	7,128,971,400	13,132,948,250	13,132,948,250	13,132,948,250
DONATIONS AND CONTRIBUTIONS						
0915 Retirement System Contribution						
Other Funds	2,257,180,716	3,074,179,800	3,074,179,800	2,410,280,000	2,410,280,000	2,410,280,000
OTHER						
0975 Other Revenues						
Other Funds	1,163,927	1,023,500	1,023,500	1,167,500	1,167,500	1,167,500
TRANSFERS IN						

Agencywide Revenues and Disbursements Summary - BPR011

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Agencywide Revenues and Disbursements Summary
2013-15 Biennium**

Version: Z-01-Leg. Adopted Budget

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
1010 Transfer In - Intrafund						
Other Funds	77,301,141	73,165,179	73,165,179	83,948,051	83,948,051	83,948,051
TOTAL REVENUES						
Other Funds	10,105,985,381	10,279,902,807	10,279,902,807	16,058,012,901	16,058,012,901	16,058,012,901
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
Other Funds	(77,301,141)	(73,165,179)	(73,165,179)	(83,948,051)	(83,948,051)	(83,948,051)
2121 Tsfr To Governor, Office of the						
Other Funds	(79,504)	(79,500)	(79,500)	(70,000)	(70,000)	(70,000)
TOTAL TRANSFERS OUT						
Other Funds	(77,380,645)	(73,244,679)	(73,244,679)	(84,018,051)	(84,018,051)	(84,018,051)
AVAILABLE REVENUES						
Other Funds	68,732,822,454	59,110,996,749	59,110,996,749	80,159,662,599	80,159,662,599	80,159,662,599
EXPENDITURES						
Other Funds	6,809,664,129	7,513,441,730	7,512,691,730	9,364,850,718	9,361,799,206	9,361,877,344
ENDING BALANCE						
Other Funds	61,923,158,325	51,597,555,019	51,598,305,019	70,794,811,881	70,797,863,393	70,797,785,255

Agencywide Revenues and Disbursements Summary - BPR011

___ Agency Request

___ Governor's Recommended

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BUDGET NARRATIVE

Program Units

Tier One and Tier Two Programs

Overview

More than 900 public employers, employing approximately 95 percent of all public employees in Oregon, participate in PERS death, disability, retirement, and retiree health care benefit programs. These include all state agencies; universities and community colleges; all public school districts; and almost all cities, counties, and other local government units. There are approximately 140,000 non-retired members and approximately 120,000 retirees and beneficiaries receiving monthly retirement benefits from both programs.

These programs were closed to new members August 29, 2003, corresponding to the passage of House Bill 2020 (Chapter 733, Oregon Laws 2003), which created a new retirement program, Oregon Public Service Retirement Plan (OPSRP), for members hired after that date.

The Tier One and Tier Two programs include employer and member contributions and investment earnings related to Tier One and Tier Two members and employer accounts and reflect the retirement payments made to Tier One and Tier Two retirees and beneficiaries. As of January 1, 2004, all member contributions have been directed to the Individual Account Program (IAP).

This program unit is made up entirely of Other Funds, Non-limited.

Base Budget Adjustments

Changes have been made to both revenues and expenditures to reflect updated projections. The contracted services expenditure for the administration of health care programs has been updated based on the projected number of participants and inflation. In addition, during fiscal year 2011, PERS was required to make a change in how the Standard Retiree Health Insurance Account was reporting payments to ODS, SRHIA's third-party administrator. A prior period adjustment was made in the PERS' Comprehensive Annual Financial Report (CAFR) at June 30, 2011. A significant increase in third party administration is a result of this change.

BUDGET NARRATIVE

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Public Employees Retirement System, Oregon
2013-15 Biennium

Agency Number: 45900

Cross Reference Number: 45900-100-00-00-00000

Source	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Nonlimited Other Funds						
Charges for Services	136,328	120,000	120,000	427,093,000	427,093,000	427,093,000
Interest Income	7,212,239,031	6,537,404,900	6,537,404,900	10,745,322,000	10,745,322,000	10,745,322,000
Retirement System Contribution	948,756,385	1,544,179,800	1,544,179,800	827,280,000	827,280,000	827,280,000
Other Revenues	877,953	800,000	800,000	961,500	961,500	961,500
Transfer In - Intrafund	384	-	-	-	-	-
Transfer Out - Intrafund	(51,809,742)	(38,495,388)	(38,495,388)	(54,679,069)	(54,679,069)	(54,679,069)
Total Nonlimited Other Funds	\$8,110,200,339	\$8,044,009,312	\$8,044,009,312	\$11,945,977,431	\$11,945,977,431	\$11,945,977,431

Detail of LF, OF, and FF Revenues - BPR012

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

Detail of Lottery Funds, Other Funds, and Federal Funds Revenue

Source	Fund	ORBITS Revenue Acct	2009-2011 Actual	2011-13 Legislatively Adopted	2011-13 Estimated	2013-15		
						Agency Request	Governor's Recommended	Legislatively Adopted
Non-limited Other Funds:								
Charges for Services	Nonlimited Other	Charges for Services	136,328	120,000	358,098,800	427,093,000	427,093,000	427,093,000
Interest and Investment Earnings	Nonlimited Other	Interest Income	7,212,239,031	6,537,404,900	6,503,743,500	10,745,322,000	10,745,322,000	10,745,322,000
Donations and Contributions	Nonlimited Other	Retirement System Contribution	948,756,385	1,544,179,800	1,017,283,500	827,280,000	827,280,000	827,280,000
Other	Nonlimited Other	Other Revenues	877,953	800,000	245,300	961,500	961,500	961,500

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___ Agency Request

___ Governor's Recommended

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Program Unit Appropriated Fund Group and Category Summary
2013-15 Biennium
Tier One and Tier Two Plan**

**Version: Z - 01 - Leg. Adopted Budget
Cross Reference Number: 45900-100-00-00-00000**

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
NONLIMITED BUDGET (Excluding Packages)						
SERVICES & SUPPLIES						
Other Funds	5,745,861	6,773,299	6,773,299	47,961,000	47,961,000	47,961,000
SPECIAL PAYMENTS						
Other Funds	6,512,736,226	7,219,063,511	7,219,063,511	8,492,900,000	8,492,900,000	8,492,900,000
TOTAL NONLIMITED BUDGET (Excluding Packages)						
Other Funds	6,518,482,087	7,225,836,810	7,225,836,810	8,540,861,000	8,540,861,000	8,540,861,000
NONLIMITED BUDGET (Current Service Level)						
Other Funds	6,518,482,087	7,225,836,810	7,225,836,810	8,540,861,000	8,540,861,000	8,540,861,000
TOTAL NONLIMITED BUDGET (Including Packages)						
Other Funds	6,518,482,087	7,225,836,810	7,225,836,810	8,540,861,000	8,540,861,000	8,540,861,000
OPERATING BUDGET						
Other Funds	6,518,482,087	7,225,836,810	7,225,836,810	8,540,861,000	8,540,861,000	8,540,861,000
TOTAL BUDGET						
Other Funds	6,518,482,087	7,225,836,810	7,225,836,810	8,540,861,000	8,540,861,000	8,540,861,000

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request ___ Governor's Recommended X Legislatively Adopted

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BUDGET NARRATIVE

Oregon Public Service Retirement Plan

Overview

The 2003 Legislature created the Oregon Public Service Retirement Plan (OPSRP) via passage of House Bill 2020 (2003). OPSRP is a hybrid retirement program with two components: the Pension Program and the Individual Account Program (IAP). The OPSRP Pension Program is funded solely by employer contributions and investment earnings. Generally, the program is designed to provide a benefit that approximates 45 percent of a member's final average salary for a 30-year public service career (general services). The IAP has no guaranteed payment or return. Members make contributions; employers may or may not also make contributions. When a member retires, he/she receives the contributions plus any accrued earnings (or losses). The IAP requires PERS members to contribute an amount equal to six percent of eligible salary to an IAP account. At retirement, members will receive the balance of this account, including accrued earnings while the account is active, either as a lump-sum or in equal installments over a specified period of their choice.

Employers participating in PERS as of August 28, 2003, must participate in OPSRP. If an employer had a class of employees not participating in PERS as of August 28, 2003, it need not offer OPSRP membership to those employees. As of December 31, 2011, there were approximately 84,000 members in the OPSRP Pension Program.

Beginning January 1, 2004, Tier One and Tier Two Program member contributions also go into the IAP. Tier One and Tier Two members retain their existing PERS accounts, but member contributions are now deposited in the member's IAP, not into the member's Tier One or Tier Two account. In total, there were approximately 226,000 member IAP accounts as of December 31, 2011.

A provision contained in Senate Bill 897, February 2010 Legislative Session, allows retired members of OPSRP and their eligible dependents to participate, at their own expense, in the PERS Health Insurance Program.

This program also includes member contributions into the IAP, employer contributions into the OPSRP Pension Plan, and IAP account withdrawals and distributions to Tier One, Tier Two, and OPSRP members. The program unit also outlines the fund transfer from plan assets to the operations program unit to pay for program administrative activities.

This program unit is made up entirely of Other Funds, Non-limited.

Base Budget Adjustments

Changes have been made to both revenues and expenditures to reflect updated projections. Contracted services for third party administration of the IAP Program have been updated based on the projected number of participants and inflation.

BUDGET NARRATIVE

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Public Employees Retirement System, Oregon
2013-15 Biennium

Agency Number: 45900
Cross Reference Number: 45900-200-00-00-00000

Source	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Nonlimited Other Funds						
Charges for Services	30,208	20,000	20,000	42,600	42,600	42,600
Interest Income	555,737,266	590,000,000	590,000,000	2,387,600,000	2,387,600,000	2,387,600,000
Retirement System Contribution	1,308,424,331	1,530,000,000	1,530,000,000	1,583,000,000	1,583,000,000	1,583,000,000
Transfer Out - Intrafund	(24,517,027)	(32,917,400)	(32,917,400)	(28,504,038)	(28,504,038)	(28,504,038)
Total Nonlimited Other Funds	\$1,839,674,778	\$2,087,102,600	\$2,087,102,600	\$3,942,138,562	\$3,942,138,562	\$3,942,138,562

Detail of LF, OF, and FF Revenues - BPR012

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

Detail of Lottery Funds, Other Funds, and Federal Funds Revenue

Source	Fund	ORBITS Revenue Acct	2009-2011 Actual	2011-13 Legislatively Adopted	2011-13 Estimated	2013-15		
						Agency Request	Governor's Recommended	Legislatively Adopted
Non-limited Other Funds:								
Charges for Services	Nonlimited Other	Charges for Services	30,208	20,000	32,200	42,600	42,600	42,600
Interest and Investment Earnings	Nonlimited Other	Interest Income	555,737,266	590,000,000	543,092,000	2,387,600,000	2,387,600,000	2,387,600,000
Donations and Contributions	Nonlimited Other	Retirement System Contribution	1,308,424,331	1,530,000,000	1,433,600,000	1,583,000,000	1,583,000,000	1,583,000,000
Other	Nonlimited Other	Other Revenue			3,300			

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___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary

Version: Z - 01 - Leg. Adopted Budget

2013-15 Biennium

Cross Reference Number: 45900-200-00-00-00000

Oregon Public Service Retirement Plan

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
NONLIMITED BUDGET (Excluding Packages)						
SERVICES & SUPPLIES						
Other Funds	4,321,580	4,675,500	4,675,500	4,700,000	4,700,000	4,700,000
SPECIAL PAYMENTS						
Other Funds	207,552,553	203,500,000	203,500,000	732,314,000	732,314,000	732,314,000
TOTAL NONLIMITED BUDGET (Excluding Packages)						
Other Funds	211,874,133	208,175,500	208,175,500	737,014,000	737,014,000	737,014,000
NONLIMITED BUDGET (Current Service Level)						
Other Funds	211,874,133	208,175,500	208,175,500	737,014,000	737,014,000	737,014,000
TOTAL NONLIMITED BUDGET (Including Packages)						
Other Funds	211,874,133	208,175,500	208,175,500	737,014,000	737,014,000	737,014,000
OPERATING BUDGET						
Other Funds	211,874,133	208,175,500	208,175,500	737,014,000	737,014,000	737,014,000
TOTAL BUDGET						
Other Funds	211,874,133	208,175,500	208,175,500	737,014,000	737,014,000	737,014,000

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

Operations

Overview

As previously stated, PERS administers a number of retirement related programs for more than 900 public employers in Oregon, including all state agencies, all public school districts, and the majority of local government entities. The five-member Public Employee Retirement Board (PERB) provides governance administrative oversight for all PERS programs.

PERS' operations employs a common pyramid-style organizational structure. The agency is functionally separated into five divisions to reduce overlap and clearly designate responsibilities. Within the divisions, sections exist that focus upon specific activities in agency and program support. The major areas of activity are employer reporting, customer service, retirement benefits, withdrawals, death benefits, disability benefits, sponsorship of group health insurance plans, Deferred Compensation (Oregon Savings Growth Plan), and Social Security coverage.

PERS orders its divisions as follows: Central Administration, Benefit Payments Division (BPD), Fiscal Services Division (FSD), Information Services Division (ISD), and Customer Services Division (CSD).

Central Administration

Central Administration, in conjunction with the PERS Board, provides the central direction, planning, and leadership for PERS. The division consists of the executive director, deputy director, Human Resources, Internal Audits and Social Security Program, the Project Management Office, legislative, rulemaking, legal counsel coordination, legal services, agency determination review and contested case activities, and compliance with state and federal statutes, rules, and court decisions.

Benefit Payments Division

The Benefit Payments Division (BPD) houses the Benefit Application and Intake and Processing section, as well as the Retirement Services and Specialty Services sections. BPD is responsible for processing all incoming benefit applications and related documents and for calculating and establishing service retirement, disability, and death benefits. Responsibilities also include determining eligibility for disability retirements, administering divorce decrees, and validating beneficiaries.

Fiscal Services Division

The Fiscal Services Division (FSD) provides comprehensive financial and administrative services to the agency. This includes financial accounting, reporting, and tax services for all PERS' Trust and agency fund activities, including the Retirement Fund, Deferred Compensation funds, Benefit Equalization Fund, health insurance programs, and Social Security Program. FSD is responsible for agency fiscal operations duties, including the receipt, posting, and deposit of over \$1.60 billion annually in member and employer contributions and the disbursement of approximately \$3.6 billion annually in member and beneficiary benefits.

BUDGET NARRATIVE

Other fiscal activities include preparation, maintenance, and reporting of the agency's biennial budget, coordination of actuarial services, fiscal analysis, accounts receivable, accounts payable, contracts, and procurement. FSD also contains the Facilities Services Section that manages office supplies, general building maintenance, shipping and receiving, and other various ancillary tasks. Retiree Health Insurance and Deferred Compensation (OSGP) programs are also located within FSD.

Information Services Division

The Information Services Division (ISD) provides technical support to all divisions of the agency. ISD ensures agency staff have the appropriate tools and automation necessary to perform their duties and provide customer service to members, employers, and other stakeholders. The division supervises the development and operation of PERS' complex IT systems and supports the many desktop computers used by staff. Help Desk support, installation and training, software development, application support, database management, network support, and quality assurance all fall under ISD's responsibilities. In addition, the Imaging and Information Management unit within the Business Information and Technology section maintains records from numerous sources.

Customer Services Division

The Customer Services Division (CSD) provides the window for member, employer, and public interaction with PERS. One of the larger PERS' divisions, CSD answers member queries; conducts group and individual counseling; coordinates communications through print, the Internet and other media; and produces benefit estimates and member account statements. CSD also houses the Membership and Employer Relations section (MERS). MERS enrolls and manages member data and accounts and also handles employer reporting, training, outreach and communication, and the annual reconciliation process.

Base Budget Adjustments

The 2009-11 Other Funds Limitation base budget is adjusted upward by \$988,156 Other Funds due to the phase-out of 30 limited-duration positions and an increase in Other Payroll Expenses (OPE). The largest increase in OPE was due to the PERS contribution net rate increase of 4.66 percent. The base budget was not adjusted for estimated costs of merit increases or cost of living adjustments. The services and supplies expenditures associated with the phase-out of these limited-duration positions and various other one-time costs and projects are contained in the Package 022 Phase-out Program and One-time Costs.

BUDGET NARRATIVE

Package 010 Non-PICS Personal Services/Vacancy Factor

Package Description as Modified in the Governor's Balanced Budget

Package Description

This package contains a total increase of \$45,974 Other Funds. The increase is due primarily to the net increase of \$247,799 for the PERS portion of the pension obligation bond. This package includes standard inflation of 2.4 percent on non-PICS personal service expenses such as temporary employees, overtime, shift and other differentials, and unemployment compensation; this accounts for \$29,957 including other payroll expenses. There is a reduction of (\$15,575) for mass transit taxes. Vacancy savings is decreased by (\$216,207) when compared to the 2011-13 biennium.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Temporary Appointments	-	-	3,991	-	-	-	3,991
Overtime Payments	-	-	14,020	-	-	-	14,020
Shift Differential	-	-	50	-	-	-	50
All Other Differential	-	-	5,325	-	-	-	5,325
Public Employees' Retire Cont	-	-	2,842	-	-	-	2,842
Pension Obligation Bond	-	-	247,927	-	-	-	247,927
Social Security Taxes	-	-	1,791	-	-	-	1,791
Unemployment Assessments	-	-	950	-	-	-	950
Mass Transit Tax	-	-	(15,575)	-	-	-	(15,575)
Vacancy Savings	-	-	(216,207)	-	-	-	(216,207)
Reconciliation Adjustment	-	-	860	-	-	-	860
Total Personal Services	-	-	\$45,974	-	-	-	\$45,974
Total Expenditures							
Total Expenditures	-	-	45,974	-	-	-	45,974
Total Expenditures	-	-	\$45,974	-	-	-	\$45,974
Ending Balance							
Ending Balance	-	-	(45,974)	-	-	-	(45,974)
Total Ending Balance	-	-	(\$45,974)	-	-	-	(\$45,974)

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request ___ Governor's Recommended X Legislatively Adopted

BUDGET NARRATIVE

Package 021 Phase-in Programs

Package Description

PERS' Comprehensive Annual Financial Report (CAFR) of the Oregon Public Employees Retirement System for the fiscal year ended June 30, 2011 was audited for the first time by an independent firm. Prior to this time, PERS' CAFR has been audited by the Audit Division in the Secretary of State office. The contract to audit PERS is between the State of Oregon, acting by and through the Office of the Secretary of State, Audits Division and the contractor. However, the Secretary of State has directed PERS to directly pay the contractor for the services provided under the contract. The 2013-15 DAS Price List for auditing services by the Division of Audits was greatly reduced and only covers the Audits Division oversight in the amount of \$7,500 which is included in State Service Charges.

An amount of \$559,232 Professional Service charge is being phased in to cover the above contract payments to the vendor for fiscal years ended 2013 and 2014.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 021 - Phase-in

Cross Reference Name: Operations
Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Professional Services	-	-	559,232	-	-	-	559,232
Total Services & Supplies	-	-	\$559,232	-	-	-	\$559,232
Total Expenditures							
Total Expenditures	-	-	559,232	-	-	-	559,232
Total Expenditures	-	-	\$559,232	-	-	-	\$559,232
Ending Balance							
Ending Balance	-	-	(559,232)	-	-	-	(559,232)
Total Ending Balance	-	-	(\$559,232)	-	-	-	(\$559,232)

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

Package 022 Phase-out Program and One-time Costs

Package Description as Modified in the Governor's Balanced Budget

Package Description

Total reductions of (\$2,033,919) include scheduled one-time costs and phase-outs for projects approved during the last legislative session. The detail of the total reduction is as follows:

Pkg. 081 May 2010 Emergency Board	\$ (23,800)
Pkg. 131 Business Enterprise-Core Business Functions.....	(141,400)
Pkg. 132 Infrastructure Maintenance and Enhancement	(925,690)
Pkg. 840 HB 2113 PERS Housekeeping	(475,600)
Pkg. 841 HB 2456 Prohibit Tax Remedy for Nonresidents.....	(467,429)
 Total one-time costs and phase-outs	 \$(2,033,919)

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Overtime Payments	-	-	(17,700)	-	-	-	(17,700)
Public Employees' Retire Cont	-	-	(2,597)	-	-	-	(2,597)
Social Security Taxes	-	-	(1,354)	-	-	-	(1,354)
Reconciliation Adjustment	-	-	(778)	-	-	-	(778)
Total Personal Services	-	-	(\$22,429)	-	-	-	(\$22,429)
Services & Supplies							
Employee Training	-	-	(33,050)	-	-	-	(33,050)
Office Expenses	-	-	(145,000)	-	-	-	(145,000)
IT Professional Services	-	-	(1,152,300)	-	-	-	(1,152,300)
Expendable Prop 250 - 5000	-	-	(1,000)	-	-	-	(1,000)
IT Expendable Property	-	-	(346,140)	-	-	-	(346,140)
Total Services & Supplies	-	-	(\$1,677,490)	-	-	-	(\$1,677,490)
Capital Outlay							
Telecommunications Equipment	-	-	(34,000)	-	-	-	(34,000)
Technical Equipment	-	-	(300,000)	-	-	-	(300,000)
Total Capital Outlay	-	-	(\$334,000)	-	-	-	(\$334,000)
Total Expenditures							
Total Expenditures	-	-	(2,033,919)	-	-	-	(2,033,919)
Total Expenditures	-	-	(\$2,033,919)	-	-	-	(\$2,033,919)

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request ___ Governor's Recommended X Legislatively Adopted

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	2,033,919	-	-	-	2,033,919
Total Ending Balance	-	-	\$2,033,919	-	-	-	\$2,033,919

Essential and Policy Package Fiscal Impact Summary - BPR013

Agency Request

Governor's Recommended

Legislatively Adopted

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BUDGET NARRATIVE

Package 031 Standard Inflation

Package Description as Modified in the Governor's Balanced Budget

Package Description

The total cost of goods and services and capital outlay decreases by (\$361,479) Other Funds. The Department of Administrative Services (DAS) Price List of Goods and Services and the standard inflation factor are the basis for calculating cost increases in services, supplies, and capital outlay. Biennial inflation factors used is the standard 2.4 percent. Non-state employee personnel costs (contract providers) rate as applied to the Professional Services line items is 2.8 percent. Attorney General expenditures increase by \$156,191, reflecting a composite 14.9 percent increase based on the mix of services utilized by PERS.

The DAS Price List includes assessment charges by DAS and the Secretary of State as well as costs for central services and other selected items totaling a decrease of (\$1,044,265) in State Government Service Charges. Treasury charges are based on a user fee price list and are part of State Government Service Charges. This reduction is attributable to two major factors: 1) DAS Enterprise Goods & Services changed their methodology in calculating the agency's risk management assessment which resulted in a decrease of (\$900,275), and 2) Secretary of State Audits Division no longer performs the annual audit of PERS' Comprehensive Annual Financial Report and therefore, reduced their assessment by (\$547,456). The annual audit is now performed by an outside firm; the Audits Division has oversight responsibility. The annual audit costs for conducting the audit are now reflected under Professional Services in Package 021. The overall reduction is offset by an increase of \$404,619 based on DAS Enterprise Goods & Services' change in methodology for calculating the agency's Procurement assessment in the Governor's printed budget. This increased the total Procurement assessment to \$448,909 for the 2013-15 biennium.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 031 - Standard Inflation

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	5,144	-	-	-	5,144
Out of State Travel	-	-	185	-	-	-	185
Employee Training	-	-	12,979	-	-	-	12,979
Office Expenses	-	-	39,156	-	-	-	39,156
Telecommunications	-	-	11,841	-	-	-	11,841
State Gov. Service Charges	-	-	(1,044,265)	-	-	-	(1,044,265)
Data Processing	-	-	197,634	-	-	-	197,634
Publicity and Publications	-	-	5,678	-	-	-	5,678
Professional Services	-	-	81,025	-	-	-	81,025
IT Professional Services	-	-	51,166	-	-	-	51,166
Attorney General	-	-	156,191	-	-	-	156,191
Dispute Resolution Services	-	-	(2,688)	-	-	-	(2,688)
Employee Recruitment and Develop	-	-	1,294	-	-	-	1,294
Dues and Subscriptions	-	-	849	-	-	-	849
Facilities Rental and Taxes	-	-	60,199	-	-	-	60,199
Fuels and Utilities	-	-	6,542	-	-	-	6,542
Facilities Maintenance	-	-	26,206	-	-	-	26,206
Other Services and Supplies	-	-	69	-	-	-	69
Expendable Prop 250 - 5000	-	-	1,919	-	-	-	1,919
IT Expendable Property	-	-	13,152	-	-	-	13,152
Total Services & Supplies	-	-	(\$375,724)	-	-	-	(\$375,724)
Capital Outlay							
Office Furniture and Fixtures	-	-	785	-	-	-	785
Telecommunications Equipment	-	-	1,596	-	-	-	1,596

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 031 - Standard Inflation

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Data Processing Software	-	-	2,645	-	-	-	2,645
Data Processing Hardware	-	-	9,219	-	-	-	9,219
Total Capital Outlay	-	-	\$14,245	-	-	-	\$14,245
Total Expenditures							
Total Expenditures	-	-	(361,479)	-	-	-	(361,479)
Total Expenditures	-	-	(\$361,479)	-	-	-	(\$361,479)
Ending Balance							
Ending Balance	-	-	361,479	-	-	-	361,479
Total Ending Balance	-	-	\$361,479	-	-	-	\$361,479

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

Package 060 Technical Adjustment

Package Description

This is a one-time technical adjustment to move \$22,000 Other Funds in Operations from the Professional Services category to Other Services and Supplies category in the base budget. The reason for the change is due to a change in the statewide accounting system account used to record a collection fee payment to the Department of Revenue or to a vendor our agency has contracted with to collect overpaid benefits. Any base budget adjustment involving the Professional Services category requires a technical adjustment be approved by the agency's Budget and Management budget analyst.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 060 - Technical Adjustments

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Professional Services	-	-	(22,000)	-	-	-	(22,000)
Other Services and Supplies	-	-	22,000	-	-	-	22,000
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 165

BUDGET NARRATIVE

Package 081 May 2012 Emergency Board

Package Description as Modified in the Governor's Balanced Budget

Package Description

Purpose: PERS requests \$965,954 Other Funds and the establishment of three limited duration positions (3.00 FTE) to continue the 2011-12 biennium increase in limitation and authorization of three limited duration positions approved by the May 2012 Legislative Emergency Board. A reduction of \$(348,237) Other Funds in Professional Services and a reduction of \$(401,763) Other Funds in the base budget as a result of position reductions that were implemented in Permanent Finance Plan #121 relates to the 2011-13 budget reconciliation bill, SB 5701 passed during the 2012 session.

Strunk/Eugene Recovery Project

Purpose and How Achieved:

Three limited duration positions (3.00 FTE) and \$564,191 Other Funds is needed to continue recovering overpaid benefits from a large population of benefit recipients, in conformance with the Oregon Supreme Court (in two decisions from 2005, the *Strunk* and *City of Eugene* cases). PERS estimates that \$200,000 is needed to pay collection fees for accounts turned over to the Department of Revenue and private collection agencies. The remainder is needed to cover Personal Services, training, and office expenses associated with the three limited duration positions.

Staffing Impact:

- Three limited duration Accounting Technician 3 positions (3.00 FTE), position numbers 1510128 - 1510130

Quantifying Results:

- The entire recovery effort involves recovering an estimated \$164,684,600 in overpayments from almost 29,000 benefit recipients. 100% of all the invoices to these recipients will have been mailed by June 30, 2013. This recovery effort has a payback period of up to 10 years from the date of invoice.
- Various monthly reports will monitor the results:
 - Monthly cash receipts reports
 - Monthly accounts receivable aging reports
 - Monthly collection status reports

BUDGET NARRATIVE

SB 5701 Budget Rebalance Plan

Purpose and How Achieved:

PERS 2011-13 Personal Services was reduced by \$750,000 Other Funds due to the budget note which was approved in the budget report for SB 5701, the 2011-13 budget reconciliation bill passed during the 2012 session. The budget note states that this reduction was taken “to reduce the number of middle managers and public affairs positions in state government and to reduce the amount for advertising and personal services contracts.” PERS does not have positions or personal services contracts for public affairs or advertising. PERS worked with the Legislative Fiscal Office Budget Analyst in developing a plan to make permanent changes to the management as part of PERS restructuring of business operations. PERS initiated an enterprise-level strategic planning effort in August 2011. PERS long term budget strategy is to align the agency re-organization with the expectations expressed through the manager/staff ratio targets and outcome-based management. PERS has made progress towards, and will ultimately achieve, a 1 to 11 ratio for supervisory managers to staff. To date PERS has taken several position actions - permanent financing plans resulting in the abolishment of three supervising management positions and three representation code changes from management supervisory to nonsupervisory management positions.

The SB 5701 reduction was made in account 3470, Undistributed Personal Services, as an adjustment to our 2011-13 Other Funds budget. This account needed to be made whole. A reduction of \$401,763 Other Funds was reduced in base budget as a result of position reductions that were implemented in Permanent Finance Plan #121. The remainder of the \$750,000 reduction \$(348,237) is taken as a cut to Professional Services in Services & Supplies in this package.

Revenue Source: Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

2015-17 Fiscal Impact: The Strunk/Eugene Recovery Project is expected to continue but PERS can’t estimate the impact to 2015-17 at this time. The SB 5701 reduction was a permanent reduction.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 081 - May 2012 E-Board

Cross Reference Name: Operations
Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	1,315,510	-	-	-	1,315,510
Total Revenues	-	-	\$1,315,510	-	-	-	\$1,315,510
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	199,800	-	-	-	199,800
Empl. Rel. Bd. Assessments	-	-	120	-	-	-	120
Public Employees' Retire Cont	-	-	29,310	-	-	-	29,310
Social Security Taxes	-	-	15,285	-	-	-	15,285
Worker's Comp. Assess. (WCD)	-	-	177	-	-	-	177
Mass Transit Tax	-	-	1,199	-	-	-	1,199
Flexible Benefits	-	-	91,584	-	-	-	91,584
Reconciliation Adjustment	-	-	8,791	-	-	-	8,791
Undistributed (P.S.)	-	-	750,000	-	-	-	750,000
Total Personal Services	-	-	\$1,096,266	-	-	-	\$1,096,266
Services & Supplies							
Employee Training	-	-	2,925	-	-	-	2,925
Office Expenses	-	-	15,000	-	-	-	15,000
Professional Services	-	-	(348,237)	-	-	-	(348,237)
Other Services and Supplies	-	-	200,000	-	-	-	200,000
Total Services & Supplies	-	-	(\$130,312)	-	-	-	(\$130,312)

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 081 - May 2012 E-Board

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	-	-	965,954	-	-	-	965,954
Total Expenditures	-	-	\$965,954	-	-	-	\$965,954
Ending Balance							
Ending Balance	-	-	349,556	-	-	-	349,556
Total Ending Balance	-	-	\$349,556	-	-	-	\$349,556
Total Positions							
Total Positions							3
Total Positions	-	-	-	-	-	-	3
Total FTE							
Total FTE							3.00
Total FTE	-	-	-	-	-	-	3.00

Essential and Policy Package Fiscal Impact Summary - BPR013

Agency Request
 Governor's Recommended
 Legislatively Adopted

BUDGET NARRATIVE

09/05/13 REPORT NO.: PPDPPISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

2013-15
 PICS SYSTEM: BUDGET PREPARATION

PAGE 1
 PROD FILE

PACKAGE: 081 - May 2012 E-Board

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	PF SAL/OPE	LF SAL/OPE	AF SAL/OPE	
1510128	OA	C0212	AA ACCOUNTING TECHNICIAN 3	1	1.00	24.00	02	2,775.00		66,600		45,492	66,600	
										45,492			45,492	
1510129	OA	C0212	AA ACCOUNTING TECHNICIAN 3	1	1.00	24.00	02	2,775.00		66,600		45,492	66,600	
										45,492			45,492	
1510130	OA	C0212	AA ACCOUNTING TECHNICIAN 3	1	1.00	24.00	02	2,775.00		66,600		45,492	66,600	
										45,492			45,492	
TOTAL PICS SALARY										199,800			199,800	
TOTAL PICS OPE											136,476			136,476
TOTAL PICS PERSONAL SERVICES =				3	3.00	72.00				336,276			336,276	

BUDGET NARRATIVE

Package 091 Statewide Administrative Savings

Package Description as Modified in the Governor's Balanced Budget

Package Description

Purpose and How Achieved: The Governor's budget requires increased efficiency in the operation of state government, calls for additional savings in administrative expenditures, and allows for the reinvestment of some of the savings realized through efficiencies into agency programs or to other initiatives that will further improve the administrative operations of state government.

Package 091 was included in all agency budgets as a placeholder for administrative efficiencies to be found in Finance, IT, HR, Accounting, Payroll, and Procurement activities; PERS' budget was reduced by \$1,468,988. The Improving Government subcommittee of the Enterprise Leadership Team will be identifying proposed efficiencies or changes in the delivery of service to meet the funding level in the Governor's budget, and will work with individual agencies on the impact to their budget, along with reinvestment opportunities.

Agencies have been asked not to develop implementation plans for Package 091 until those proposed changes have been identified.

Staffing Impact: To be determined when implementation plans for Package 091 are developed.

Quantifying Results: To be determined when implementation plans for Package 091 are developed.

Revenue Source: Revenues to fund administrative expenditures are obtained from the various PERS' programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

2015-17 Fiscal Impact: The anticipated impact to 2015-17 is estimated to be approximately the same as the reduction for 2013-15, as this savings is meant to be permanent.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 091 - Statewide Administrative Savings

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Undistributed (P.S.)	-	-	(1,087,051)	-	-	-	(1,087,051)
Total Personal Services	-	-	(\$1,087,051)	-	-	-	(\$1,087,051)
Services & Supplies							
Undistributed (S.S.)	-	-	(352,557)	-	-	-	(352,557)
Total Services & Supplies	-	-	(\$352,557)	-	-	-	(\$352,557)
Capital Outlay							
Undistributed (C.O.)	-	-	(29,380)	-	-	-	(29,380)
Total Capital Outlay	-	-	(\$29,380)	-	-	-	(\$29,380)
Total Expenditures							
Total Expenditures	-	-	(1,468,988)	-	-	-	(1,468,988)
Total Expenditures	-	-	(\$1,468,988)	-	-	-	(\$1,468,988)
Ending Balance							
Ending Balance	-	-	1,468,988	-	-	-	1,468,988
Total Ending Balance	-	-	\$1,468,988	-	-	-	\$1,468,988

Essential and Policy Package Fiscal Impact Summary - BPR013

Agency Request
 Governor's Recommended
 Legislatively Adopted

BUDGET NARRATIVE

Package 092 PERS Taxation Policy

Package Description as Modified in the Governor's Balanced Budget

Package Description

Purpose and How Achieved: This package supports a policy change to limit supplemental tax benefit payments to PERS retired members, their spouses, or beneficiaries that are Oregon residents, plus non-residents will no longer receive the supplemental tax benefit payments. The policy change saves approximately 40 basis points on the PERS employer rate.

Package 092 was included in all agency budgets as a placeholder reduction to PERS Policy Adjustment in Personal Services; PERS budget was reduced by \$161,673 in Personal Services. This reduction, combined with other changes contained in the Governor's Balanced Budget, would result in the agency's PERS contribution rate being reduced from 19.73% to 19.07%.

Staffing Impact: None

Quantifying Results: To be determined when this policy change is introduced in a bill, and that bill is approved in the 2013 Legislative Session and becomes law.

Revenue Source: Revenues to fund administrative expenditures are obtained from the various PERS' programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

2015-17 Fiscal Impact: The anticipated impact to 2015-17 can't be determined at this time.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 092 - PERS Taxation Policy

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
PERS Policy Adjustment	-	-	(161,673)	-	-	-	(161,673)
Total Personal Services	-	-	(\$161,673)	-	-	-	(\$161,673)
Total Expenditures							
Total Expenditures	-	-	(161,673)	-	-	-	(161,673)
Total Expenditures	-	-	(\$161,673)	-	-	-	(\$161,673)
Ending Balance							
Ending Balance	-	-	161,673	-	-	-	161,673
Total Ending Balance	-	-	\$161,673	-	-	-	\$161,673

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

Package 093 Other PERS Adjustments

Package Description as Modified in the Governor's Balanced Budget

Package Description

Purpose and How Achieved: This package supports a policy change that reduces the PERS employer rate by approximately 320 basis points.

Package 093 was included in all agency budgets as a placeholder reduction to PERS Policy Adjustment in Personal Services; PERS budget was reduced by \$1,291,845 in Personal Services. This reduction, combined with other changes contained in the Governor's Balanced Budget, would result in the agency's PERS contribution rate being reduced from 19.73% to 19.07%.

Staffing Impact: None

Quantifying Results: To be determined when this policy change is introduced in a bill, and that bill is approved in the 2013 Legislative Session and becomes law.

Revenue Source: Revenues to fund administrative expenditures are obtained from the various PERS' programs and activities in accordance with Oregon Revised Statute and applicable administrative rules.

2015-17 Fiscal Impact: The anticipated impact to 2015-17 cannot be determined at this time.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 093 - Other PERS Adjustments

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
PERS Policy Adjustment	-	-	(1,291,845)	-	-	-	(1,291,845)
Total Personal Services	-	-	(\$1,291,845)	-	-	-	(\$1,291,845)
Total Expenditures							
Total Expenditures	-	-	(1,291,845)	-	-	-	(1,291,845)
Total Expenditures	-	-	(\$1,291,845)	-	-	-	(\$1,291,845)
Ending Balance							
Ending Balance	-	-	1,291,845	-	-	-	1,291,845
Total Ending Balance	-	-	\$1,291,845	-	-	-	\$1,291,845

Essential and Policy Package Fiscal Impact Summary - BPR013

Agency Request
 Governor's Recommended
 Legislatively Adopted

BUDGET NARRATIVE

Package 101 Current Service Delivery Level

Package Description as Modified in the Governor's Balanced Budget and in the Legislatively Adopted Budget

Package Description

Purpose: PERS requests \$5,431,929 Other Funds, the establishment of twenty-seven permanent positions (27.00 FTE) to replace the same number (27.00 FTE) of current limited duration positions, the establishment of three new permanent positions (2.64 FTE), and increased budget limitation to meet current actuarial and audit requirements. There are five necessary components in this package: Continuation of Limited Duration Positions as Permanent Positions, Data Reconciliation – Legacy Data, Data Reporting / Analysis and Performance Measurement, Government Accounting Standards Board (GASB) Actuarial Requirements, and Secretary of State Audit Requirements.

Continuation of Limited Duration Positions as Permanent Positions

Purpose and How Achieved: PERS requests \$4,378,629 Other Funds and the establishment of twenty-seven permanent positions (27.00 FTE), currently limited duration positions, to maintain current service delivery level. The agency's Legislatively Approved Budget for 2011-13 included authority for 29 Limited Duration positions. Unlike the normal Limited Duration positions that are tied to a project or short-term operation that spans only that biennium, 27 of these limited duration positions have carried over from prior biennia as the new programs added through the 2003 PERS Reform legislation and subsequent actions have been normalized into core agency processes. Conclusively resolving these 2011-13 limited duration positions as permanent positions in 2013-15 allows PERS to establish a correct current service level baseline for future operations and planning. The basic agency functions that would be staffed to current service levels through this package are planning and implementing process improvements, managing employers' data, reviewing and validating data, revising and creating business rules, and processing member appeals and contested cases.

Staffing Impact:

- One permanent Office Specialist 2 position (1.00 FTE), position number 1510116
- Six permanent Retirement Counselor 1 positions (6.00 FTE), position numbers 1510108 through 1510110, 1510117, 1510119, and 1510120
- Nine permanent Retirement Counselor 2 position (9.00 FTE), position numbers 1510105, 1510111 through 1510115, 1510118, and 1510121 through 1510122
- One permanent Compliance Specialist 2 position (1.00 FTE), position number 1510125
- One permanent Operations & Policy Analyst 1 positions (1.00 FTE), position number 1510124

BUDGET NARRATIVE

- One permanent Operations & Policy Analyst 2 position (1.00 FTE), position number 1510106
- Five permanent Operations & Policy Analyst 3 positions (5.00 FTE), position numbers 1510123, and 1510101 through 1510104
- Two permanent Information Systems Specialist 7 (2.00 FTE), position numbers 1510126 through 1510127
- One permanent Principal Executive/Manager B position (1.00 FTE), position number 1510107

Quantifying Results:

- Utilize Scorecards and Quarterly Target Reviews, regular production performance reports, operational Service Levels and annual Key Performance Measures to compare past and present performance
- KPM #1, Timely Benefit Payments, milestones:
 - 80% of benefit payments paid to member within 45 days by July 2013
- KPM #4, Benefit Accuracy, milestones:
 - 80% of monthly benefit service retirements are calculated to within \$5 per month by December 2011
 - 100% of monthly benefit service retirements are calculated to within \$5 per month
- KPM #6, Customer Service, milestone:
 - Maintain 80% or higher good or excellent responses for annual member and employer satisfaction survey throughout 2013-15 biennium
- KPM #7, Timely Benefit Estimates, milestones:
 - 95 % of benefit estimates to the member within 30 days by July 2013
- Business rule development milestone:
 - 90% of business rules will be completed within 90 days of identification or request
- Disability contested case hearings milestones:
 - Maintain 100 % service level of detail letters to member within 90 days of referral of claim throughout 2011-2013 biennium
 - Maintain 100% service level of referring the member's hearing request to the Department of Justice (DOJ) and the Office of Administrative Hearings within 6 months of the date the file is received by PPLAD throughout 2011-2013 biennium
- Non-Disability appeals milestones:
 - Maintain 100% service level of acknowledging appeal request within 10 days of receipt of appeal throughout 2011-2013 biennium
 - Maintain 100% service level of responding to member within 45 days of acknowledgement letter throughout 2011-2013 biennium

BUDGET NARRATIVE

- Non-Disability contested case hearings milestones:
 - Maintain 100% service level of acknowledging contested case request within 15 days throughout 2011-2013 biennium
 - Maintain 100% service level of forwarding exhibit book to DOJ within 30 days of acknowledgement letter throughout 2011-2013 biennium
- Other internal measurements that will be used to quantify the success of these initiatives include system availability metrics, overall improved system performance, faster system development and testing cycles, and disaster recovery preparedness assessments.

Data Reconciliation – Legacy Data

Purpose and How Achieved: PERS requests \$245,446 Other Funds and the establishment of two permanent positions (1.76 FTE) to support and increase service levels for the DART workload. In July of 2011, the Membership and Employer Relations section created the Data Analysis and Reconstruction Team (DART) with 3 FTE to handle manual account corrections and correct data migration errors for retirement adjustments. This team was created to resolve data reconciliation issues that prevent members from receiving a benefit. Membership Data Migration Error (DME) flags were placed on accounts during the RIMS Conversion Project (RCP) based on established general rules set into algorithms. The DME flags are identifiers of data quality issues associated with missing or inaccurate service time or salary. Those errors were not allowed to migrate into the ORION system’s membership database, to avoid corrupting that data source. Rather, accounts with such errors are “flagged” so staff can see the accounts that did not meet the migration requirements during conversion. For those accounts with DME flags, the data problems have to be resolved before the system will process the account; otherwise, PERS runs an increased risk of sending inaccurate information on estimates, purchases, withdrawals, disability and service retirement benefits. Accounts with DME flags must be analyzed to assure the member account data is valid, accurate, and complete before the DME flag is cleared and the account is allowed to proceed to the next phase of calculating a benefit.

The Data Prep project, which ended in June 2011, proactively worked on active member accounts to remove DME flags or otherwise clear the accounts, to reduce the impact on these members as they prepare to retire. When that project ended, the workload was shifted to the DART as part of normal production. The efforts of Data Prep project/DART successfully removed 99.96% of the DME flags from active member accounts. However, the DME flags remain on accounts of members who have already retired, many of whom require benefit adjustments when they return to work, change from a disability retirement to a service retirement, divide their benefit with a former spouse, or convert to a beneficiary benefit when the member passes away. This population of approximately 91,116 accounts must be individually worked as they arise to remove the DME flags. The DART has years of experience in analyzing, testing and entering membership data for use by other operational departments, so they can accomplish this work quickly, but the sheer volume of accounts needing flags cleared has overwhelmed the staff resources dedicated to this team. In March 2012, the DART was

BUDGET NARRATIVE

only able to process about 64% of the incoming requests, creating a growing backlog. This team should be staffed to adequately support agency business processes and related member benefit transactions in an efficient and timely manner.

Staffing Impact:

- Two permanent Retirement Counselor 2 positions (2.00 FTE), position numbers 1510131 through 1510132

Quantifying Results:

- Utilize Scorecards and Quarterly Target Reviews, regular production performance reports, operational Service Levels and annual Key Performance Measures to compare past and present performance
- KPM #1, Timely Benefit Payments, milestones:
 - 80% of benefit payments paid to member within 45 days by July 2013
- KPM #4, Benefit Accuracy, milestones:
 - 80% of monthly benefit service retirements are calculated to within \$5 per month by December 2011
 - 100% of monthly benefit service retirements are calculated to within \$5 per month
- KPM #6, Customer Service, milestone:
 - Maintain 80% or higher good or excellent responses for annual member and employer satisfaction survey throughout 2013-15 biennium
- KPM #7, Timely Benefit Estimates, milestones:
 - 95 % of benefit estimates to the member within 30 days by July 2013
- Utilize Internal Audits and quality assurance reviews

Data Reporting / Analysis and Performance Measurement

Purpose and How Achieved: PERS requests \$172,855 Other Funds and the establishment of one permanent position (0.88 FTE) to develop and implement a consolidated enterprise-wide data dictionary, data repository, data reporting and analysis process, and performance measurement process and schedule; train supporting staff and oversee the process for responding to internal and external requests for data reports and analysis; oversee performance data gathering and performance measurement reporting; and provide consultative advice on administrative, policy, programmatic, and management aspects of agency operations based on data and performance measurement reports and analysis.

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Data reporting includes accessing data from over 330,000 member accounts and over 900 employers, across numerous agency systems, comprised of over 1,000 data tables, several hundred data fields, and millions of data records. Data analysis includes review of complicated data comparisons or reports in structures, formats, and/or relationships that are currently unavailable, and identifying and evaluating uncertainties about the data and other variables to resolve current operational measurements that are ambiguous and susceptible to widely varying interpretations, or complicated by conflicting operational or service goals and objectives. And performance measurement includes providing statistical analysis to evaluate the effectiveness of programs throughout the agency and conduct studies typically containing findings of major significance that will serve as the basis for strategic planning initiatives, new administrative systems, legislation, regulations, policies, or programs which could significantly change major administrative aspects of programs or substantially affect the quality and quantity of services provided to the agency's customers.

Staffing Impact:

- One permanent Research Analyst 4 (0.88 FTE), position number 1510133

Quantifying Results:

- Utilize Scorecards and Quarterly Target Reviews, regular production performance reports, and annual Key Performance measures to compare past and present performance
- KPM #6, Customer Service, milestone:
 - Maintain 80% or higher good or excellent responses for annual member and employer satisfaction survey throughout 2013-15 biennium

Governmental Accounting Standards Board (GASB) Pension Accounting and Reporting Requirements

Purpose and How Achieved: PERS requests \$385,000 Other Funds to maintain compliance with ORS 238.660 (8). This statute requires PERS to prepare an annual report that contains financial statements prepared in accordance with generally accepted accounting principles (GAAP), and that the financial statements include the report of an independent auditor. PERS provides the employers with the actuarial information they need to prepare their annual financial statements in compliance with GAAP.

GASB is changing the requirements for employers' financial statements. PERS' actuary will have to do additional work annually for PERS to be in compliance with the statute above. PERS contracts with the actuary to provide a summary for each employer which will include an actuarial balance sheet, contribution rate, and any additional information necessary for compliance with GASB's new pronouncements. PERS estimates that this additional work will cost approximately \$385,000 in the 2013-15 biennium.

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Staffing Impact:

- None

Quantifying Results:

- Compliance with the two pronouncements approved by the Governmental Accounting Standards Board of the Financial Accounting Foundation in June 2012

Secretary of State Audit Requirements

Purpose and How Achieved: PERS requests \$250,000 Other Funds for increased costs for the Secretary of State, Audits Division, to audit PERS' fiscal year-end financial statements. Any time there is a change in GASB pronouncements (as stated above), the initial audit in which the change takes place usually means that the Audits Division, or their consultants if they continue to contract with a private accounting firm as they have in the recent past, will need to perform additional work. PERS estimates this additional work will cost approximately \$250,000 in the 2013-15 biennium.

Staffing Impact:

- None

Quantifying Results:

- Compliance with the two pronouncements approved by the Governmental Accounting Standards Board of the Financial Accounting Foundation in June 2012

Revenue Source: Revenues to fund administrative expenditures are obtained from the various PERS' programs and activities in accordance with Oregon Revised Statute and applicable administrative rules.

2015-17 Fiscal Impact: The anticipated impact to 2015-17 is estimated to be approximately the same amount requested for 2013-15, as this request is for permanent financing.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 101 - Current Service Delivery Levels

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	5,474,611	-	-	-	5,474,611
Total Revenues	-	-	\$5,474,611	-	-	-	\$5,474,611
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	2,888,214	-	-	-	2,888,214
Empl. Rel. Bd. Assessments	-	-	1,185	-	-	-	1,185
Public Employees' Retire Cont	-	-	423,700	-	-	-	423,700
Social Security Taxes	-	-	220,953	-	-	-	220,953
Worker's Comp. Assess. (WCD)	-	-	1,746	-	-	-	1,746
Mass Transit Tax	-	-	17,325	-	-	-	17,325
Flexible Benefits	-	-	904,392	-	-	-	904,392
Reconciliation Adjustment	-	-	138,414	-	-	-	138,414
Total Personal Services	-	-	\$4,595,929	-	-	-	\$4,595,929
Services & Supplies							
Employee Training	-	-	36,000	-	-	-	36,000
Office Expenses	-	-	150,000	-	-	-	150,000
Professional Services	-	-	635,000	-	-	-	635,000
Expendable Prop 250 - 5000	-	-	3,000	-	-	-	3,000
IT Expendable Property	-	-	12,000	-	-	-	12,000
Total Services & Supplies	-	-	\$836,000	-	-	-	\$836,000

Essential and Policy Package Fiscal Impact Summary - BPR013

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ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 101 - Current Service Delivery Levels

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	-	-	5,431,929	-	-	-	5,431,929
Total Expenditures	-	-	\$5,431,929	-	-	-	\$5,431,929
Ending Balance							
Ending Balance	-	-	42,682	-	-	-	42,682
Total Ending Balance	-	-	\$42,682	-	-	-	\$42,682
Total Positions							
Total Positions							30
Total Positions	-	-	-	-	-	-	30
Total FTE							
Total FTE							29.64
Total FTE	-	-	-	-	-	-	29.64

Essential and Policy Package Fiscal Impact Summary - BPR013

Agency Request
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 Legislatively Adopted

BUDGET NARRATIVE

09/05/13 REPORT NO.: PDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 101 - Current Service Delivery Level

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1510101	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	04	5,567.00		133,608 60,448			133,608 60,448
1510102	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	02	5,052.00		121,248 57,690			121,248 57,690
1510103	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	05	5,839.00		140,136 61,905			140,136 61,905
1510104	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	06	6,134.00		147,216 63,486			147,216 63,486
1510105	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	04	3,484.00		83,616 49,290			83,616 49,290
1510106	OA C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	03	4,210.00		101,040 53,180			101,040 53,180
1510107	MMS X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	03	4,159.00		99,816 52,906			99,816 52,906
1510108	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	03	3,032.00		72,768 46,869			72,768 46,869
1510109	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	03	3,032.00		72,768 46,869			72,768 46,869
1510110	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	03	3,032.00		72,768 46,869			72,768 46,869
1510111	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	3,177.00		76,248 47,646			76,248 47,646
1510112	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	03	3,332.00		79,968 48,476			79,968 48,476
1510113	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	04	3,484.00		83,616 49,290			83,616 49,290
1510114	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	3,177.00		76,248 47,646			76,248 47,646
1510115	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	09	4,413.00		105,912 54,266			105,912 54,266
1510116	OA C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	03	2,451.00		58,824 43,756			58,824 43,756

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BUDGET NARRATIVE

09/05/13 REPORT NO.: FPDPPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 101 - Current Service Delivery Level

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1510117	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	03	3,032.00		72,768 46,869			72,768 46,869
1510118	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	03	3,332.00		79,968 48,476			79,968 48,476
1510119	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	04	3,177.00		76,248 47,646			76,248 47,646
1510120	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	03	3,032.00		72,768 46,869			72,768 46,869
1510121	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	05	3,652.00		87,648 50,190			87,648 50,190
1510122	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	06	3,838.00		92,112 51,187			92,112 51,187
1510123	MMN	X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	08	6,760.00		162,240 66,839			162,240 66,839
1510124	OA	C0870	AA OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	02	3,332.00		79,968 48,476			79,968 48,476
1510125	OA	C5247	AA COMPLIANCE SPECIALIST 2	1	1.00	24.00	04	4,019.00		96,456 52,156			96,456 52,156
1510126	OA	C1487	IA INFO SYSTEMS SPECIALIST 7	1	1.00	24.00	07	6,343.00		152,232 64,605			152,232 64,605
1510127	OA	C1487	IA INFO SYSTEMS SPECIALIST 7	1	1.00	24.00	08	6,641.00		159,384 66,202			159,384 66,202
1510131	OA	C0842	AA RETIREMENT COUNSELOR 2	1	.88	21.00	02	3,177.00		66,717 41,689			66,717 41,689
1510132	OA	C0842	AA RETIREMENT COUNSELOR 2	1	.88	21.00	02	3,177.00		66,717 41,689			66,717 41,689
1510133	OA	C1118	AA RESEARCH ANALYST 4	1	.88	21.00	02	4,628.00		97,188 48,491			97,188 48,491
TOTAL PICS SALARY										2,888,214			2,888,214
TOTAL PICS OPE										1,551,976			1,551,976
TOTAL PICS PERSONAL SERVICES =				30	29.64	711.00				4,440,190			4,440,190

BUDGET NARRATIVE

Package 102 Retiree Health Insurance Program

Package Description as Modified in the Governor's Balanced Budget and the Legislatively Adopted Budget

Package Description

Purpose: PERS requests \$760,879 Other Funds, the establishment of three new permanent positions (2.84 FTE), and increased budget limitation for actuarial and consulting support. There are two necessary components in this package: Retiree Health Insurance Program Administration, and Retiree Health Insurance Program Actuarial and Consulting Support.

Retiree Health Insurance Program Administration

Purpose and How Achieved: PERS requests \$510,879 Other Funds and the establishment of three new permanent positions (3.00 FTE) to administer the Retiree Health Insurance Program. The PERS Health Insurance Program (PHIP) was established in the 1950s and has steadily grown and improved as the health care industry has evolved over the years. The goal of the program is to provide PERS members with accurate and timely insurance information so that they can make informed retirement decisions about their health care insurance needs, and to ensure the fiscal integrity of the health insurance program. The program has a current enrollment of some 55,000 retirees, and insurance premiums are predominately paid by program participants. There is a competitive bid process whereby health care providers can compete for health care delivery and administrative services. Currently, four health insurance contractors provide services (medical and pharmacy) to the retirees in the program. The program enlists the aid of consultants to track claims experience, monitor changes in the healthcare industry, and assist in business processes. The program also uses a Third Party Administrator (TPA) to assist with plan enrollment and the member-to-carrier payment process. Funding for the program from subsidies, retiree premiums, and other sources exceeds \$150 million a year.

The program is operated through three statutorily created trust funds:

- SRHIA – Standard Retiree Health Insurance Account authorized under ORS 238.410
- RHIPA – Retiree Health Insurance Premium Account authorized under ORS 238.415
- RHIA – Retirement Health Insurance Account authorized under ORS 238.420

Revenue for the program is also provided from federal sources like the Centers for Medicare & Medicaid Services (CMS), and one-time funding generated by the Early Retirement Reimbursement Program (ERRP)

BUDGET NARRATIVE

The SRHIA fund receives the main portion of the program's revenue, almost all of which comes from deductions from member's monthly benefit payments or direct payments from participants. These payments from members or other participants are then used to pay premiums to participating health care providers. Each of these processes requires fund reconciliations.

On the financial side, the payment process for carriers ranges from several standard fully insured models to a hybrid insurance model referred to as a Minimum Payment Plan (MPP). The MPP is a complex financial funding model requiring additional oversight as it includes the use of reserves that involve contractual restrictions. Along with the transactional and accounting complexities, timely financial reporting of these reserves also presents challenges due to actuarial computations. More recently, the business processes and accounting for this program have been further complicated by a DOJ opinion (Dated August 9, 2012). While the opinion offered desired clarity on the taxability of interest earned by the SHRIA funds, the DOJ also advised that the reserves contractually situated at the carrier are more appropriately held by State Treasury. This decision adds another level of effort to the already multi-layered business process refinements under deliberation to strengthen program accounting and administration.

Member outreach methods include a quarterly PHIP newsletter sent to all members, an up-to-date web site, and community meetings to keep members informed of changes and developments related to their health care insurance coverage. The PHIP Advisory Committee meets several times each year and participation in these meetings fulfills an important function in keeping the PERS Board informed about the PHIP service delivery.

The agency is committed to strong controls over fiscal processes and sufficient oversight of the service delivery by the carriers, the TPA, and the consultant. To achieve this outcome, PHIP must:

- Provide for the oversight and administration of all aspects of the customer service and financial components of the PERS Health Insurance Program.
- Be responsible for all management functions related to the development and administration of PERS rules, policies, and procedures related to eligibility, enrollment, and system administration for member medical, dental, vision, disability, long term care, and life insurance coverage.
- Provide for the direct supervision of the PHIP staff responsible for supporting the administration of benefits through training and guidance related to the health benefit management system, benefit questions, concerns, and difficulties, and offer assistance providing member services as needed to PERS retirees.
- Be responsible for evaluating the quality of PHIP services and directing actions necessary to ensure compliance with established policies, objectives, program priorities, and applicable healthcare laws, rules, and federal regulations.
- Provide leadership to the team, including staff and contractors that will be carrying out the policies and goals of the PHIP by ensuring PERS retirees receive high quality customer service in accessing health benefit information and services.

BUDGET NARRATIVE

- Seek business process improvements that will create more efficient premium processing at lower unit costs by studying and refining our banking processes and our inter-entity payment processes.
- Research and stay abreast of legislative changes and their potential program impacts resulting from the continued implementation of the federal Affordable Care Act which is targeted for 2014.
- Similarly, research and stay abreast of Oregon's healthcare legislative changes and their potential program impacts resulting from the impending implementation of the Oregon Health Insurance Exchange also targeted for 2014.
- Continue to improve and refine, through policy, operational, and system modifications, the ability to provide health insurance to retirees in a timely and accurate manner that properly assess member eligibility for the health plan, and provides for subsidies that may be available for their specific situation.
- Continue the monitoring of insured members claims experience to respond to changes in member situations that result in changes to insurance premiums or coverage.

Staffing Impact:

- One permanent Principal Executive Manager E (1.00 FTE), position number 1510201
- One permanent Procurement & Contract Specialist 3 (0.88 FTE), position number 1510202
- One permanent Accountant 3 (0.96 FTE), position number 1510203

Retiree Health Insurance Program Actuarial and Consulting Support

Purpose and How Achieved: PERS requests \$250,000 Other Funds for this program consulting and actuarial support. There are a number of areas where actuarial and consulting service may be needed. One of the audit issues involves the proper accounting for the Incurred But Not Reported (IBNR) reserve amount. The reserve has both contractual and legal implications, and Generally Accepted Accounting Principles (GAAP) require a reasonable estimate be developed for financial reporting purposes.

Changes in the healthcare legal environment at the federal (the Affordable Care Act) and the state level (the Oregon Health Insurance Exchange) will have influences on carriers in the way PHIP delivers it services. There are also uncertainties as to potential changes to Medicare laws.

All of the above issues will have impacts on both the level of healthcare service delivery to members, and the associated costs to deliver those services. Additional consulting, whether that comes from actuarial professionals, financial professionals, or healthcare professionals, may be required to make decisions that will maintain adequate funding, appropriate financial reporting, and acceptable levels of healthcare services for the insured members.

BUDGET NARRATIVE

Staffing Impact: None

Quantifying Results:

The current model of having only two staff in PHIP servicing 55,000 members and monitoring the customer service and fiscal processes of the program and contractors is inadequate. Management had raised concerns about the program and issues that were later documented in a subsequent program risk assessment. The program, like PEBB and OEBC, needs a proper mix of professional staff with health insurance expertise that can adequately monitor and facilitate the necessary contracting, customer service, accounting, and overall program management duties that are required.

This program is complicated by the intricacies of the plan hybridization, an evolving healthcare environment, the growing volume of participation, and the business processes involved with processing and funding insurance delivery.

Success can be measured by:

- Resolving all audit findings
- Creating the foundation for potential changes resulting from the full implementation of the Affirmative Care Act, and Oregon's Health Insurance Exchange
- Developing eligibility determination performance measures and procedures to deal with circumstances that delay a final determination and a resultant over- or under- payment scenarios
- Providing additional oversight and collaboration to carriers and contractors and establishing process improvements to streamline data and financial workflows
- Continued positive results from customer service surveys

Revenue Source: Revenues to fund administrative expenditures are obtained from the various PERS' programs and activities in accordance with Oregon Revised Statute and applicable administrative rules.

- [SRHIA – Standard Retiree Health Insurance Account] ORS 238.410
- [RHIPA – Retiree Health Insurance Premium Account] ORS 238.415
- [RHIA – Retirement Health Insurance Account] ORS 238.420
- The majority of revenue for the program comes from member paid insurance premiums.

2015-17 Fiscal Impact: The anticipated impact to 2015-17 is estimated to be approximately the same amount requested for 2013-15, as this request is for permanent financing.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 102 - Retiree Health Insurance Program

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	805,913	-	-	-	805,913
Total Revenues	-	-	\$805,913	-	-	-	\$805,913
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	306,358	-	-	-	306,358
Empl. Rel. Bd. Assessments	-	-	113	-	-	-	113
Public Employees' Retire Cont	-	-	44,943	-	-	-	44,943
Social Security Taxes	-	-	23,436	-	-	-	23,436
Worker's Comp. Assess. (WCD)	-	-	166	-	-	-	166
Mass Transit Tax	-	-	1,838	-	-	-	1,838
Flexible Benefits	-	-	86,496	-	-	-	86,496
Reconciliation Adjustment	-	-	13,479	-	-	-	13,479
Total Personal Services	-	-	\$476,829	-	-	-	\$476,829
Services & Supplies							
Employee Training	-	-	4,050	-	-	-	4,050
Office Expenses	-	-	15,000	-	-	-	15,000
Professional Services	-	-	250,000	-	-	-	250,000
Expendable Prop 250 - 5000	-	-	3,000	-	-	-	3,000
IT Expendable Property	-	-	12,000	-	-	-	12,000
Total Services & Supplies	-	-	\$284,050	-	-	-	\$284,050

Essential and Policy Package Fiscal Impact Summary - BPR013

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___ Governor's Recommended

X Legislatively Adopted

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ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 102 - Retiree Health Insurance Program

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	-	-	760,879	-	-	-	760,879
Total Expenditures	-	-	\$760,879	-	-	-	\$760,879
Ending Balance							
Ending Balance	-	-	45,034	-	-	-	45,034
Total Ending Balance	-	-	\$45,034	-	-	-	\$45,034
Total Positions							
Total Positions							3
Total Positions	-	-	-	-	-	-	3
Total FTE							
Total FTE							2.84
Total FTE	-	-	-	-	-	-	2.84

Essential and Policy Package Fiscal Impact Summary - BPR013

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BUDGET NARRATIVE

09/05/13 REPORT NO.: PDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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PACKAGE: 102 - Retiree Health Insurance Progr

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1510201	MMS X7006 AA	PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	02	5,052.00		121,248			121,248
									57,690			57,690
1510202	OA C0438 AA	PROCUREMENT & CONTRACT SPBC 3	1	.88	21.00	02	4,413.00		92,673			92,673
									47,482			47,482
1510203	OA C1217 AA	ACCOUNTANT 3	1	.96	23.00	02	4,019.00		92,437			92,437
									49,982			49,982
TOTAL PICS SALARY									306,358			306,358
TOTAL PICS OPE									155,154			155,154
TOTAL PICS PERSONAL SERVICES =			3	2.84	68.00				461,512			461,512

BUDGET NARRATIVE

Package 103 Infrastructure Maintenance and Enhancement (M&E)

Package Description as Modified the Legislatively Adopted Budget

Package Description

Purpose: PERS requests \$1,260,000 Other Funds, to maintain and enhance foundational elements of the agency's infrastructure and information systems. There are three necessary components in this package: Data Reporting - establishing a centralized, enterprise-level data reporting function; Storage Area Network (SAN) - improving the agency's business information storage; and System Maintenance and Enhancement - maintaining and enhancing current enterprise-level applications.

Data Reporting

Purpose and How Achieved: PERS requests \$460,000 Other Funds for enterprise-level data reporting. This includes:

- \$50,000 for hardware
- \$150,000 for system reporting tools (software)
- \$200,000 for IT professional services, for implementation and deployment
- \$60,000 for ongoing maintenance (\$30,000 annually)

During the previous three biennia, the system conversion to the Online Retirement Information Network (ORION) has focused on defining and implementing transactional components, as well as ensuring that key integration points to other systems (e.g., Statewide Financial Management System, Office of State Treasurer, third party administrators) have been developed. While the system conversion established over 100 core business batch reports, only a basic data warehouse was established to meet limited ad hoc reporting needs since an enterprise-level ad hoc reporting component was not included in the project scope.

Due to ongoing and increased ad hoc reporting needs, and ORION system complexity which includes over 1,000 data tables in multiple databases supporting the administration of multi-tiered individual account-based and pension benefit programs, the agency seeks to address enterprise-level risks related to improper or inconsistent data reporting. This includes the achievement of six specific objectives: 1) developing and implementing a consistent enterprise-level data dictionary; 2) developing consistent programming and reporting code; 3) identifying and implementing an enterprise-level data reporting tool; 4) re-designing the current data warehouse to expand role-based data access; 5) developing and implementing standard report templates; and 6) establishing a "center of expertise" to enhance the agency's ability to consistently provide data in an accurately and timely manner.

Staffing Impact: None

BUDGET NARRATIVE

Quantifying Results:

- Utilize monthly Production Performance reports, quarterly Board reports and annual Key Performance Measures to compare past and present performance
- KPM #1, Timely Benefit Payments, milestones:
 - 80% of benefit payments paid to member within 45 days by July 2013
- KPM #6, Customer Service, milestone:
 - Maintain 80% or higher good or excellent responses for annual customer satisfaction survey throughout 2013-15 biennium
- KPM #7, Timely Benefit Estimates, milestones:
 - 95 % of benefit estimates to the member within 30 days by July 2013

Storage Area Network

Purpose and How Achieved: PERS requests \$500,000 to replace the agency's production storage area network (SAN). This includes:

- \$200,000 for hardware
- \$125,000 for software
- \$100,000 IT professional services, for implementation and deployment
- \$75,000 for ongoing maintenance

PERS' current production SAN is over six years old, reached the end of IBM's product offering life in August of 2009, and is scheduled to reach IBM's end of product support in August of 2014. While the agency has the option of purchasing extended support beyond 2014, the current SAN is configured for maximum data storage capacity and does not provide a viable ongoing solution for mid to large businesses such as PERS that are dependent on document storage, historical data, business continuity, and disaster recovery. Replacing the current SAN with newer and scalable SAN technology will allow for any future scalability and flexibility for PERS to keep up with the rapid growth of business production data, but also provide options for future requirements such as expanded common storage within the network and extended service windows for customers.

Staffing Impact: None

BUDGET NARRATIVE

Quantifying Results:

- Utilize monthly Production Performance reports, quarterly Board reports and annual Key Performance Measures to compare past and present performance
- KPM #1, Timely Benefit Payments, milestones:
 - 80% of benefit payments paid to member within 45 days by July 2013
- KPM #6, Customer Service, milestone:
 - Maintain 80% or higher good or excellent responses for annual customer satisfaction survey throughout 2013-15 biennium
- System availability and system performance metrics

System Maintenance and Enhancement

Purpose and How Achieved: PERS requests \$300,000 Other Funds for ORION system maintenance and enhancement. This includes:

- \$110,000 for hardware
- \$40,000 for software
- \$150,000 for IT professional services, for implementation and deployment

While PERS continues to improve productivity by integrating processes into ORION through routine maintenance and enhancement (e.g, defect identification and correction; upgrades, patches and corrections), the agency needs to maximize capability to address more complex maintenance and enhancements not covered by the base budget, including in some cases higher skill levels than available internally. The characteristics that set this work apart from ongoing maintenance and enhancement are the potential for architectural re-design, more detailed requirements definition, system design / integration considerations, longer development timeframes, data migration / conversion, and more elaborate enterprise testing.

This additional funding will allow PERS to begin addressing a target group of larger, highly complex change requests and new application components to be worked into or integrated with the ORION system platform. Examples include:

- Adding functionality to split out accounts due to divorce decrees, which was not included in the original OPSRP development specifications.
- Updating transfer plan logic for identified pools of members, to support rule changes in eligibility.
- Adding functionality to create multiple memberships in jClarety.

BUDGET NARRATIVE

- Developing and deploying a module to administer the Individual Account Program (IAP), which is currently outsourced to a third party administrator.

Staffing Impact: None

Quantifying Results:

- Utilize monthly Production Performance reports, quarterly Board reports and annual Key Performance Measures to compare past and present performance

Revenue Source: Revenues to fund administrative expenditures are obtained from the various PERS' programs and activities in accordance with Oregon Revised Statute and applicable administrative rules.

2015-17 Fiscal Impact: The anticipated impact to 2015-17 is estimated to be approximately \$135,000 for ongoing maintenance, and \$400,000 for capital outlay – hardware & software to complete System Maintenance and Enhancement.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 103 - Infrastructure Maintenance & Enhancement

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	1,860,000	-	-	-	1,860,000
Total Revenues	-	-	\$1,860,000	-	-	-	\$1,860,000
Services & Supplies							
Data Processing	-	-	135,000	-	-	-	135,000
IT Professional Services	-	-	450,000	-	-	-	450,000
Total Services & Supplies	-	-	\$585,000	-	-	-	\$585,000
Capital Outlay							
Data Processing Software	-	-	315,000	-	-	-	315,000
Data Processing Hardware	-	-	360,000	-	-	-	360,000
Total Capital Outlay	-	-	\$675,000	-	-	-	\$675,000
Total Expenditures							
Total Expenditures	-	-	1,260,000	-	-	-	1,260,000
Total Expenditures	-	-	\$1,260,000	-	-	-	\$1,260,000
Ending Balance							
Ending Balance	-	-	600,000	-	-	-	600,000
Total Ending Balance	-	-	\$600,000	-	-	-	\$600,000

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

Package 811 Compliance Plan for SB 5701 (2012)

Package Description

Purpose: To comply with Senate Bill 5701 (2012). This package is a compliance plan which reflects the final restructuring changes that were initiated by the Emergency Board in May of 2012.

How Achieved: Other Funds expenditure limitation is reduced by \$383,718. Three positions (3.75 FTE) are eliminated and one position phases out on January 1, 2014.

Staffing Impact:

- Two permanent Data Entry Operator positions (2.00 FTE) eliminated, position number 0911415 and 0911416
- One permanent Information Systems Specialist 6 position (1.00 FTE) eliminated, position number 8900101
- One permanent Operations & Policy Analyst 2 position (0.75 FTE) phased out on January 1, 2014, position number 8700102

Quantifying Results:

- Compliance with Senate Bill 5701 (2012) will be complete.

Revenue Source: Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

2015-17 Fiscal Impact: Base budget in 2015-17 will be reduced as a result of this package.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 811 - Compliance Plan for SB 5701 (2012)

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	(332,934)	-	-	-	(332,934)
Empl. Rel. Bd. Assessments	-	-	(150)	-	-	-	(150)
Public Employees' Retire Cont	-	-	(48,842)	-	-	-	(48,842)
Social Security Taxes	-	-	(25,469)	-	-	-	(25,469)
Worker's Comp. Assess. (WCD)	-	-	(221)	-	-	-	(221)
Flexible Benefits	-	-	(114,480)	-	-	-	(114,480)
Reconciliation Adjustment	-	-	138,378	-	-	-	138,378
Total Personal Services	-	-	(\$383,718)	-	-	-	(\$383,718)
Total Expenditures							
Total Expenditures	-	-	(383,718)	-	-	-	(383,718)
Total Expenditures	-	-	(\$383,718)	-	-	-	(\$383,718)
Ending Balance							
Ending Balance	-	-	383,718	-	-	-	383,718
Total Ending Balance	-	-	\$383,718	-	-	-	\$383,718
Total Positions							
Total Positions	-	-	-	-	-	-	(3)
Total Positions	-	-	-	-	-	-	(3)

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request ___ Governor's Recommended X Legislatively Adopted

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BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 811 - Compliance Plan for SB 5701 (2012)

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total FTE							
Total FTE							(3.75)
Total FTE	-	-	-	-	-	-	(3.75)

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 201

BUDGET NARRATIVE

09/05/13 REPORT NO.: PPDFFISCAL DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 5
 REPORT: PACKAGE FISCAL IMPACT REPORT 2013-15 PROD FILE
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM PICS SYSTEM: BUDGET PREPARATION
 SUMMARY XREF:300-00-00 Operations PACKAGE: 811 - Compliance Plan for SB 5701 (2)

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
0911415	OA C0501 AA	DATA ENTRY OPERATOR	1-	1.00-	24.00-	09	2,662.00		63,888- 44,886-			63,888- 44,886-
0911416	OA C0501 AA	DATA ENTRY OPERATOR	1-	1.00-	24.00-	05	2,280.00		54,720- 42,841-			54,720- 42,841-
8700102	MMN X0871 AA	OPERATIONS & POLICY ANALYST 2	1-	1.00-	24.00-	08	5,839.00		140,136- 61,905-			140,136- 61,905-
8700102	MMN X0871 AA	OPERATIONS & POLICY ANALYST 2	1	.25	6.00	08	5,839.00		35,034 15,476			35,034 15,476
8900101	OA C1486 IA	INFO SYSTEMS SPECIALIST 6	1-	1.00-	24.00-	02	4,551.00		109,224- 55,006-			109,224- 55,006-
TOTAL PICS SALARY									332,934-			332,934-
TOTAL PICS OPE									189,162-			189,162-
TOTAL PICS PERSONAL SERVICES =			3-	3.75-	90.00-				522,096-			522,096-

BUDGET NARRATIVE

Package 820 End of Session Bill (HB 5008)

Package Description

Purpose: To reflect savings in some accounts and increases in other accounts resulting in an increase of \$120,021 Other Funds, in multiple agencies based on reductions or increases in Department of Administrative Services' assessments and charges for services.

How Achieved: Omnibus adjustments reflect the following reductions in Services & Supplies:

- (\$112,610) Other Funds reduction in State Government Service Charges
- \$280,911 Other Funds increase in Data Processing
- (\$57,714) Other Funds reduction in Attorney General charges
- \$9,434 Other Funds increase in Telecommunications

Staffing Impact:

- None

Quantifying Results:

- Overall increase in Other Funds

Revenue Source: Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

2015-17 Fiscal Impact: There is no anticipated impact to 2015-17 Other Funds budget.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 820 - End of Session Bill (HB 5008)

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Telecommunications	-	-	9,434	-	-	-	9,434
State Gov. Service Charges	-	-	(112,610)	-	-	-	(112,610)
Data Processing	-	-	280,911	-	-	-	280,911
Attorney General	-	-	(57,714)	-	-	-	(57,714)
Total Services & Supplies	-	-	\$120,021	-	-	-	\$120,021
Total Expenditures							
Total Expenditures	-	-	120,021	-	-	-	120,021
Total Expenditures	-	-	\$120,021	-	-	-	\$120,021
Ending Balance							
Ending Balance	-	-	(120,021)	-	-	-	(120,021)
Total Ending Balance	-	-	(\$120,021)	-	-	-	(\$120,021)

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 204

BUDGET NARRATIVE

Package 841 SB Administrative Costs

Package Description

Purpose: To cover the administrative costs of implementing Senate Bill 822 (2013). The measure modifies cost-of-living adjustments and supplementary tax remedy payments for non-Oregon residents under the Public Employees Retirement System (PERS) and directs the PERS Board to recalculate employer contribution rates for the 2013-15 biennium.

How Achieved: Other Funds expenditure limitation is increased by \$1,008,151 and establishes 2 limited duration positions (1.5 FTE). This includes :

- \$435,018 in overall Personal Services
- \$ 1,463 in Employee Training
- \$ 41,670 in Office Expenses
- \$100,000 in Professional Services (Actuarial)
- \$425,000 in IT Professional Services (IT contractors)
- \$ 5,000 in Expendable Property

Staffing Impact:

- One full-time limited duration Program Analyst 1 position (1.00 FTE), position number 1582201
- One part-time limited duration Retirement Counselor 1 position (0.50 FTE), position number 1582202

Quantifying Results:

- Compliance with Senate Bill 822 (2013) will be complete.

Revenue Source: Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

2015-17 Fiscal Impact: There is no anticipated impact to 2015-17 Other Funds budget.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 841 - SB 822 - Administrative Costs

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	114,756	-	-	-	114,756
Temporary Appointments	-	-	134,382	-	-	-	134,382
Overtime Payments	-	-	64,550	-	-	-	64,550
Empl. Rel. Bd. Assessments	-	-	80	-	-	-	80
Public Employees' Retire Cont	-	-	26,304	-	-	-	26,304
Social Security Taxes	-	-	23,997	-	-	-	23,997
Worker's Comp. Assess. (WCD)	-	-	118	-	-	-	118
Mass Transit Tax	-	-	1,883	-	-	-	1,883
Flexible Benefits	-	-	61,056	-	-	-	61,056
Reconciliation Adjustment	-	-	7,892	-	-	-	7,892
Total Personal Services	-	-	\$435,018	-	-	-	\$435,018
Services & Supplies							
Employee Training	-	-	1,463	-	-	-	1,463
Office Expenses	-	-	41,670	-	-	-	41,670
Professional Services	-	-	100,000	-	-	-	100,000
IT Professional Services	-	-	425,000	-	-	-	425,000
Expendable Prop 250 - 5000	-	-	5,000	-	-	-	5,000
Total Services & Supplies	-	-	\$573,133	-	-	-	\$573,133
Total Expenditures							
Total Expenditures	-	-	1,008,151	-	-	-	1,008,151
Total Expenditures	-	-	\$1,008,151	-	-	-	\$1,008,151

Essential and Policy Package Fiscal Impact Summary - BPR013

Agency Request
 Governor's Recommended
 Legislatively Adopted

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 841 - SB 822 - Administrative Costs

Cross Reference Name: Operations
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	(1,008,151)	-	-	-	(1,008,151)
Total Ending Balance	-	-	(\$1,008,151)	-	-	-	(\$1,008,151)
Total Positions							
Total Positions							2
Total Positions	-	-	-	-	-	-	2
Total FTE							
Total FTE							1.50
Total FTE	-	-	-	-	-	-	1.50

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

09/05/13 REPORT NO.: PDPFISCAL DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 6
 REPORT: PACKAGE FISCAL IMPACT REPORT 2013-15 PROD FILE
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM PICS SYSTEM: BUDGET PREPARATION
 SUMMARY XREF:300-00-00 Operations PACKAGE: 841 - SB 822 - Administrative Costs

POSITION		POS						GF	OF	FF	LF	AF
NUMBER	CLASS COMP	CLASS NAME	CNT	FTE	MOS	STEP	RATE	SAL/OPE	SAL/OPE	SAL/OPE	SAL/OPE	SAL/OPE
1582201	OA C0860 AA	PROGRAM ANALYST 1	1	1.00	24.00	02	3,332.00		79,968			79,968
									48,476			48,476
1582202	OA C0841 AA	RETIREMENT COUNSELOR 1	1	.50	12.00	02	2,899.00		34,788			34,788
									38,391			38,391
TOTAL PICS SALARY									114,756			114,756
TOTAL PICS OPE										86,867		86,867
TOTAL PICS PERSONAL SERVICES =			2	1.50	36.00				201,623			201,623



BUDGET NARRATIVE

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Public Employees Retirement System, Oregon
2013-15 Biennium

Agency Number: 45900
Cross Reference Number: 45900-300-00-00-00000

Source	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Other Funds						
Charges for Services	1,881,999	2,422,928	2,422,928	2,533,500	2,533,500	2,533,500
Interest Income	313,746	1,566,500	1,566,500	26,250	26,250	26,250
Other Revenues	285,339	220,500	220,500	205,000	205,000	205,000
Transfer In - Intrafund	75,878,952	71,749,579	71,749,579	82,646,201	82,646,201	82,646,201
Transfer Out - Intrafund	(973,988)	(1,752,391)	(1,752,391)	(764,944)	(764,944)	(764,944)
Tsfr To Governor, Office of the	(79,504)	(79,500)	(79,500)	(70,000)	(70,000)	(70,000)
Total Other Funds	\$77,306,544	\$74,127,616	\$74,127,616	\$84,576,007	\$84,576,007	\$84,576,007

Detail of LF, OF, and FF Revenues - BPR012

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

Detail of Lottery Funds, Other Funds, and Federal Funds Revenue

Source	Fund	ORBITS Revenue Acct	2009-2011 Actual	2011-13 Legislatively Adopted	2011-13 Estimated	2013-15		
						Agency Request	Governor's Recommended	Legislatively Adopted
Operations								
Charges for Services	Limited Other	Charges for Services	1,881,999	2,422,928	2,346,500	2,533,500	2,533,500	2,533,500
Interest Earnings	Limited Other	Interest Income	313,746	1,566,500	18,800	26,250	26,250	26,250
Other	Limited Other	Other Revenue	285,339	220,500	193,200	205,000	205,000	205,000
Transfer to Governor, Office of	Limited Other	Transfer to Governor, Office of	(79,504)	(79,500)	(79,500)	(70,000)	(70,000)	(70,000)

2013-15

107BF07

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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2013-15

107BF02

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary

Version: Z - 01 - Leg. Adopted Budget

2013-15 Biennium

Cross Reference Number: 45900-300-00-00-00000

Operations

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
LIMITED BUDGET (Excluding Packages)						
PERSONAL SERVICES						
Other Funds	50,562,257	56,577,463	55,827,463	57,050,423	56,815,619	56,815,619
SERVICES & SUPPLIES						
Other Funds	25,961,774	20,505,769	20,505,769	20,505,769	20,505,769	20,505,769
CAPITAL OUTLAY						
Other Funds	1,360,803	927,588	927,588	927,588	927,588	927,588
TOTAL LIMITED BUDGET (Excluding Packages)						
Other Funds	77,884,834	78,010,820	77,260,820	78,483,780	78,248,976	78,248,976
AUTHORIZED POSITIONS	368	364	364	334	334	334
AUTHORIZED FTE	361.80	364.08	364.08	334.00	334.00	334.00
LIMITED BUDGET (Essential Packages)						
010 NON-PICS PSNL SVC / VACANCY FACTOR						
PERSONAL SERVICES						
Other Funds	-	-	-	46,102	45,974	45,974
021 PHASE-IN						
SERVICES & SUPPLIES						
Other Funds	-	-	-	559,232	559,232	559,232
022 PHASE-OUT PGM & ONE-TIME COSTS						
PERSONAL SERVICES						
Other Funds	-	-	-	(22,546)	(22,429)	(22,429)

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary

Version: Z - 01 - Leg. Adopted Budget

2013-15 Biennium

Cross Reference Number: 45900-300-00-00-00000

Operations

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
SERVICES & SUPPLIES						
Other Funds	-	-	-	(1,677,490)	(1,677,490)	(1,677,490)
CAPITAL OUTLAY						
Other Funds	-	-	-	(334,000)	(334,000)	(334,000)
031 STANDARD INFLATION						
SERVICES & SUPPLIES						
Other Funds	-	-	-	(852,489)	(375,724)	(375,724)
CAPITAL OUTLAY						
Other Funds	-	-	-	14,245	14,245	14,245
TOTAL LIMITED BUDGET (Essential Packages)						
Other Funds	-	-	-	(2,266,946)	(1,790,192)	(1,790,192)
LIMITED BUDGET (Current Service Level)						
Other Funds	77,884,834	78,010,820	77,260,820	76,216,834	76,458,784	76,458,784
AUTHORIZED POSITIONS	368	364	364	334	334	334
AUTHORIZED FTE	361.80	364.08	364.08	334.00	334.00	334.00
LIMITED BUDGET (Policy Packages)						
PRIORITY 0						
081 MAY 2012 E-BOARD						
PERSONAL SERVICES						
Other Funds	-	-	-	1,097,585	1,096,266	1,096,266
SERVICES & SUPPLIES						

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary
2013-15 Biennium
Operations

Version: Z - 01 - Leg. Adopted Budget
Cross Reference Number: 45900-300-00-00-00000

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Other Funds	-	-	-	217,925	(130,312)	(130,312)
AUTHORIZED POSITIONS	-	-	-	3	3	3
AUTHORIZED FTE	-	-	-	3.00	3.00	3.00
091 STATEWIDE ADMINISTRATIVE SAVINGS						
PERSONAL SERVICES						
Other Funds	-	-	-	-	(1,087,051)	(1,087,051)
SERVICES & SUPPLIES						
Other Funds	-	-	-	-	(352,557)	(352,557)
CAPITAL OUTLAY						
Other Funds	-	-	-	-	(29,380)	(29,380)
092 PERS TAXATION POLICY						
PERSONAL SERVICES						
Other Funds	-	-	-	-	(161,673)	(161,673)
093 OTHER PERS ADJUSTMENTS						
PERSONAL SERVICES						
Other Funds	-	-	-	-	(1,291,845)	(1,291,845)
811 COMPLIANCE PLAN FOR SB 5701 (2012)						
PERSONAL SERVICES						
Other Funds	-	-	-	-	-	(383,718)
AUTHORIZED POSITIONS	-	-	-	-	-	(3)
AUTHORIZED FTE	-	-	-	-	-	(3.75)

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request ___ Governor's Recommended X Legislatively Adopted

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary

Version: Z - 01 - Leg. Adopted Budget

2013-15 Biennium

Cross Reference Number: 45900-300-00-00-00000

Operations

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
820 END OF SESSION BILL (HB 5008)						
SERVICES & SUPPLIES						
Other Funds	-	-	-	-	-	120,021
841 SB 822 - ADMINISTRATIVE COSTS						
PERSONAL SERVICES						
Other Funds	-	-	-	-	-	435,018
SERVICES & SUPPLIES						
Other Funds	-	-	-	-	-	573,133
AUTHORIZED POSITIONS						
Other Funds	-	-	-	-	-	2
AUTHORIZED FTE						
Other Funds	-	-	-	-	-	1.50
PRIORITY 1						
101 CURRENT SERVICE DELIVERY LEVELS						
PERSONAL SERVICES						
Other Funds	-	-	-	4,638,611	4,619,428	4,595,929
SERVICES & SUPPLIES						
Other Funds	-	-	-	836,000	836,000	836,000
AUTHORIZED POSITIONS						
Other Funds	-	-	-	30	30	30
AUTHORIZED FTE						
Other Funds	-	-	-	30.00	30.00	29.64
PRIORITY 2						
102 RETIREE HEALTH INSURANCE PROGRAM						
PERSONAL SERVICES						

Program Unit Appropriated Fund and Category Summary- BPR007A

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary

Version: Z - 01 - Leg. Adopted Budget

2013-15 Biennium

Cross Reference Number: 45900-300-00-00-00000

Operations

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Other Funds	-	-	-	521,863	519,646	476,829
SERVICES & SUPPLIES						
Other Funds	-	-	-	284,050	284,050	284,050
AUTHORIZED POSITIONS	-	-	-	3	3	3
AUTHORIZED FTE	-	-	-	3.00	3.00	2.84
PRIORITY 3						
103 INFRASTRUCTURE MAINTENANCE & ENHANCEMENT						
SERVICES & SUPPLIES						
Other Funds	-	-	-	1,045,000	1,045,000	585,000
CAPITAL OUTLAY						
Other Funds	-	-	-	815,000	815,000	675,000
TOTAL LIMITED BUDGET (Policy Packages)						
Other Funds	-	-	-	9,456,034	6,162,572	6,240,710
AUTHORIZED POSITIONS	-	-	-	36	36	35
AUTHORIZED FTE	-	-	-	36.00	36.00	33.23
TOTAL LIMITED BUDGET (Including Packages)						
Other Funds	77,884,834	78,010,820	77,260,820	85,672,868	82,621,356	82,699,494
AUTHORIZED POSITIONS	368	364	364	370	370	369
AUTHORIZED FTE	361.80	364.08	364.08	370.00	370.00	367.23
OPERATING BUDGET						
Other Funds	77,884,834	78,010,820	77,260,820	85,672,868	82,621,356	82,699,494

Program Unit Appropriated Fund and Category Summary- BPR007A

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary

Version: Z - 01 - Leg. Adopted Budget

2013-15 Biennium

Cross Reference Number: 45900-300-00-00-00000

Operations

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
AUTHORIZED POSITIONS	368	364	364	370	370	369
AUTHORIZED FTE	361.80	364.08	364.08	370.00	370.00	367.23
TOTAL BUDGET						
Other Funds	77,884,834	78,010,820	77,260,820	85,672,868	82,621,356	82,699,494
AUTHORIZED POSITIONS	368	364	364	370	370	369
AUTHORIZED FTE	361.80	364.08	364.08	370.00	370.00	367.23

Program Unit Appropriated Fund and Category Summary- BPR007A

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BUDGET NARRATIVE

Debt Service

Overview

This program accounts for debt service payments on Certificates of Participation (COP) issued to finance the PERS headquarters building construction.

On April 4, 2012 the Department of Administrative Services (DAS) partially refunded Oregon Public Retirement System Certificate of Participation Series 2002, Series B to achieve debt savings, and 2012 Series K Article XI-Q Bonds was issued in order to refund the old debt. Under the new debt schedule, PERS is to make the principle payment of \$1,110,000 Other Funds and interest payments of \$192,850. The remaining balance is \$1.2 million as of May 2015 and will be fully paid by May 2017.

Base Budget Adjustments

This is a decrease of \$115,750 in Other Funds Limitation debt service. The debt service adjustment is made in accordance with budget instructions and based on established repayment schedules provided by DAS.

BUDGET NARRATIVE

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Public Employees Retirement System, Oregon
2013-15 Biennium

Agency Number: 45900
Cross Reference Number: 45900-400-00-00-00000

Source	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Other Funds						
Interest Income	1,019	-	-	-	-	-
Other Revenues	635	3,000	3,000	1,000	1,000	1,000
Transfer In - Intrafund	1,421,805	1,415,600	1,415,600	1,301,850	1,301,850	1,301,850
Transfer Out - Intrafund	(384)	-	-	-	-	-
Total Other Funds	\$1,423,075	\$1,418,600	\$1,418,600	\$1,302,850	\$1,302,850	\$1,302,850

Detail of LF, OF, and FF Revenues - BPR012

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BUDGET NARRATIVE

Detail of Lottery Funds, Other Funds, and Federal Funds Revenue

Source	Fund	ORBITS Revenue Acct	2009-2011 Actual	2011-13 Legislatively Adopted	2011-13 Estimated	2013-15		
						Agency Request	Governor's Recommended	Legislatively Adopted
Debt Service								
Interest	Limited Other	Interest Income	1,019					
Other	Limited Other	Other Revenue	635	3,000	1,000	1,000	1,000	1,000
Transfer In - Intrafund	Limited Other	Transfer In - Intrafund	1,421,805	1,415,600	1,415,600	1,301,850	1,301,850	1,301,850

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary

Version: Z - 01 - Leg. Adopted Budget

2013-15 Biennium

Cross Reference Number: 45900-400-00-00-00000

Debt Service

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
DEBT SERVICE (Excluding Packages)						
DEBT SERVICE						
Other Funds	1,423,075	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850
TOTAL DEBT SERVICE (Excluding Packages)						
Other Funds	1,423,075	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850
DEBT SERVICE (Current Service Level)						
Other Funds	1,423,075	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850
TOTAL DEBT SERVICE (Including Packages)						
Other Funds	1,423,075	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850
TOTAL BUDGET						
Other Funds	1,423,075	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

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BUDGET NARRATIVE

Facilities Maintenance and Management

Facilities Maintenance Discussion

PERS headquarters building was built in 1996 and the Department of Administrative Services, Facilities Division, has provided annual maintenance to building systems. There is no deferred maintenance due to the age of the building. There are sufficient dollars in the facilities maintenance account in PERS Essential Budget to cover the routine annual maintenance and occasional repairs to the building systems.

BUDGET NARRATIVE

Facilities Maintenance Summary Report

AGENCY: Public Employees Retirement System

Agency #: 45900

Value of Buildings and Building Improvements			Facilities Operations and Maintenance (O&M) Budget			
Cost of Buildings (as reported to Risk Management)	6/30/12 Replacement Value (Risk Management)		Personal Services	Services & Supplies	Total	
\$ 8,288,663	\$ 12,003,014		\$ 25,116	\$ 610,070	\$ 635,186	
Total Sq. Ft. of Bldgs: 60,220 sq. ft.		2011-13 Maint. Budget (no janitorial or utility) ÷ Square Feet of building: \$10.55 sq. ft.		Utilities Budget (and Janitorial): \$ 816,497		
Total Outstanding Deferred Maintenance			Deferred Maintenance Budget 2013-15			
As of 6/30/12	Categories 1-2	Categories 3-5	Total	Personal Services	Services & Supplies	Capital Outlay
Projected 6/30/13	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Briefly describe the software (or manual process) used to identify routine (including preventative) facility maintenance needs. We do not use tracking software to identify maintenance. DAS Facilities performs and schedules annual maintenance and preventative tasks.

What data elements do you track with software (or manual process) described above? Most of the maintenance tasks are annual requirements, and the facility manager monitors and coordinates the scheduling. So the requirements and scheduling are manually tracked.

Briefly describe how the facilities maintenance budget is developed (note whether software (or manual process) described above is used in budget development). There is no software used to develop the facilities maintenance budget. Most of it (over 80%) is set by DAS through estimates for the interagency facilities maintenance agreement that is listed with the biennial budget instructions. The remaining budget portion is used for unplanned DAS special project (non-IA) maintenance costs, and for non-DAS maintenance work. This portion is carried forward with inflation added.

Briefly describe the system or process used to identify Deferred Maintenance (e.g.; staff makes an annual estimate based on periodic assessments; evaluation of facilities using contract structural engineering firm, etc.) PERS has not had to defer any maintenance for the HQ building. All unplanned maintenance needs have been covered through existing budgets.

Briefly describe the process to provide funding for facilities maintenance. (e.g.; biennial appropriation; assessment to applicable programs to sustain a Capital Maintenance/ Improvement Fund authorized under ORS 276.285(2); etc.) Other Funds biennial appropriation.

Statutory references: ORS 276.229(2), ORS 276.227(5)

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___ Agency Request

___ Governor's Recommended

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BUDGET NARRATIVE

Facilities Operations and Maintenance Report

AGENCY Name: Public Employees Retirement System

Agency #: 45900

	2009-11 Actuals	FTE	Leg Approved 2011-13	FTE	2011-13 Estimates	FTE	2013-15 Budget	FTE
General Fund								
Personal Serv - Utilities & Janitorial	\$		\$		\$		\$	
Personal Services - Maintenance	\$		\$		\$		\$	
S&S - Utilities & Janitorial	\$		\$		\$		\$	
S&S - Maintenance	\$		\$		\$		\$	
GF Subtotal	<u>\$</u>		<u>\$</u>		<u>\$</u>		<u>\$</u>	
Lottery Funds								
Personal Serv - Utilities & Janitorial	\$		\$		\$		\$	
Personal Services - Maintenance	\$		\$		\$		\$	
S&S - Utilities & Janitorial	\$		\$		\$		\$	
S&S - Maintenance	\$		\$		\$		\$	
LF Subtotal	<u>\$</u>		<u>\$</u>		<u>\$</u>		<u>\$</u>	
Other Funds								
Personal Serv - Utilities & Janitorial	\$24,929	.14	\$27,089	.14	\$26,749	.14	\$29,302	.14
Personal Services - Maintenance	\$21,367	.12	\$23,219	.12	\$22,928	.12	\$25,116	.12
S&S - Utilities & Janitorial	\$679,352		\$768,745		\$695,848		\$787,195	
S&S - Maintenance	\$594,749		\$595,772		\$525,129		\$610,070	
OF Subtotal	<u>\$1,320,397</u>		<u>\$1,414,825</u>		<u>\$1,270,654</u>		<u>\$1,451,683</u>	
Federal Funds								
Personal Serv - Utilities & Janitorial	\$		\$		\$		\$	
Personal Services - Maintenance	\$		\$		\$		\$	
S&S - Utilities & Janitorial	\$		\$		\$		\$	
S&S - Maintenance	\$		\$		\$		\$	
FF Subtotal	<u>\$</u>		<u>\$</u>		<u>\$</u>		<u>\$</u>	
Total All Funds	<u>\$ 1,320,397</u>		<u>\$ 1,414,825</u>		<u>\$ 1,270,654</u>		<u>\$ 1,451,683</u>	

The Facilities Operations and Maintenance budget includes costs to operate and maintain facilities and keep them in repair including utilities, janitorial and maintenance costs. Maintenance costs are categorized as external building (roof, siding, windows, etc.); interior systems (electrical, mechanical, interior walls, doors, etc.); roads and ground (groundskeeper, parking lots, sidewalks, etc.) and centrally operated systems (electrical, mechanical, etc.). Agencies with significant facilities may include support staff if directly associated with facilities maintenance activities. Do not include other overhead costs such as accounting, central government charges, etc.

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___ Agency Request

___ Governor's Recommended

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Budget Page 223

BUDGET NARRATIVE

Facilities Deferred Maintenance Detail Report

AGENCY: Public Employees Retirement System

Agency #: 45900

Building Name or Identifier	Replacement Value (as of 6/30/12)	2013-15 Deferred Maintenance Budget for this Facility	Total O/S Deferred Maint. (projected) (as of 6/30/13)	Outstanding Deferred Maintenance (projected) by Category				
				1	-	2	3	-
Facilities > \$1 million (attach additional sheets if necessary)								
PERS HQ Building	\$ 12,003,014	\$ 0	\$ 0	\$ 0			\$ 0	
	\$	\$	\$	\$			\$	
	\$	\$	\$	\$			\$	
	\$	\$	\$	\$			\$	
	\$	\$	\$	\$			\$	
	\$	\$	\$	\$			\$	
	\$	\$	\$	\$			\$	
	\$	\$	\$	\$			\$	
	\$	\$	\$	\$			\$	
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	\$	\$	\$	\$			\$	
	\$	\$	\$	\$			\$	
	\$	\$	\$	\$			\$	
	\$	\$	\$	\$			\$	
	\$	\$	\$	\$			\$	
	\$	\$	\$	\$			\$	
	\$	\$	\$	\$			\$	
	\$	\$	\$	\$			\$	
From attached Sheets								
From page _____	\$	\$	\$	\$			\$	
From page _____	\$	\$	\$	\$			\$	
Total Facilities > \$1 million								
(total from detail above)	\$ 12,003,014	\$ 0	\$ 0	\$ 0			\$ 0	
Facilities < \$1 million								
(total for all facilities < \$1 million)	\$ 12,003,014	\$ 0	\$ 0	\$ 0			\$ 0	
Total all Facilities								
	\$ 12,003,014	\$ 0	\$ 0	\$ 0			\$ 0	
2013-15								
								107BF16c

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

Special Reports

Information Technology-Related Projects

(THAT EQUAL OR EXCEED \$150,000)							
Agency Name:	PUBLIC EMPLOYEES RETIREMENT SYSTEM						
Project Name:	DATA REPORTING						
Mandated Project?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			By: Legislature, Federal Gov, Other (identify it)			
Budget?	<input type="checkbox"/> Base <input checked="" type="checkbox"/> POP			Which agency or state plans or goals does it align with and/or support?			
Project Purpose	<input type="checkbox"/> Routine Lifecycle Replacement <input type="checkbox"/> Upgrade/Enhance Existing System <input checked="" type="checkbox"/> New System						
Project Status	<input checked="" type="checkbox"/> Concept Stage <input type="checkbox"/> Planning Stage <input type="checkbox"/> Ready to Implement <input type="checkbox"/> Continuation of Existing Project						
SDC Involvement	<input checked="" type="checkbox"/> None <input type="checkbox"/> Minor <input type="checkbox"/> Active <input type="checkbox"/> Participating Partner						
Estimate SDC Costs	\$ 0 <input type="checkbox"/> Preliminary Estimate <input type="checkbox"/> Project Design Estimate						
Project Description: Current enterprise-level reporting uses a basic data warehouse established to meet limited reporting needs. To respond to increased reporting needs and ORION system complexity, the agency seeks to reduce enterprise-level risks related to improper or inconsistent data reporting with the achievement of six specific objectives: 1) develop and implement a consistent enterprise-level data dictionary; 2) develop consistent business definitions and programming code; 3) identify and implement an enterprise-level data reporting tool; 4) re-design the current data warehouse to make data access easier and to expand role-based data access; 5) develop and implement standard report templates; and, 6) establish a "center of expertise" to enhance the agency's ability to consistently provide data in an accurately and timely manner.							
Cost Summary							
Total estimated cost by fund (13-15):	General Fund	Lottery Funds	Other Funds	Non-Limited	Federal Funds	Non-Limited	Total Funds
	\$	\$	\$460,000	\$	\$	\$	\$460,000
Total estimated cost by fund (all biennia):	\$	\$	\$460,000	\$	\$	\$	\$460,000
Estimated Cost by category (13-15):	Personal Services		Services & Supplies	Capital Outlay	Special Payments	Debt Service	
			\$260,000	\$200,000	\$	\$	
Estimated Cost by category (all biennia):			\$260,000	\$200,000	\$	\$	
Expected Start Date:		7/1/2013				Positions: Internal	
Expected Completion Date:		6/30/2015				Contractor	Various
						FTE:	

BUDGET NARRATIVE

Definitions:

Project Purpose:

- Routine Lifecycle Replacement—Normal and regularly scheduled, part of the normal planned lifecycle replacement cycle
- Upgrading or Enhancing an Existing System—Change to an existing information system that results in improvements in functionality or enables the system to continue being supported by the vendor. Improved functionality enables the system to perform new tasks.
- New System—Developing or acquiring and using a new information system

Project Status

- Concept Stage - Determining the feasibility and benefits of the project. The Agency may or may not move forward with the project upon completion of this stage.
- Planning Stage - Project is in the planning stages and will move forward at some point in time upon receipt of legislative approval/funding
- Ready to Implement - The planning is near final stage and this project will be implemented upon receipt of legislative approval/funding
- Continuation of Existing Project - Project covers more than a single biennium. This funding request represents the portion of the project still to complete.

State Data Center (SDC) Involvement

- None—Project does not have an impact on the SDC
- Minor—SDC involvement is expected to be minimal (e.g. less than 8 hours of work)
- Active—Will need to have specific actions taken by the SDC in order to complete project that will require SDC involvement (e.g. between 8 and 80 hours)
- Participating Partner—Will need to work with SDC for significant time to insure that the project can move into production. SDC time greater than 80 hours. Examples may include SDC architecture and provisioning work.

Estimate SDC Costs

- Preliminary Estimate - Rough Order of Magnitude estimate based on high level project information available at the current stage in the project's lifecycle
- Project Design Estimate – Cost estimate based on detailed project information (i.e. cost estimate provided after some level of architecture and design work between the agency and the SDC has been completed)

BUDGET NARRATIVE

(THAT EQUAL OR EXCEED \$150,000)

Agency Name:	PUBLIC EMPLOYEES RETIREMENT SYSTEM						
Project Name:	STORAGE AREA NETWORK (SAN)						
Mandated Project?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	By: Legislature, Federal Gov, Other (identify it)					
Budget?	<input type="checkbox"/> Base <input checked="" type="checkbox"/> POP	Which agency or state plans or goals does it align with and/or support?					
Project Purpose	<input checked="" type="checkbox"/> Routine Lifecycle Replacement		<input type="checkbox"/> Upgrade/Enhance Existing System		<input type="checkbox"/> New System		
Project Status	<input checked="" type="checkbox"/> Concept Stage		<input type="checkbox"/> Planning Stage		<input type="checkbox"/> Ready to Implement <input type="checkbox"/> Continuation of Existing Project		
SDC Involvement	<input checked="" type="checkbox"/> None		<input type="checkbox"/> Minor		<input type="checkbox"/> Active <input type="checkbox"/> Participating Partner		
Estimate SDC Costs	\$ 0		<input type="checkbox"/> Preliminary Estimate		<input type="checkbox"/> Project Design Estimate		
Project Description:							
<p>PERS' current production SAN is over six years old, reached the end of IBM's product offering life in August of 2009, and is scheduled to reach IBM's end of product support in August of 2014. While the agency has the option of purchasing extended support beyond 2014, the current SAN is configured for maximum data storage capacity and does not provide a viable ongoing solution for PERS, which is increasingly dependent on document/image storage, historical data, Disaster Recovery/Business Continuity Planning (DR/BCP). Replacing the current SAN with newer and scalable SAN technology will provide more flexibility for future growth and support all business requirements including DR/BCP solutions.</p>							
Cost Summary							
Total estimated cost by fund (13-15):	General Fund	Lottery Funds	Other Funds	Non-Limited	Federal Funds	Non-Limited	Total Funds
	\$	\$	\$500,000	\$	\$	\$	\$500,000
Total estimated cost by fund (all biennia):	\$	\$	\$500,000	\$	\$	\$	\$500,000
Estimated Cost by category (13-15):	Personal Services		Services & Supplies	Capital Outlay		Special Payments	Debt Service
	\$		\$175,000	\$325,000		\$	\$
Estimated Cost by category (all biennia):	\$		\$175,000	\$325,000		\$	\$
Expected Start Date:		7/1/2013		Positions:		Internal	
Expected Completion Date:		6/30/214		Contractor		Various	
				FTE:			

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

Definitions:

Project Purpose:

- Routine Lifecycle Replacement—Normal and regularly scheduled, part of the normal planned lifecycle replacement cycle
- Upgrading or Enhancing an Existing System—Change to an existing information system that results in improvements in functionality or enables the system to continue being supported by the vendor. Improved functionality enables the system to perform new tasks.
- New System—Developing or acquiring and using a new information system

Project Status

- Concept Stage - Determining the feasibility and benefits of the project. The Agency may or may not move forward with the project upon completion of this stage.
- Planning Stage - Project is in the planning stages and will move forward at some point in time upon receipt of legislative approval/funding
- Ready to Implement - The planning is near final stage and this project will be implemented upon receipt of legislative approval/funding
- Continuation of Existing Project - Project covers more than a single biennium. This funding request represents the portion of the project still to complete.

State Data Center (SDC) Involvement

- None—Project does not have an impact on the SDC
- Minor—SDC involvement is expected to be minimal (e.g. less than 8 hours of work)
- Active—Will need to have specific actions taken by the SDC in order to complete project that will require SDC involvement (e.g. between 8 and 80 hours)
- Participating Partner—Will need to work with SDC for significant time to insure that the project can move into production. SDC time greater than 80 hours. Examples may include SDC architecture and provisioning work.

Estimate SDC Costs

- Preliminary Estimate - Rough Order of Magnitude estimate based on high level project information available at the current stage in the project's lifecycle
- Project Design Estimate – Cost estimate based on detailed project information (i.e. cost estimate provided after some level of architecture and design work between the agency and the SDC has been completed)

BUDGET NARRATIVE

(THAT EQUAL OR EXCEED \$150,000)										
Agency Name:	PUBLIC EMPLOYEES RETIREMENT SYSTEM									
Project Name:	MAINTENANCE AND ENHANCEMENTS									
Mandated Project?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			By: Legislature, Federal Gov, Other (identify it)						
Budget?	<input type="checkbox"/> Base <input checked="" type="checkbox"/> POP			Which agency or state plans or goals does it align with and/or support?						
Project Purpose	<input type="checkbox"/> Routine Lifecycle Replacement <input checked="" type="checkbox"/> Upgrade/Enhance Existing System <input type="checkbox"/> New System									
Project Status	<input type="checkbox"/> Concept Stage <input checked="" type="checkbox"/> Planning Stage <input type="checkbox"/> Ready to Implement <input type="checkbox"/> Continuation of Existing Project									
SDC Involvement	<input checked="" type="checkbox"/> None <input type="checkbox"/> Minor <input type="checkbox"/> Active <input type="checkbox"/> Participating Partner									
Estimate SDC Costs	\$ 0 <input type="checkbox"/> Preliminary Estimate <input type="checkbox"/> Project Design Estimate									
<p>Project Description:</p> <p>PERS needs to maintain the ORION platform with upgrades, patches, and new components in order to continue to provide a continued high level of customer service and responsiveness. These enhancements will be performed by a combination of internal staff and external contractors. The funds requested will be used to address complex system maintenance and enhancement activities that arise out of system defects, functionality gaps, additional stakeholder needs, new/changed pension plan business rules, and agency business strategy. and the overall objective is to ensure that ORION continues to meet the business and operation needs of the agency and enables staff to meet agency goals and service levels.</p>										
Cost Summary										
Total estimated cost by fund (13-15):	General Fund	Lottery Funds	Other Funds	Non-Limited	Federal Funds	Non-Limited	Total Funds			
	\$	\$	\$900,000	\$	\$	\$	\$900,000			
Total estimated cost by fund (all biennia):	\$	\$	\$1,300,000	\$	\$	\$	\$1,300,000			
Estimated Cost by category (13-15):	Personal Services		Services & Supplies		Capital Outlay		Special Payments		Debt Service	
			\$610,000		\$290,000		\$		\$	
Estimated Cost by category (all biennia):			\$610,000		\$690,000		\$		\$	
						Positions: Internal				
Expected Start Date:		07/01/13				Contractor		Various		
Expected Completion Date:		06/30/15				FTE:				

BUDGET NARRATIVE

Definitions:

Project Purpose:

- Routine Lifecycle Replacement—Normal and regularly scheduled, part of the normal planned lifecycle replacement cycle
- Upgrading or Enhancing an Existing System—Change to an existing information system that results in improvements in functionality or enables the system to continue being supported by the vendor. Improved functionality enables the system to perform new tasks.
- New System—Developing or acquiring and using a new information system

Project Status

- Concept Stage - Determining the feasibility and benefits of the project. The Agency may or may not move forward with the project upon completion of this stage.
- Planning Stage - Project is in the planning stages and will move forward at some point in time upon receipt of legislative approval/funding
- Ready to Implement - The planning is near final stage and this project will be implemented upon receipt of legislative approval/funding
- Continuation of Existing Project - Project covers more than a single biennium. This funding request represents the portion of the project still to complete.

State Data Center (SDC) Involvement

- None—Project does not have an impact on the SDC
- Minor—SDC involvement is expected to be minimal (e.g. less than 8 hours of work)
- Active—Will need to have specific actions taken by the SDC in order to complete project that will require SDC involvement (e.g. between 8 and 80 hours)
- Participating Partner—Will need to work with SDC for significant time to insure that the project can move into production. SDC time greater than 80 hours. Examples may include SDC architecture and provisioning work.

Estimate SDC Costs

- Preliminary Estimate - Rough Order of Magnitude estimate based on high level project information available at the current stage in the project's lifecycle
- Project Design Estimate – Cost estimate based on detailed project information (i.e. cost estimate provided after some level of architecture and design work between the agency and the SDC has been completed)

BUDGET NARRATIVE

Audit Response Report

The following reports were completed and / or issued by the Secretary of State or the Joint Legislative Audit Committee in the 2009-2011 biennium and thus far in the 2011-2013 biennium:

2011-2013:

- The annual audit of the PERS Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011, was issued in December 2011 by the CPA firm, Macias, Gini, & O'Connell, LLP, under contract with the Secretary of State Audits Division (OAD). One material weakness and two significant deficiencies were identified. The auditors also identified additional observations of lesser significance for management's consideration. PERS management is working on the resolving this matters, some of which require partnering with the Oregon State Treasury to resolve.

Material Weakness

Finding #1: The System has not established internal controls or evaluated the related third-party administrator's internal controls over the processing and recording of SRHIA fund transactions, which is a critical component of plan administration and financial reporting. Without such controls there is a risk that amounts reported in the System's financial statement are not complete or accurate. Furthermore, there is a risk that the SRHIA fund's activities do not comply with plan or legal provisions and financial reporting requirements.

Status: Partially complete. The reporting for the PERS SRHIA fund has been a complex matter. PERS sought advice from the Governmental Accounting Standards Board (GASB), which was followed for years and passed several financial audits without concern. Based on the modified guidance secured during this audit, we will now report this program as a public entity risk pool, using an enterprise fund. To address the concerns over third-party administrator controls, we will be requiring a report on controls in accordance with Statement on Standards for Attestation Engagements (SSAE). This requirement will be included in the new contract for third party administrator services. Regarding the legal provisions, PERS has recently received advice from the Department of Justice and will be acting on it accordingly

Significant Deficiencies

Finding #2: PERS should establish a process for identifying and properly accounting for new or unique transactions. The process should include formal documentation of the issue, pertinent background information, relevant legal and/or accounting guidance and the conclusions reached. The documentation should be prepared by personnel with sufficient experience and reviewed by appropriate management personnel. Formal documentation will reduce staff and audit inefficiencies and ensure that transactions are properly and consistently reported in the financial statements.

BUDGET NARRATIVE

Status: In Process. PERS is working with the Oregon State Treasury to resolve some of the concerns noted in this finding. OST initiated a project in 2011 to redesign financial reporting processes to standardize the work they perform to ensure that investment balances and financial disclosures are fairly presented to the OPERF in conformity with generally accepted accounting principles. Internally, PERS will establish a formal process to identify, research, and document unique transactions and new accounting issues.

Finding #3: Management should employ the following processes: 1) Establish more effective review and reconciliation policies and procedures as a customary part of the accounting process. 2) Perform monthly or quarterly reconciliations between OST, the custodian bank, external investment managers and the investment consultant's records. Also establish a formal oversight function for the tasks completed by the investment consultants. 3) Verify that appraised values are properly reflected in the partner's financial statements. For real estate partnerships that were not appraised as of fiscal year-end, appropriate personnel should review the partnerships' June 30 financial information to ensure significant changes in fair value are properly reflected in the partnerships' June 30 financial statements. 4) Reconcile sub ledgers to the G/L. Establish a policy, whereby all sub ledgers are reconciled to the G/L monthly. In addition, appropriate management-level personnel should review the reconciliations for accuracy and document evidence of their review for audit purposes. 5) Investigate and resolve variances timely.

Status: In Process. PERS is working with the Oregon State Treasury to resolve some of the concerns noted in this finding. OST will modify the review process to ensure that June 30th data is reviewed. This will cause a significant delay in when PERS receives the information needed to complete their financial statement preparation. OST will implement this change for FY12. OST is currently taking a look at improvements that can be made to the reconciliation process. Due to limited OST staffing, many of the reconciliations are performed by 3rd party consultants. OST will work to identify process improvements to the oversight of those consultants. This project is expected to be completed by 6/30/13. The PERS computer system (jClarety) was not designed to report account balances except at the individual level. Reconciling jClarety to the G/L will require additional research and may require additional system modifications. We will work with our Business Process Owners and ISD to determine a solution and implementation timeline. Monthly pension roll activity reported by jClarety has been reconciled to the G/L since implementation in June of 2011. Daily activity will be reviewed and a methodology will be developed by 6/30/13. Daily reconciliations of the 45901 payments was developed in April 2012 and reconciliations completed from January 2012 to date. Adjustments have been processed on a monthly basis.

BUDGET NARRATIVE

2009-2011:

- The annual audit of the PERS Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010, was issued in December 2010 by the Secretary of State Audits Division (OAD). No reportable conditions were reported and no management letter was issued.
- The annual audit of the PERS Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009, was issued in December 2009 by the Secretary of State Audits Division (OAD). No reportable conditions were reported and no management letter was issued.

BUDGET NARRATIVE

Affirmative Action Report

PROGRESS MADE OR LOST SINCE LAST BIENNIUM

During the 2011-2013 biennium, PERS has been involved with activities to attract and retain a diverse workforce and have met or exceeded parity in some EEO categories. For people of color, there were gains in the Officials/Administrators, Technicians and the Professional categories. The information in the charts below came from the Workforce Representation Reports, which are included in this Affirmative Action Plan and can be reviewed for more detailed information about the workforce representation at PERS.

There is still work required to reach parity in some EEO categories, and PERS continues to work to meet and exceed parity in all EEO categories. The plan of action for 2013-2015 biennium is discussed later in this narrative.

The charts below show the changes in numbers of employees for Women, People with Disabilities, People of Color, and each subcategory for people of color between July 1, 2011 and June 30, 2012.

WORKFORCE REPRESENTATION

WORKFORCE REPRESENTATION			WOMEN		
EEO-4 CATEGORY	TOTAL EE 2009-2011	NUMBER WOMEN 2009-2011	TOTAL EE 2011-2013	NUMBER WOMEN 2011-2013	% CHANGE IN # WOMEN
A. Officials/Admin	31	12	33	13	8.33%
B. Professionals	244	148	245	156	5.41%
C. Technicians	7	4	6	2	-50.00%
F. Admin Support	61	56	58	51	-8.93%
AGENCY TOTAL	343	220	342	222	0.91%
Note change in number of total agency employees:			-0.29%		

2009-2011 data from June 2011 DAS statistics - 2011-2013 data from June 2012 DAS statistics.

Women:

We increased our percentage of women by 0.91% in the 2011-2013 biennium compared to the 2009-2011 biennium. The total number of employees, (men and women) in the agency decreased by 0.29%. We experienced an increase in our women representation in the Professionals and Official/Administrators categories. We experienced a decrease in our women representation in the Administrative support and Technicians categories. Even though we decreased our representation of women in both the

BUDGET NARRATIVE

Technicians and the Administrative support categories, we are still not underutilized. In our current and future recruitments, we will continue to make our managers aware of the underutilization of females in the Professionals and Officials/Administrators categories.

WORKFORCE REPRESENTATION			PEOPLE WITH DISABILITIES		
EEO-4 CATEGORY	TOTAL EE 2009-2011	NUMBER DISABLED 2009-2011	TOTAL EE 2011-2013	NUMBER DISABLED 2009-2011	% CHANGE IN # DISABLED
A. Officials/Admin	31	1	33	1	0.00%
B. Professionals	244	10	245	10	0.00%
C. Technicians	7	0	6	0	0.00%
F. Admin Support	61	4	58	4	0.00%
AGENCY TOTAL	343	15	342	15	0.00%
Note change in number of total agency employees:			-0.29%		

2009-2011 data from June 2011 DAS statistics - 2011-2013 data from June 2012 DAS statistics.

People with Disabilities:

4% of our total employees have disabilities. We post our job links with various Vocational Rehabilitation Services in the area. We continue to be welcoming to people with disabilities by providing access and reasonable accommodations under the Americans with Disabilities Act. There wasn't a change in our percentage of disabled employees in the 2011-2013 biennium compared to the 2009-2011 biennium. The total number of employees, (men and women) in the agency decreased by 0.29%. There were no changes in our Professionals, Technicians, Administrative Support or Officials/Administrators categories. Although there were no changes in those categories, we are still underutilized in the Professionals and Officials/Administrators. In our current and future recruitments, we will continue to make our managers aware of the underutilization of disabled persons in the Officials/Administrators and Professional categories.

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WORKFORCE REPRESENTATION			PEOPLE OF COLOR		
EEO-4 CATEGORY	TOTAL EE 2009-2011	NUMBER POC 2009-2011	TOTAL EE 2011-2013	NUMBER POC 2011-2013	% CHANGE IN # POC
A. Officials/Admin	31	2	33	3	50.00%
B. Professionals	244	31	245	40	29.03%
C. Technicians	7	0	6	1	100.00%
F. Admin Support	61	8	58	7	-12.50%
AGENCY TOTAL	343	41	342	51	24.39%
Note change in number of total agency employees:			-0.29%		

2009-2011 data from June 2011 DAS statistics - 2011-2013 data from June 2012 DAS statistics.

People of Color:

There was a significant positive change in our overall percentage of people of color in the 2011-2013 biennium compared to the 2009-2011 biennium; despite the total number of employees (men and women) in the agency decreased by 0.29%. We increased our percentage of Professionals by 29.03%, Officials/Administrators by 50% and Technicians by 100%. We have experienced a decrease in our people of color representation in the Administrative Support category. Although we gained in the people of color Professionals and Officials/Administrators, we are still underutilized. In our current and future recruitments, we will continue to make our managers aware of the underutilization of people of color in the Officials/Administrators and Professionals categories.

BUDGET NARRATIVE

Breakdown of People of Color by Category:

WORKFORCE REPRESENTATION			AFRICAN AMERICANS		
	TOTAL EE	NUMBER	TOTAL EE	NUMBER	% CHANGE IN
EEO-4 CATEGORY	2009-2011	AFRIC AM 2009-2011	2011-2013	AFRIC AM 2011-2013	# AFRICAN AM
A. Officials/Admin	31	0	33	0	0.00%
B. Professionals	244	1	245	4	300.00%
C. Technicians	7	0	6	0	0.00%
F. Admin Support	61	0	58	0	0.00%
AGENCY TOTAL	343	1	342	4	300.00%
Note change in number of total agency employees:			-0.29%		

2009-2011 data from June 2011 DAS statistics - 2011-2013 data from June 2012 DAS statistics.

For African Americans, there was no change reported in the Technicians, Officials/Administrators or Administrative Support categories. We experienced an increase in representation in the Professionals category by 300%. We lost ground on hiring African Americans into management and professional positions and are below our goal. We will continue to target this group by developing relationships with the Portland Urban League, and having diverse interview panels. We have been in contact with the Portland Urban League to collaborate on activities that will attract African American candidates to PERS, such as offering informational interviews to diverse individuals. We will encourage African American employees to be part of our presentation team for recruitment at job fairs and interview panels. Increasing our number of African American professionals will give them experience within PERS to encourage future promotions into management, other professional and technical positions.

WORKFORCE REPRESENTATION			HISPANIC AMERICANS		
	TOTAL EE	NUMBER	TOTAL EE	NUMBER	% CHANGE IN
EEO-4 CATEGORY	2009-2011	HISP AM 2009-2011	2011-2013	HISP AM 2011-2013	HISPANIC AM
A. Officials/Admin	31	1	33	1	0.00%
B. Professionals	244	5	245	3	-40.00%
C. Technicians	7	0	6	0	0.00%
F. Admin Support	61	2	58	2	0.00%
AGENCY TOTAL	343	8	342	6	-25.00%
Note change in number of total agency employees:			-0.29%		

2009-2011 data from June 2011 DAS statistics - 2011-2013 data from June 2012 DAS statistics.

BUDGET NARRATIVE

For Hispanic Americans, there was no change reported in the Administrative Support, Technicians or Officials/Administrators categories. Our representation in the Professionals category decreased by 40%, causing us to be underutilized. These will be areas of emphasis for the 2013-2015 biennium. Although we are below the goal for Hispanic Americans, we continue to do outreach through developing relationships with key Hispanic centers. PERS attended the Hispanic Metro Chamber job fair in June 2012 to promote PERS as an employer of choice. We networked with people of the Hispanic Community and encouraged them to consider PERS employment opportunities. We will continue to target this group with our advertisements and have diverse interview panels. We will encourage Hispanic American employees to be part of our presentation team for recruitment.

WORKFORCE REPRESENTATION			ASIA/PACIFIC ISLANDER AMERICAN		
EEO-4 CATEGORY	TOTAL EE	NUMBER	TOTAL EE	NUMBER	% CHANGE IN
	2009-2011	ASIA/PAC AM 2009-2011	2011-2013	ASIA/PAC AM 2011-2013	# ASIA/PAC ISL AM
A. Officials/Admin	31	1	33	1	0.00%
B. Professionals	244	22	245	30	36.36%
C. Technicians	7	0	6	1	100.00%
F. Admin Support	61	6	58	5	-16.67%
AGENCY TOTAL	343	29	342	37	27.59%
Note change in number of total agency employees:			-0.29%		

2009-2011 data from June 2011 DAS statistics - 2011-2013 data from June 2012 DAS statistics.

For Asian/Pacific Islanders, we increased our overall representation by 27.59%. We experienced a decrease in representation in the Administrative Support category. Even though we lost representation in this category, we are not underutilized. We will continue to target this group with our advertisements and have diverse interview panels. We will encourage Asian American employees to be part of our presentation team for recruitment.

BUDGET NARRATIVE

WORKFORCE REPRESENTATION			NATIVE AMERICAN		
EEO-4 CATEGORY	TOTAL EE 2009-2011	NUMBER NAT AM 2009-2011	TOTAL EE 2011-2013	NUMBER NAT AM 2011-2013	% CHANGE IN # NATIVE AM
A. Officials/Admin	31	0	33	1	100.00%
B. Professionals	244	3	245	3	0.00%
C. Technicians	7	0	6	0	0.00%
F. Admin Support	61	0	58	0	0.00%
AGENCY TOTAL	343	3	342	4	33.33%
Note change in number of total agency employees:			-0.29%		

2009-2011 data from June 2011 DAS statistics - 2011-2013 data from June 2012 DAS statistics.

For Native Americans, we increased our overall agency representation by 33.33%. We experienced an increase in the Officials/Administrators by 100%. There were no changes reported in the Professionals, Technicians or Administrative Support categories. We are still underutilized in the Native American representation of professional and Officials/Administrators. These will be areas of emphasis for the 2013-2015 biennium. We will continue to do outreach activities by contacting the local Confederated Tribes of Grand Ronde to see if we can put ads or articles in their tribal newsletter and contact the Oregon Native American Chamber of Commerce to discuss partnering with them.

During the 2013-2015 biennium, efforts will be focused on attracting and retaining a diverse workforce, including women, people with disabilities, and people of color. Although disclosing information about ethnicity or disability is purely voluntary in the application process, PERS will attempt to capture more accurate statistics about our workforce representation through voluntary disclosure once the employee is hired.

BUDGET NARRATIVE

Summary

Although PERS met many of its Affirmative Action goals, PERS continues to work towards meeting the long range goals for the 13-15 biennium. However, recruiting people of color continues to be a challenge for management positions.

PERS continues to have diverse interview panels and provides training for managers on interviewing and promoting cultural awareness. We provided harassment/discrimination training for all managers and staff in 2009, and will conduct this training again in the fourth quarter of 2012. We need to increase the presence of women and people of color in our candidate pools and to find ways of making PERS more welcoming to diverse groups of people. In 2005, PERS hired a consultant to conduct Cultural Competency training for managers and executives to educate them on diversity and how to create a welcoming work environment for PERS employees with diverse backgrounds. In 2009, we again provided training to all employees on cultural competency and how to make PERS a welcoming environment and an employer of choice.

Within our agency, Executive Managers have been attending new employee orientation to meet new employees and have a friendly face for contact. Additionally, there is a new segment in the orientation to make new employees aware of the Diversity Committee, their purpose, and to create cultural awareness. We will continue to increase our diversity promotions within PERS to make women, people of color, and people with disabilities feel welcome.

PERS met some of the long-range goals for the 11-13 biennium. However, it is important to note that approximately 30 of our current 364 positions are limited duration. These will end June 30, 2013, and may create layoffs in the work force. This may affect PERS goals of hiring diverse candidates into permanent positions, as we do not know how many layoffs will occur or what positions or categories will be effected by the layoffs.

PERS does extensive recruitment through colleges, companies facing reductions in workforce, alternative newspapers, Job Corps, the Department of Veterans Affairs Vocational Rehab and Employment, other Vocational Rehabilitation Services, and the Internet. We use the Career Builder website as well as Monster and Craigslist. We go through organizations related to specific positions such as Human Resources, Information Technology or Accounting.

PERS will work on increasing diversity activities to encourage retention of women and people of color. We will continue to write diversity articles for the *Percolator*, our internal newsletter, and support activities through the Diversity Committee.

BUDGET NARRATIVE

STRATEGIES AND TIMELINES FOR IMPLEMENTATION

1. PERS incorporated Affirmative Action goals into management service performance evaluations in 2005; however, timely evaluations for management service employees could be improved. In the 2013-2015 biennium, our goal is to have completed 100% of management performance evaluations. PERS HR staff will implement the Halogen electronic performance management system in January 2012 to assist with getting performance evaluations completed on time. HR staff also assists managers with developing a timeline to bring management performance evaluations current and timely to ensure managers are being measured on their responsibilities to support agency and state affirmative action goals and efforts.
2. In the next biennium, PERS will continue to utilize creative means to advertise vacancies to people of color, people with disabilities, and women. We will also continue to maintain a consistent presence and relationship with organizations that target their relationship with people of color through advertising of positions to encourage readers to identify PERS as an employer that values diversity.
3. The Affirmative Action Plan will be reviewed and activities discussed at both the Executive staff meetings and Manager's Meetings in 2013-2015. Executive staff meetings are held weekly; manager's meetings are held twice a month on the second and fourth Thursdays. The schedule to review quarterly affirmative action reports for 2013 will be as follows (2014 & 2015 schedule to be determined):

Executive Staff Meetings

February, 2013: (report from 4th quarter 2012)
April, 2013: (report from 1st quarter 2013)
July, 2013: (report from 2nd quarter 2013)
October 2013: (report from 3rd quarter 2013)
January, 2014: (cover report from 4th quarter 2013)

Manager's Meetings

January, 2013: (report from 4th quarter 2012)
May, 2013: (report from 1st quarter 2013)
July, 2013: (report from 2nd quarter 2013)
November, 2013: (report from 3rd quarter 2013)
February, 2014 (report from 4th quarter 2013)

BUDGET NARRATIVE

4. The recommendations from the 2005 Cultural Competency Assessment have all been implemented. In the 2009-2011 Affirmative Action plan, two of the goals were to continue to implement the following recommendations in the 2009-2011 biennium:

- *“Educate employees on diversity and affirmative action and develop a basic understanding of cultural competencies and how each one plays a role in the individual and workplace.”*
- *“Institute an ongoing assessment of what is working at PERS and what could be improved.”*

PERS conducted additional multi-cultural training in 2009 by having an external consultant train all employees on being culturally competent. Feedback from that training indicated a need for employees to develop additional skills in helping them relate productively to others in the workplace. “PERS Professional Competency Series” was developed consisting of a set of six development courses. The courses were attended by employees during 2011 and 2012. Feedback from the series will be used to assess, design, and deliver the next set of competencies which will be offered in 2014 and 2015. A schedule of courses and timeline for implementation: to be determined.

5. The PERS Diversity Committee is currently putting together an events calendar for 2013-2015.
6. PERS employees and managers will continue through the next biennium to support the Diversity Committee by encouraging employees to participate on the committee when openings are available, volunteering to participate in Diversity activities, and supplying other resources as necessary.
7. PERS will educate and train all employees on the Affirmative Action Plan and preventing workplace harassment and discrimination. Completion of the course “Promote a Respectful Workplace by Preventing Discrimination and Harassment” and the “Maintaining a Professional Workplace” policy will be required of all employees and will be completed by the end of 2014.
8. PERS will participate in job fairs as appropriate over the 2013-2015 biennium, including continuing our attendance at diverse job fairs such as the Urban League job fair held in Portland, as well as the Latino Career Fair held in Portland. PERS will also participate in job fairs that are targeted to all job seekers, and do not specify any protected class.
9. Human Resources currently provides one-on-one career counseling to any employee at PERS that wants to take advantage of the service. A “Career Development” website is available to employees and will be updated with the latest materials. Managers will be encouraged to post developmental opportunities such as work-out of class assignments and job rotations so that more employees have an opportunity to participate.

BUDGET NARRATIVE

10. PERS will attempt to at least equal or increase the percentage of temporary employees hired as PERS employees from the 2011-2013 biennium.
11. PERS will continue community outreach activities that serve diverse populations. Volunteer activities at the Oregon Food Bank are currently scheduled. Activities for 2013-2015 for both the Oregon Food Bank and the Transitional School will be scheduled in late 2012. PERS will continue support of the Transitional School program by hosting “Halloween” and “Back to School” activities in both 2013 and 2014, and 2015.
12. PERS Affirmative Action representative will consistently attend Affirmative Action workshops. The goal is to increase management personnel attendance at Affirmative Action workshops.
13. PERS will continue to use the Affirmative Action Plan in recruitments. PERS used to put the Affirmative Action parity report in with the manager’s hiring packets; however, since the advent of E-recruit, the system is now electronic. PERS will electronically attach and send parity reports electronically to the hiring manager to ensure Affirmative Action goals are understood and considered during the hiring process.

Assessment data gathered from employees who attend the “Professional Competency Series” courses will be used to develop and implement additional competency training for staff in 2013-2015. A series of courses will be scheduled sometime in the biennium (courses and schedule TBD).

BUDGET NARRATIVE

HB 4131 Report

PERS has increased the supervisory management to staff ratio from 1:9 to 1:10, meeting the Agency's requirement for October 2013. This is confirmed by the attached February 5, 2013 letter from the Department of Administrative Services / Human Resource Services Division (DAS / HRSD).

BUDGET NARRATIVE



Oregon

John A. Kitzhaber, MD, Governor

Department of Administrative Services

Human Resource Services Division

155 Cottage Street NE, U30

Salem, OR 97301

FAX: (503) 373-7684

February 5, 2013

Via Email Only

Paul Cleary, Director
Public Employees Retirement System
11410 S.W. 68th Parkway
Tigard, OR 97281

Re: 2012-13 Agency Ratio – HB 4131

Dear Director Cleary:

On February 5, 2013, we received confirmation the agency's personnel actions have been entered into the system. These personnel actions enable the Public Employees Retirement System to attain a plus one ratio from 9 to 1 to 10 to 1 non-supervisory to supervisory budgeted positions.

This letter serves as your notification for the reporting period of November 1, 2012 through October 31, 2013, the Public Employees Retirement System has achieved its plus one goal of 10 to 1 in terms of supervisory ratio. While you are no longer subject to DAS approval for hiring supervisory positions, we would encourage you to continue to take the necessary actions to get you to the required ratio for the next reporting period. If your agency falls below your required supervisor to employee ratio for this reporting period, you will again be subject to the approval process for filling supervisory positions. On November 1, 2013, the agency's baseline ratio will reset and it will again be subject to the supervisory hiring restrictions.

If you have any questions, please do not hesitate to contact me, Twyla Lawson at 503-373-7677 or Susan Hoeye at 503-378-8301.

Sincerely,

Clyde Saiki
Interim Chief Human Resource Officer

c: Sue Korn, PERS HR
Ken Rocco, LFO
Daron Hill, LFO
Brian DeForest, DAS BAM
Donna Lantz, CHRO/PPDB
HRSD Exception Staff

BUDGET NARRATIVE

ORBITS and PICS Reports

ORBITS Report

The following reports are contained in this section:

BSU003A	Summary Cross Reference Listing and Packages
BSU004A	Policy Package List by Priority
BDV103A	Budget Support – Detail Revenues and Expenditures
ANA100A	Version/Column Comparison – Detail
ANA101A	Package Comparison – Detail

PICS Report

The following reports are contained in this section:

PPDPLBUDCL	Summary List by Pkg. by Summary XREF
PPDPLAGYCL	Summary List by Pkg. by Agency
PPDPLWSBUD	Detail Listing by Summary XREF Agency
PPDPFISCAL	Package Fiscal Impact Report

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

**Summary Cross Reference Listing and Packages
2013-15 Biennium**

Agency Number: 45900

BAM Analyst: Carbone, James

Budget Coordinator: Barnett, Linda - (503)603-7570

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
100-00-00-00000	Tier One and Tier Two Plan	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	021	0	Phase-in	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	022	0	Phase-out Pgm & One-time Costs	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	031	0	Standard Inflation	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	032	0	Above Standard Inflation	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	033	0	Exceptional Inflation	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	050	0	Fundshifts	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	060	0	Technical Adjustments	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	070	0	Revenue Shortfalls	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	082	0	September 2012 E-Board	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	083	0	December 2012 E-Board	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	090	0	Analyst Adjustments	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	091	0	Statewide Administrative Savings	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	092	0	PERS Taxation Policy	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	093	0	Other PERS Adjustments	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	801	0	End-Of-Session Bill Adjustments	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	802	0	Supplemental Statewide Ending Balance	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	803	0	HB 2322 Program Change Bill	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	810	0	LFO Analyst Adjustments	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	811	0	Compliance Plan for SB 5701 (2012)	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	820	0	End of Session Bill (HB 5008)	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	841	0	SB 822 - Administrative Costs	Policy Packages

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Summary Cross Reference Listing and Packages
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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Summary Cross Reference Listing and Packages

Agency Number: 45900

2013-15 Biennium

BAM Analyst: Carbone, James

Budget Coordinator: Barnett, Linda - (503)603-7570

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
200-00-00-00000	Oregon Public Service Retirement Plan	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	021	0	Phase-in	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	022	0	Phase-out Pgm & One-time Costs	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	031	0	Standard Inflation	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	032	0	Above Standard Inflation	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	033	0	Exceptional Inflation	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	050	0	Fundshifts	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	060	0	Technical Adjustments	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	070	0	Revenue Shortfalls	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	082	0	September 2012 E-Board	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	083	0	December 2012 E-Board	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	090	0	Analyst Adjustments	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	091	0	Statewide Administrative Savings	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	092	0	PERS Taxation Policy	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	093	0	Other PERS Adjustments	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	801	0	End-Of-Session Bill Adjustments	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	802	0	Supplemental Statewide Ending Balance	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	803	0	HB 2322 Program Change Bill	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	810	0	LFO Analyst Adjustments	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	811	0	Compliance Plan for SB 5701 (2012)	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	820	0	End of Session Bill (HB 5008)	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	841	0	SB 822 - Administrative Costs	Policy Packages

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Summary Cross Reference Listing and Packages

2013-15 Biennium

Agency Number: 45900

BAM Analyst: Carbone, James

Budget Coordinator: Barnett, Linda - (503)603-7570

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
300-00-00-00000	Operations	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
300-00-00-00000	Operations	021	0	Phase-in	Essential Packages
300-00-00-00000	Operations	022	0	Phase-out Pgm & One-time Costs	Essential Packages
300-00-00-00000	Operations	031	0	Standard Inflation	Essential Packages
300-00-00-00000	Operations	032	0	Above Standard Inflation	Essential Packages
300-00-00-00000	Operations	033	0	Exceptional Inflation	Essential Packages
300-00-00-00000	Operations	050	0	Fundshifts	Essential Packages
300-00-00-00000	Operations	060	0	Technical Adjustments	Essential Packages
300-00-00-00000	Operations	070	0	Revenue Shortfalls	Policy Packages
300-00-00-00000	Operations	081	0	May 2012 E-Board	Policy Packages
300-00-00-00000	Operations	082	0	September 2012 E-Board	Policy Packages
300-00-00-00000	Operations	083	0	December 2012 E-Board	Policy Packages
300-00-00-00000	Operations	090	0	Analyst Adjustments	Policy Packages
300-00-00-00000	Operations	091	0	Statewide Administrative Savings	Policy Packages
300-00-00-00000	Operations	092	0	PERS Taxation Policy	Policy Packages
300-00-00-00000	Operations	093	0	Other PERS Adjustments	Policy Packages
300-00-00-00000	Operations	801	0	End-Of-Session Bill Adjustments	Policy Packages
300-00-00-00000	Operations	802	0	Supplemental Statewide Ending Balance	Policy Packages
300-00-00-00000	Operations	803	0	HB 2322 Program Change Bill	Policy Packages
300-00-00-00000	Operations	810	0	LFO Analyst Adjustments	Policy Packages
300-00-00-00000	Operations	811	0	Compliance Plan for SB 5701 (2012)	Policy Packages
300-00-00-00000	Operations	820	0	End of Session Bill (HB 5008)	Policy Packages

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Summary Cross Reference Listing and Packages

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Public Employees Retirement System, Oregon

Summary Cross Reference Listing and Packages

Agency Number: 45900

2013-15 Biennium

BAM Analyst: Carbone, James

Budget Coordinator: Barnett, Linda - (503)603-7570

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
300-00-00-00000	Operations	841	0	SB 822 - Administrative Costs	Policy Packages
300-00-00-00000	Operations	101	1	Current Service Delivery Levels	Policy Packages
300-00-00-00000	Operations	102	2	Retiree Health Insurance Program	Policy Packages
300-00-00-00000	Operations	103	3	Infrastructure Maintenance & Enhancement	Policy Packages
400-00-00-00000	Debt Service	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
400-00-00-00000	Debt Service	021	0	Phase-in	Essential Packages
400-00-00-00000	Debt Service	022	0	Phase-out Pgm & One-time Costs	Essential Packages
400-00-00-00000	Debt Service	031	0	Standard Inflation	Essential Packages
400-00-00-00000	Debt Service	032	0	Above Standard Inflation	Essential Packages
400-00-00-00000	Debt Service	033	0	Exceptional Inflation	Essential Packages
400-00-00-00000	Debt Service	050	0	Fundshifts	Essential Packages
400-00-00-00000	Debt Service	060	0	Technical Adjustments	Essential Packages
400-00-00-00000	Debt Service	070	0	Revenue Shortfalls	Policy Packages
400-00-00-00000	Debt Service	082	0	September 2012 E-Board	Policy Packages
400-00-00-00000	Debt Service	083	0	December 2012 E-Board	Policy Packages
400-00-00-00000	Debt Service	090	0	Analyst Adjustments	Policy Packages
400-00-00-00000	Debt Service	091	0	Statewide Administrative Savings	Policy Packages
400-00-00-00000	Debt Service	092	0	PERS Taxation Policy	Policy Packages
400-00-00-00000	Debt Service	093	0	Other PERS Adjustments	Policy Packages
400-00-00-00000	Debt Service	801	0	End-Of-Session Bill Adjustments	Policy Packages
400-00-00-00000	Debt Service	802	0	Supplemental Statewide Ending Balance	Policy Packages
400-00-00-00000	Debt Service	803	0	HB 2322 Program Change Bill	Policy Packages

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Summary Cross Reference Listing and Packages

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Public Employees Retirement System, Oregon

Summary Cross Reference Listing and Packages

Agency Number: 45900

2013-15 Biennium

BAM Analyst: Carbone, James

Budget Coordinator: Barnett, Linda - (503)603-7570

<i>Cross Reference Number</i>	<i>Cross Reference Description</i>	<i>Package Number</i>	<i>Priority</i>	<i>Package Description</i>	<i>Package Group</i>
400-00-00-00000	Debt Service	810	0	LFO Analyst Adjustments	Policy Packages
400-00-00-00000	Debt Service	811	0	Compliance Plan for SB 5701 (2012)	Policy Packages
400-00-00-00000	Debt Service	820	0	End of Session Bill (HB 5008)	Policy Packages
400-00-00-00000	Debt Service	841	0	SB 822 - Administrative Costs	Policy Packages

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Policy Package List by Priority
2013-15 Biennium

Agency Number: 45900

BAM Analyst: Carbone, James

Budget Coordinator: Barnett, Linda - (503)603-7570

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	070	Revenue Shortfalls	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	081	May 2012 E-Board	300-00-00-00000	Operations
			082	September 2012 E-Board
	082	September 2012 E-Board	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	083	December 2012 E-Board	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	090	Analyst Adjustments	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	091	Statewide Administrative Savings	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
300-00-00-00000			Operations	
400-00-00-00000			Debt Service	
092	PERS Taxation Policy	100-00-00-00000	Tier One and Tier Two Plan	
		200-00-00-00000	Oregon Public Service Retirement Plan	

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Policy Package List by Priority
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Public Employees Retirement System, Oregon

Policy Package List by Priority
2013-15 Biennium

Agency Number: 45900

BAM Analyst: Carbone, James

Budget Coordinator: Barnett, Linda - (503)603-7570

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	092	PERS Taxation Policy	300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	093	Other PERS Adjustments	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	801	End-Of-Session Bill Adjustments	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	802	Supplemental Statewide Ending Balance	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	803	HB 2322 Program Change Bill	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	810	LFO Analyst Adjustments	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	811	Compliance Plan for SB 5701 (2012)	100-00-00-00000	Tier One and Tier Two Plan

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Policy Package List by Priority
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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Policy Package List by Priority
2013-15 Biennium

Agency Number: 45900

BAM Analyst: Carbone, James

Budget Coordinator: Barnett, Linda - (503)603-7570

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	811	Compliance Plan for SB 5701 (2012)	200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	820	End of Session Bill (HB 5008)	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
			100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
	841	SB 822 - Administrative Costs	300-00-00-00000	Operations
			400-00-00-00000	Debt Service
			100-00-00-00000	Tier One and Tier Two Plan
200-00-00-00000			Oregon Public Service Retirement Plan	
1	101	Current Service Delivery Levels	300-00-00-00000	Operations
2	102	Retiree Health Insurance Program	300-00-00-00000	Operations
3	103	Infrastructure Maintenance & Enhancement	300-00-00-00000	Operations

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 45900-000-00-00-00000

2013-15 Biennium

Public Employees Retirement System, Oregon

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	46,114,760,607	48,899,053,828	48,899,053,828	51,596,153,430	51,596,153,430	51,596,153,430
3400 Other Funds Ltd	2,094,381	5,284,793	5,284,793	2,151,589	2,151,589	2,151,589
All Funds	46,116,854,988	48,904,338,621	48,904,338,621	51,598,305,019	51,598,305,019	51,598,305,019
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	12,587,362,730	-	-	12,587,362,730	12,587,362,730	12,587,362,730
BEGINNING BALANCE						
3200 Other Funds Non-Ltd	58,702,123,337	48,899,053,828	48,899,053,828	64,183,516,160	64,183,516,160	64,183,516,160
3400 Other Funds Ltd	2,094,381	5,284,793	5,284,793	2,151,589	2,151,589	2,151,589
TOTAL BEGINNING BALANCE	\$58,704,217,718	\$48,904,338,621	\$48,904,338,621	\$64,185,667,749	\$64,185,667,749	\$64,185,667,749
REVENUE CATEGORIES						
CHARGES FOR SERVICES						
0410 Charges for Services						
3200 Other Funds Non-Ltd	166,536	140,000	140,000	427,135,600	427,135,600	427,135,600
3400 Other Funds Ltd	1,881,999	2,422,928	2,422,928	2,533,500	2,533,500	2,533,500
All Funds	2,048,535	2,562,928	2,562,928	429,669,100	429,669,100	429,669,100
INTEREST EARNINGS						
0605 Interest Income						
3200 Other Funds Non-Ltd	7,767,976,297	7,127,404,900	7,127,404,900	13,132,922,000	13,132,922,000	13,132,922,000
3400 Other Funds Ltd	313,746	1,566,500	1,566,500	26,250	26,250	26,250
3430 Other Funds Debt Svc Ltd	1,019	-	-	-	-	-
All Funds	7,768,291,062	7,128,971,400	7,128,971,400	13,132,948,250	13,132,948,250	13,132,948,250

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 45900-000-00-00-00000

2013-15 Biennium

Public Employees Retirement System, Oregon

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
DONATIONS AND CONTRIBUTIONS						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	2,257,180,716	3,074,179,800	3,074,179,800	2,410,280,000	2,410,280,000	2,410,280,000
OTHER						
0975 Other Revenues						
3200 Other Funds Non-Ltd	877,953	800,000	800,000	961,500	961,500	961,500
3400 Other Funds Ltd	285,339	220,500	220,500	205,000	205,000	205,000
3430 Other Funds Debt Svc Ltd	635	3,000	3,000	1,000	1,000	1,000
All Funds	1,163,927	1,023,500	1,023,500	1,167,500	1,167,500	1,167,500
TRANSFERS IN						
1010 Transfer In - Intrafund						
3200 Other Funds Non-Ltd	384	-	-	-	-	-
3400 Other Funds Ltd	75,878,952	71,749,579	71,749,579	82,646,201	82,646,201	82,646,201
3430 Other Funds Debt Svc Ltd	1,421,805	1,415,600	1,415,600	1,301,850	1,301,850	1,301,850
All Funds	77,301,141	73,165,179	73,165,179	83,948,051	83,948,051	83,948,051
REVENUE CATEGORIES						
3200 Other Funds Non-Ltd	10,026,201,886	10,202,524,700	10,202,524,700	15,971,299,100	15,971,299,100	15,971,299,100
3400 Other Funds Ltd	78,360,036	75,959,507	75,959,507	85,410,951	85,410,951	85,410,951
3430 Other Funds Debt Svc Ltd	1,423,459	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850
TOTAL REVENUE CATEGORIES	\$10,105,985,381	\$10,279,902,807	\$10,279,902,807	\$16,058,012,901	\$16,058,012,901	\$16,058,012,901
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
3200 Other Funds Non-Ltd	(76,326,769)	(71,412,788)	(71,412,788)	(83,183,107)	(83,183,107)	(83,183,107)

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 45900-000-00-00-00000

2013-15 Biennium

Public Employees Retirement System, Oregon

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
3400 Other Funds Ltd	(973,988)	(1,752,391)	(1,752,391)	(764,944)	(764,944)	(764,944)
3430 Other Funds Debt Svc Ltd	(384)	-	-	-	-	-
All Funds	(77,301,141)	(73,165,179)	(73,165,179)	(83,948,051)	(83,948,051)	(83,948,051)
2121 Tsfr To Governor, Office of the						
3400 Other Funds Ltd	(79,504)	(79,500)	(79,500)	(70,000)	(70,000)	(70,000)
TRANSFERS OUT						
3200 Other Funds Non-Ltd	(76,326,769)	(71,412,788)	(71,412,788)	(83,183,107)	(83,183,107)	(83,183,107)
3400 Other Funds Ltd	(1,053,492)	(1,831,891)	(1,831,891)	(834,944)	(834,944)	(834,944)
3430 Other Funds Debt Svc Ltd	(384)	-	-	-	-	-
TOTAL TRANSFERS OUT	(\$77,380,645)	(\$73,244,679)	(\$73,244,679)	(\$84,018,051)	(\$84,018,051)	(\$84,018,051)
AVAILABLE REVENUES						
3200 Other Funds Non-Ltd	68,651,998,454	59,030,165,740	59,030,165,740	80,071,632,153	80,071,632,153	80,071,632,153
3400 Other Funds Ltd	79,400,925	79,412,409	79,412,409	86,727,596	86,727,596	86,727,596
3430 Other Funds Debt Svc Ltd	1,423,075	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850
TOTAL AVAILABLE REVENUES	\$68,732,822,454	\$59,110,996,749	\$59,110,996,749	\$80,159,662,599	\$80,159,662,599	\$80,159,662,599
EXPENDITURES						
PERSONAL SERVICES						
SALARIES & WAGES						
3110 Class/Unclass Sal. and Per Diem						
3400 Other Funds Ltd	32,165,866	37,323,312	37,323,312	38,192,952	37,927,008	37,692,058
3160 Temporary Appointments						
3400 Other Funds Ltd	371,807	166,319	166,319	170,310	170,310	304,692
3170 Overtime Payments						

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 45900-000-00-00-00000

2013-15 Biennium

Public Employees Retirement System, Oregon

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
3400 Other Funds Ltd	680,094	601,773	601,773	598,093	598,093	662,643
3180 Shift Differential						
3400 Other Funds Ltd	23,609	2,096	2,096	2,146	2,146	2,146
3190 All Other Differential						
3400 Other Funds Ltd	585,042	221,885	221,885	227,210	227,210	227,210
SALARIES & WAGES						
3400 Other Funds Ltd	33,826,418	38,315,385	38,315,385	39,190,711	38,924,767	38,888,749
TOTAL SALARIES & WAGES	\$33,826,418	\$38,315,385	\$38,315,385	\$39,190,711	\$38,924,767	\$38,888,749
OTHER PAYROLL EXPENSES						
3210 Empl. Rel. Bd. Assessments						
3400 Other Funds Ltd	14,035	14,924	14,924	14,800	14,720	14,628
3220 Public Employees' Retire Cont						
3400 Other Funds Ltd	2,836,250	5,497,307	5,497,307	7,698,718	7,390,476	5,660,272
3221 Pension Obligation Bond						
3400 Other Funds Ltd	1,935,463	1,949,672	1,949,672	2,197,599	2,197,599	2,197,599
3230 Social Security Taxes						
3400 Other Funds Ltd	2,573,004	2,923,357	2,923,357	2,993,192	2,972,849	2,970,095
3240 Unemployment Assessments						
3400 Other Funds Ltd	-	39,629	39,629	40,579	40,579	40,579
3250 Worker's Comp. Assess. (WCD)						
3400 Other Funds Ltd	17,179	21,476	21,476	21,830	21,712	21,574
3260 Mass Transit Tax						
3400 Other Funds Ltd	203,085	230,065	230,065	235,145	235,145	236,735

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 45900-000-00-00-00000

2013-15 Biennium

Public Employees Retirement System, Oregon

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
3270 Flexible Benefits						
3400 Other Funds Ltd	9,156,823	10,954,944	10,954,944	11,295,360	11,234,304	11,164,344
OTHER PAYROLL EXPENSES						
3400 Other Funds Ltd	16,735,839	21,631,374	21,631,374	24,497,223	24,107,384	22,305,826
TOTAL OTHER PAYROLL EXPENSES	\$16,735,839	\$21,631,374	\$21,631,374	\$24,497,223	\$24,107,384	\$22,305,826
P.S. BUDGET ADJUSTMENTS						
3455 Vacancy Savings						
3400 Other Funds Ltd	-	(139,689)	(139,689)	(355,896)	(355,896)	(355,896)
3465 Reconciliation Adjustment						
3400 Other Funds Ltd	-	(3,229,607)	(3,229,607)	-	398,249	2,220,809
3470 Undistributed (P.S.)						
3400 Other Funds Ltd	-	-	(750,000)	-	(1,087,051)	(1,087,051)
3991 PERS Policy Adjustment						
3400 Other Funds Ltd	-	-	-	-	(1,453,518)	(1,453,518)
P.S. BUDGET ADJUSTMENTS						
3400 Other Funds Ltd	-	(3,369,296)	(4,119,296)	(355,896)	(2,498,216)	(675,656)
TOTAL P.S. BUDGET ADJUSTMENTS	-	(\$3,369,296)	(\$4,119,296)	(\$355,896)	(\$2,498,216)	(\$675,656)
PERSONAL SERVICES						
3400 Other Funds Ltd	50,562,257	56,577,463	55,827,463	63,332,038	60,533,935	60,518,919
TOTAL PERSONAL SERVICES	\$50,562,257	\$56,577,463	\$55,827,463	\$63,332,038	\$60,533,935	\$60,518,919
SERVICES & SUPPLIES						
4100 Instate Travel						
3400 Other Funds Ltd	218,132	214,341	214,341	219,485	219,485	219,485

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Public Employees Retirement System, Oregon

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Public Employees Retirement System, Oregon

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
4125 Out of State Travel						
3400 Other Funds Ltd	6,659	7,709	7,709	7,894	7,894	7,894
4150 Employee Training						
3400 Other Funds Ltd	403,668	573,862	573,862	596,766	596,766	598,229
4175 Office Expenses						
3400 Other Funds Ltd	2,076,815	1,776,463	1,776,463	1,850,619	1,850,619	1,892,289
4200 Telecommunications						
3400 Other Funds Ltd	532,446	500,164	500,164	512,168	512,005	521,439
4225 State Gov. Service Charges						
3400 Other Funds Ltd	2,132,612	2,747,287	2,747,287	1,323,513	1,703,022	1,590,412
4250 Data Processing						
3400 Other Funds Ltd	2,703,345	3,978,671	3,978,671	4,209,159	4,311,305	4,592,216
4275 Publicity and Publications						
3400 Other Funds Ltd	96,850	236,567	236,567	242,245	242,245	242,245
4300 Professional Services						
3200 Other Funds Non-Ltd	5,745,861	11,448,799	11,448,799	52,661,000	52,661,000	52,661,000
3400 Other Funds Ltd	2,216,707	2,893,664	2,893,664	4,396,921	4,048,684	4,148,684
All Funds	7,962,568	14,342,463	14,342,463	57,057,921	56,709,684	56,809,684
4315 IT Professional Services						
3400 Other Funds Ltd	11,481,714	2,979,643	2,979,643	2,788,509	2,788,509	2,753,509
4325 Attorney General						
3400 Other Funds Ltd	746,860	1,048,583	1,048,583	1,204,774	1,204,774	1,147,060
4350 Dispute Resolution Services						

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

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Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 45900-000-00-00-00000

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Public Employees Retirement System, Oregon

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
3400 Other Funds Ltd	86,174	84,951	84,951	86,990	82,263	82,263
4375 Employee Recruitment and Develop						
3400 Other Funds Ltd	25,553	53,849	53,849	55,143	55,143	55,143
4400 Dues and Subscriptions						
3400 Other Funds Ltd	21,383	35,364	35,364	36,213	36,213	36,213
4425 Facilities Rental and Taxes						
3400 Other Funds Ltd	1,118,613	1,029,597	1,029,597	1,089,796	1,089,796	1,089,796
4450 Fuels and Utilities						
3400 Other Funds Ltd	258,860	272,584	272,584	279,126	279,126	279,126
4475 Facilities Maintenance						
3400 Other Funds Ltd	875,851	1,091,933	1,091,933	1,118,139	1,118,139	1,118,139
4575 Agency Program Related S and S						
3200 Other Funds Non-Ltd	4,321,580	-	-	-	-	-
4625 Other COP Costs						
3400 Other Funds Ltd	2,112	2,682	2,682	2,682	2,682	2,682
4650 Other Services and Supplies						
3400 Other Funds Ltd	24,623	2,861	2,861	224,930	224,930	224,930
4675 Undistributed (S.S.)						
3400 Other Funds Ltd	-	-	-	-	(352,557)	(352,557)
4700 Expendable Prop 250 - 5000						
3400 Other Funds Ltd	53,458	80,862	80,862	87,781	87,781	92,781
4715 IT Expendable Property						
3400 Other Funds Ltd	879,339	894,132	894,132	585,144	585,144	585,144

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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Public Employees Retirement System, Oregon

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
SERVICES & SUPPLIES						
3200 Other Funds Non-Ltd	10,067,441	11,448,799	11,448,799	52,661,000	52,661,000	52,661,000
3400 Other Funds Ltd	25,961,774	20,505,769	20,505,769	20,917,997	20,693,968	20,927,122
TOTAL SERVICES & SUPPLIES	\$36,029,215	\$31,954,568	\$31,954,568	\$73,578,997	\$73,354,968	\$73,588,122
CAPITAL OUTLAY						
5100 Office Furniture and Fixtures						
3400 Other Funds Ltd	24,726	32,716	32,716	33,501	33,501	33,501
5150 Telecommunications Equipment						
3400 Other Funds Ltd	555,151	100,506	100,506	68,102	68,102	68,102
5200 Technical Equipment						
3400 Other Funds Ltd	87,200	300,000	300,000	-	-	-
5550 Data Processing Software						
3400 Other Funds Ltd	-	110,226	110,226	427,871	427,871	427,871
5600 Data Processing Hardware						
3400 Other Funds Ltd	496,186	384,140	384,140	893,359	893,359	753,359
5700 Building Structures						
3400 Other Funds Ltd	197,540	-	-	-	-	-
5950 Undistributed (C.O.)						
3400 Other Funds Ltd	-	-	-	-	(29,380)	(29,380)
CAPITAL OUTLAY						
3400 Other Funds Ltd	1,360,803	927,588	927,588	1,422,833	1,393,453	1,253,453
TOTAL CAPITAL OUTLAY	\$1,360,803	\$927,588	\$927,588	\$1,422,833	\$1,393,453	\$1,253,453
SPECIAL PAYMENTS						

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Public Employees Retirement System, Oregon

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Public Employees Retirement System, Oregon

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
6030 Dist to Non-Gov Units						
3200 Other Funds Non-Ltd	326,292,303	346,063,511	346,063,511	360,700,000	360,700,000	360,700,000
6035 Dist to Individuals						
3200 Other Funds Non-Ltd	6,393,996,476	7,076,500,000	7,076,500,000	8,864,514,000	8,864,514,000	8,864,514,000
SPECIAL PAYMENTS						
3200 Other Funds Non-Ltd	6,720,288,779	7,422,563,511	7,422,563,511	9,225,214,000	9,225,214,000	9,225,214,000
TOTAL SPECIAL PAYMENTS	\$6,720,288,779	\$7,422,563,511	\$7,422,563,511	\$9,225,214,000	\$9,225,214,000	\$9,225,214,000
DEBT SERVICE						
7100 Principal - Bonds						
3430 Other Funds Debt Svc Ltd	-	-	-	-	1,110,000	1,110,000
7150 Interest - Bonds						
3430 Other Funds Debt Svc Ltd	-	-	-	-	192,850	192,850
7200 Principal - COP						
3430 Other Funds Debt Svc Ltd	970,000	1,070,000	1,070,000	1,110,000	-	-
7250 Interest - COP						
3430 Other Funds Debt Svc Ltd	453,075	348,600	348,600	192,850	-	-
DEBT SERVICE						
3430 Other Funds Debt Svc Ltd	1,423,075	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850
TOTAL DEBT SERVICE	\$1,423,075	\$1,418,600	\$1,418,600	\$1,302,850	\$1,302,850	\$1,302,850
EXPENDITURES						
3200 Other Funds Non-Ltd	6,730,356,220	7,434,012,310	7,434,012,310	9,277,875,000	9,277,875,000	9,277,875,000
3400 Other Funds Ltd	77,884,834	78,010,820	77,260,820	85,672,868	82,621,356	82,699,494
3430 Other Funds Debt Svc Ltd	1,423,075	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850

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Public Employees Retirement System, Oregon

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Public Employees Retirement System, Oregon

<i>Description</i>	<i>2009-11 Actuals</i>	<i>2011-13 Leg Adopted Budget</i>	<i>2011-13 Leg Approved Budget</i>	<i>2013-15 Agency Request Budget</i>	<i>2013-15 Governor's Budget</i>	<i>2013-15 Leg Adopted Budget</i>
TOTAL EXPENDITURES	\$6,809,664,129	\$7,513,441,730	\$7,512,691,730	\$9,364,850,718	\$9,361,799,206	\$9,361,877,344
ENDING BALANCE						
3200 Other Funds Non-Ltd	61,921,642,234	51,596,153,430	51,596,153,430	70,793,757,153	70,793,757,153	70,793,757,153
3400 Other Funds Ltd	1,516,091	1,401,589	2,151,589	1,054,728	4,106,240	4,028,102
TOTAL ENDING BALANCE	\$61,923,158,325	\$51,597,555,019	\$51,598,305,019	\$70,794,811,881	\$70,797,863,393	\$70,797,785,255
AUTHORIZED POSITIONS						
8150 Class/Unclass Positions	368	364	364	370	368	367
8180 Position Reconciliation	-	-	-	-	2	2
TOTAL AUTHORIZED POSITIONS	368	364	364	370	370	369
AUTHORIZED FTE						
8250 Class/Unclass FTE Positions	361.80	363.75	363.75	370.00	368.00	365.23
8280 FTE Reconciliation	-	0.33	0.33	-	2.00	2.00
TOTAL AUTHORIZED FTE	361.80	364.08	364.08	370.00	370.00	367.23

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Public Employees Retirement System, Oregon

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Tier One and Tier Two Plan

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	43,673,069,011	45,099,788,373	45,099,788,373	45,917,960,875	45,917,960,875	45,917,960,875
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	11,726,403,539	-	-	11,726,403,539	11,726,403,539	11,726,403,539
BEGINNING BALANCE						
3200 Other Funds Non-Ltd	55,399,472,550	45,099,788,373	45,099,788,373	57,644,364,414	57,644,364,414	57,644,364,414
TOTAL BEGINNING BALANCE	\$55,399,472,550	\$45,099,788,373	\$45,099,788,373	\$57,644,364,414	\$57,644,364,414	\$57,644,364,414
REVENUE CATEGORIES						
CHARGES FOR SERVICES						
0410 Charges for Services						
3200 Other Funds Non-Ltd	136,328	120,000	120,000	427,093,000	427,093,000	427,093,000
INTEREST EARNINGS						
0605 Interest Income						
3200 Other Funds Non-Ltd	7,212,239,031	6,537,404,900	6,537,404,900	10,745,322,000	10,745,322,000	10,745,322,000
DONATIONS AND CONTRIBUTIONS						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	948,756,385	1,544,179,800	1,544,179,800	827,280,000	827,280,000	827,280,000
OTHER						
0975 Other Revenues						
3200 Other Funds Non-Ltd	877,953	800,000	800,000	961,500	961,500	961,500
TRANSFERS IN						
1010 Transfer In - Intrafund						

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Public Employees Retirement System, Oregon

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Tier One and Tier Two Plan

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
3200 Other Funds Non-Ltd	384	-	-	-	-	-
REVENUE CATEGORIES						
3200 Other Funds Non-Ltd	8,162,010,081	8,082,504,700	8,082,504,700	12,000,656,500	12,000,656,500	12,000,656,500
TOTAL REVENUE CATEGORIES	\$8,162,010,081	\$8,082,504,700	\$8,082,504,700	\$12,000,656,500	\$12,000,656,500	\$12,000,656,500
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
3200 Other Funds Non-Ltd	(51,809,742)	(38,495,388)	(38,495,388)	(54,679,069)	(54,679,069)	(54,679,069)
AVAILABLE REVENUES						
3200 Other Funds Non-Ltd	63,509,672,889	53,143,797,685	53,143,797,685	69,590,341,845	69,590,341,845	69,590,341,845
TOTAL AVAILABLE REVENUES	\$63,509,672,889	\$53,143,797,685	\$53,143,797,685	\$69,590,341,845	\$69,590,341,845	\$69,590,341,845
EXPENDITURES						
SERVICES & SUPPLIES						
4300 Professional Services						
3200 Other Funds Non-Ltd	5,745,861	6,773,299	6,773,299	47,961,000	47,961,000	47,961,000
SPECIAL PAYMENTS						
6030 Dist to Non-Gov Units						
3200 Other Funds Non-Ltd	326,292,303	346,063,511	346,063,511	360,700,000	360,700,000	360,700,000
6035 Dist to Individuals						
3200 Other Funds Non-Ltd	6,186,443,923	6,873,000,000	6,873,000,000	8,132,200,000	8,132,200,000	8,132,200,000
SPECIAL PAYMENTS						
3200 Other Funds Non-Ltd	6,512,736,226	7,219,063,511	7,219,063,511	8,492,900,000	8,492,900,000	8,492,900,000
TOTAL SPECIAL PAYMENTS	\$6,512,736,226	\$7,219,063,511	\$7,219,063,511	\$8,492,900,000	\$8,492,900,000	\$8,492,900,000

EXPENDITURES

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

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Budget Support - Detail Revenues and Expenditures

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2013-15 Biennium

Tier One and Tier Two Plan

<i>Description</i>	<i>2009-11 Actuals</i>	<i>2011-13 Leg Adopted Budget</i>	<i>2011-13 Leg Approved Budget</i>	<i>2013-15 Agency Request Budget</i>	<i>2013-15 Governor's Budget</i>	<i>2013-15 Leg Adopted Budget</i>
3200 Other Funds Non-Ltd	6,518,482,087	7,225,836,810	7,225,836,810	8,540,861,000	8,540,861,000	8,540,861,000
TOTAL EXPENDITURES	\$6,518,482,087	\$7,225,836,810	\$7,225,836,810	\$8,540,861,000	\$8,540,861,000	\$8,540,861,000
ENDING BALANCE						
3200 Other Funds Non-Ltd	56,991,190,802	45,917,960,875	45,917,960,875	61,049,480,845	61,049,480,845	61,049,480,845
TOTAL ENDING BALANCE	\$56,991,190,802	\$45,917,960,875	\$45,917,960,875	\$61,049,480,845	\$61,049,480,845	\$61,049,480,845

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Public Employees Retirement System, Oregon

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Oregon Public Service Retirement Plan

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	2,441,691,596	3,799,265,455	3,799,265,455	5,678,192,555	5,678,192,555	5,678,192,555
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	860,959,191	-	-	860,959,191	860,959,191	860,959,191
BEGINNING BALANCE						
3200 Other Funds Non-Ltd	3,302,650,787	3,799,265,455	3,799,265,455	6,539,151,746	6,539,151,746	6,539,151,746
TOTAL BEGINNING BALANCE	\$3,302,650,787	\$3,799,265,455	\$3,799,265,455	\$6,539,151,746	\$6,539,151,746	\$6,539,151,746
REVENUE CATEGORIES						
CHARGES FOR SERVICES						
0410 Charges for Services						
3200 Other Funds Non-Ltd	30,208	20,000	20,000	42,600	42,600	42,600
INTEREST EARNINGS						
0605 Interest Income						
3200 Other Funds Non-Ltd	555,737,266	590,000,000	590,000,000	2,387,600,000	2,387,600,000	2,387,600,000
DONATIONS AND CONTRIBUTIONS						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	1,308,424,331	1,530,000,000	1,530,000,000	1,583,000,000	1,583,000,000	1,583,000,000
REVENUE CATEGORIES						
3200 Other Funds Non-Ltd	1,864,191,805	2,120,020,000	2,120,020,000	3,970,642,600	3,970,642,600	3,970,642,600
TOTAL REVENUE CATEGORIES	\$1,864,191,805	\$2,120,020,000	\$2,120,020,000	\$3,970,642,600	\$3,970,642,600	\$3,970,642,600
TRANSFERS OUT						
2010 Transfer Out - Intrafund						

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

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Cross Reference Number: 45900-200-00-00-00000

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Oregon Public Service Retirement Plan

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
3200 Other Funds Non-Ltd	(24,517,027)	(32,917,400)	(32,917,400)	(28,504,038)	(28,504,038)	(28,504,038)
AVAILABLE REVENUES						
3200 Other Funds Non-Ltd	5,142,325,565	5,886,368,055	5,886,368,055	10,481,290,308	10,481,290,308	10,481,290,308
TOTAL AVAILABLE REVENUES	\$5,142,325,565	\$5,886,368,055	\$5,886,368,055	\$10,481,290,308	\$10,481,290,308	\$10,481,290,308
EXPENDITURES						
SERVICES & SUPPLIES						
4300 Professional Services						
3200 Other Funds Non-Ltd	-	4,675,500	4,675,500	4,700,000	4,700,000	4,700,000
4575 Agency Program Related S and S						
3200 Other Funds Non-Ltd	4,321,580	-	-	-	-	-
SERVICES & SUPPLIES						
3200 Other Funds Non-Ltd	4,321,580	4,675,500	4,675,500	4,700,000	4,700,000	4,700,000
TOTAL SERVICES & SUPPLIES	\$4,321,580	\$4,675,500	\$4,675,500	\$4,700,000	\$4,700,000	\$4,700,000
SPECIAL PAYMENTS						
6035 Dist to Individuals						
3200 Other Funds Non-Ltd	207,552,553	203,500,000	203,500,000	732,314,000	732,314,000	732,314,000
EXPENDITURES						
3200 Other Funds Non-Ltd	211,874,133	208,175,500	208,175,500	737,014,000	737,014,000	737,014,000
TOTAL EXPENDITURES	\$211,874,133	\$208,175,500	\$208,175,500	\$737,014,000	\$737,014,000	\$737,014,000
ENDING BALANCE						
3200 Other Funds Non-Ltd	4,930,451,432	5,678,192,555	5,678,192,555	9,744,276,308	9,744,276,308	9,744,276,308
TOTAL ENDING BALANCE	\$4,930,451,432	\$5,678,192,555	\$5,678,192,555	\$9,744,276,308	\$9,744,276,308	\$9,744,276,308

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Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 45900-300-00-00-00000

2013-15 Biennium

Operations

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
3400 Other Funds Ltd	2,094,381	5,284,793	5,284,793	2,151,589	2,151,589	2,151,589
REVENUE CATEGORIES						
CHARGES FOR SERVICES						
0410 Charges for Services						
3400 Other Funds Ltd	1,881,999	2,422,928	2,422,928	2,533,500	2,533,500	2,533,500
INTEREST EARNINGS						
0605 Interest Income						
3400 Other Funds Ltd	313,746	1,566,500	1,566,500	26,250	26,250	26,250
OTHER						
0975 Other Revenues						
3400 Other Funds Ltd	285,339	220,500	220,500	205,000	205,000	205,000
TRANSFERS IN						
1010 Transfer In - Intrafund						
3400 Other Funds Ltd	75,878,952	71,749,579	71,749,579	82,646,201	82,646,201	82,646,201
REVENUE CATEGORIES						
3400 Other Funds Ltd	78,360,036	75,959,507	75,959,507	85,410,951	85,410,951	85,410,951
TOTAL REVENUE CATEGORIES	\$78,360,036	\$75,959,507	\$75,959,507	\$85,410,951	\$85,410,951	\$85,410,951
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
3400 Other Funds Ltd	(973,988)	(1,752,391)	(1,752,391)	(764,944)	(764,944)	(764,944)
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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 45900-300-00-00-00000

2013-15 Biennium

Operations

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
3400 Other Funds Ltd	(79,504)	(79,500)	(79,500)	(70,000)	(70,000)	(70,000)
TRANSFERS OUT						
3400 Other Funds Ltd	(1,053,492)	(1,831,891)	(1,831,891)	(834,944)	(834,944)	(834,944)
TOTAL TRANSFERS OUT	(\$1,053,492)	(\$1,831,891)	(\$1,831,891)	(\$834,944)	(\$834,944)	(\$834,944)
AVAILABLE REVENUES						
3400 Other Funds Ltd	79,400,925	79,412,409	79,412,409	86,727,596	86,727,596	86,727,596
TOTAL AVAILABLE REVENUES	\$79,400,925	\$79,412,409	\$79,412,409	\$86,727,596	\$86,727,596	\$86,727,596
EXPENDITURES						
PERSONAL SERVICES						
SALARIES & WAGES						
3110 Class/Unclass Sal. and Per Diem						
3400 Other Funds Ltd	32,165,866	37,323,312	37,323,312	38,192,952	37,927,008	37,692,058
3160 Temporary Appointments						
3400 Other Funds Ltd	371,807	166,319	166,319	170,310	170,310	304,692
3170 Overtime Payments						
3400 Other Funds Ltd	680,094	601,773	601,773	598,093	598,093	662,643
3180 Shift Differential						
3400 Other Funds Ltd	23,609	2,096	2,096	2,146	2,146	2,146
3190 All Other Differential						
3400 Other Funds Ltd	585,042	221,885	221,885	227,210	227,210	227,210
SALARIES & WAGES						
3400 Other Funds Ltd	33,826,418	38,315,385	38,315,385	39,190,711	38,924,767	38,888,749
TOTAL SALARIES & WAGES	\$33,826,418	\$38,315,385	\$38,315,385	\$39,190,711	\$38,924,767	\$38,888,749

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Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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2013-15 Biennium

Operations

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
OTHER PAYROLL EXPENSES						
3210 Empl. Rel. Bd. Assessments						
3400 Other Funds Ltd	14,035	14,924	14,924	14,800	14,720	14,628
3220 Public Employees' Retire Cont						
3400 Other Funds Ltd	2,836,250	5,497,307	5,497,307	7,698,718	7,390,476	5,660,272
3221 Pension Obligation Bond						
3400 Other Funds Ltd	1,935,463	1,949,672	1,949,672	2,197,599	2,197,599	2,197,599
3230 Social Security Taxes						
3400 Other Funds Ltd	2,573,004	2,923,357	2,923,357	2,993,192	2,972,849	2,970,095
3240 Unemployment Assessments						
3400 Other Funds Ltd	-	39,629	39,629	40,579	40,579	40,579
3250 Worker's Comp. Assess. (WCD)						
3400 Other Funds Ltd	17,179	21,476	21,476	21,830	21,712	21,574
3260 Mass Transit Tax						
3400 Other Funds Ltd	203,085	230,065	230,065	235,145	235,145	236,735
3270 Flexible Benefits						
3400 Other Funds Ltd	9,156,823	10,954,944	10,954,944	11,295,360	11,234,304	11,164,344
OTHER PAYROLL EXPENSES						
3400 Other Funds Ltd	16,735,839	21,631,374	21,631,374	24,497,223	24,107,384	22,305,826
TOTAL OTHER PAYROLL EXPENSES	\$16,735,839	\$21,631,374	\$21,631,374	\$24,497,223	\$24,107,384	\$22,305,826
P.S. BUDGET ADJUSTMENTS						
3455 Vacancy Savings						
3400 Other Funds Ltd	-	(139,689)	(139,689)	(355,896)	(355,896)	(355,896)

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Public Employees Retirement System, Oregon

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Budget Support - Detail Revenues and Expenditures

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Operations

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
3465 Reconciliation Adjustment						
3400 Other Funds Ltd	-	(3,229,607)	(3,229,607)	-	398,249	2,220,809
3470 Undistributed (P.S.)						
3400 Other Funds Ltd	-	-	(750,000)	-	(1,087,051)	(1,087,051)
3991 PERS Policy Adjustment						
3400 Other Funds Ltd	-	-	-	-	(1,453,518)	(1,453,518)
P.S. BUDGET ADJUSTMENTS						
3400 Other Funds Ltd	-	(3,369,296)	(4,119,296)	(355,896)	(2,498,216)	(675,656)
TOTAL P.S. BUDGET ADJUSTMENTS	-	(\$3,369,296)	(\$4,119,296)	(\$355,896)	(\$2,498,216)	(\$675,656)
PERSONAL SERVICES						
3400 Other Funds Ltd	50,562,257	56,577,463	55,827,463	63,332,038	60,533,935	60,518,919
TOTAL PERSONAL SERVICES	\$50,562,257	\$56,577,463	\$55,827,463	\$63,332,038	\$60,533,935	\$60,518,919
SERVICES & SUPPLIES						
4100 Instate Travel						
3400 Other Funds Ltd	218,132	214,341	214,341	219,485	219,485	219,485
4125 Out of State Travel						
3400 Other Funds Ltd	6,659	7,709	7,709	7,894	7,894	7,894
4150 Employee Training						
3400 Other Funds Ltd	403,668	573,862	573,862	596,766	596,766	598,229
4175 Office Expenses						
3400 Other Funds Ltd	2,076,815	1,776,463	1,776,463	1,850,619	1,850,619	1,892,289
4200 Telecommunications						
3400 Other Funds Ltd	532,446	500,164	500,164	512,168	512,005	521,439

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Operations

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
4225 State Gov. Service Charges						
3400 Other Funds Ltd	2,132,612	2,747,287	2,747,287	1,323,513	1,703,022	1,590,412
4250 Data Processing						
3400 Other Funds Ltd	2,703,345	3,978,671	3,978,671	4,209,159	4,311,305	4,592,216
4275 Publicity and Publications						
3400 Other Funds Ltd	96,850	236,567	236,567	242,245	242,245	242,245
4300 Professional Services						
3400 Other Funds Ltd	2,216,707	2,893,664	2,893,664	4,396,921	4,048,684	4,148,684
4315 IT Professional Services						
3400 Other Funds Ltd	11,481,714	2,979,643	2,979,643	2,788,509	2,788,509	2,753,509
4325 Attorney General						
3400 Other Funds Ltd	746,860	1,048,583	1,048,583	1,204,774	1,204,774	1,147,060
4350 Dispute Resolution Services						
3400 Other Funds Ltd	86,174	84,951	84,951	86,990	82,263	82,263
4375 Employee Recruitment and Develop						
3400 Other Funds Ltd	25,553	53,849	53,849	55,143	55,143	55,143
4400 Dues and Subscriptions						
3400 Other Funds Ltd	21,383	35,364	35,364	36,213	36,213	36,213
4425 Facilities Rental and Taxes						
3400 Other Funds Ltd	1,118,613	1,029,597	1,029,597	1,089,796	1,089,796	1,089,796
4450 Fuels and Utilities						
3400 Other Funds Ltd	258,860	272,584	272,584	279,126	279,126	279,126
4475 Facilities Maintenance						

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Operations

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
3400 Other Funds Ltd	875,851	1,091,933	1,091,933	1,118,139	1,118,139	1,118,139
4625 Other COP Costs						
3400 Other Funds Ltd	2,112	2,682	2,682	2,682	2,682	2,682
4650 Other Services and Supplies						
3400 Other Funds Ltd	24,623	2,861	2,861	224,930	224,930	224,930
4675 Undistributed (S.S.)						
3400 Other Funds Ltd	-	-	-	-	(352,557)	(352,557)
4700 Expendable Prop 250 - 5000						
3400 Other Funds Ltd	53,458	80,862	80,862	87,781	87,781	92,781
4715 IT Expendable Property						
3400 Other Funds Ltd	879,339	894,132	894,132	585,144	585,144	585,144
SERVICES & SUPPLIES						
3400 Other Funds Ltd	25,961,774	20,505,769	20,505,769	20,917,997	20,693,968	20,927,122
TOTAL SERVICES & SUPPLIES	\$25,961,774	\$20,505,769	\$20,505,769	\$20,917,997	\$20,693,968	\$20,927,122
CAPITAL OUTLAY						
5100 Office Furniture and Fixtures						
3400 Other Funds Ltd	24,726	32,716	32,716	33,501	33,501	33,501
5150 Telecommunications Equipment						
3400 Other Funds Ltd	555,151	100,506	100,506	68,102	68,102	68,102
5200 Technical Equipment						
3400 Other Funds Ltd	87,200	300,000	300,000	-	-	-
5550 Data Processing Software						
3400 Other Funds Ltd	-	110,226	110,226	427,871	427,871	427,871

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Operations

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
5600 Data Processing Hardware						
3400 Other Funds Ltd	496,186	384,140	384,140	893,359	893,359	753,359
5700 Building Structures						
3400 Other Funds Ltd	197,540	-	-	-	-	-
5950 Undistributed (C.O.)						
3400 Other Funds Ltd	-	-	-	-	(29,380)	(29,380)
CAPITAL OUTLAY						
3400 Other Funds Ltd	1,360,803	927,588	927,588	1,422,833	1,393,453	1,253,453
TOTAL CAPITAL OUTLAY	\$1,360,803	\$927,588	\$927,588	\$1,422,833	\$1,393,453	\$1,253,453
EXPENDITURES						
3400 Other Funds Ltd	77,884,834	78,010,820	77,260,820	85,672,868	82,621,356	82,699,494
TOTAL EXPENDITURES	\$77,884,834	\$78,010,820	\$77,260,820	\$85,672,868	\$82,621,356	\$82,699,494
ENDING BALANCE						
3400 Other Funds Ltd	1,516,091	1,401,589	2,151,589	1,054,728	4,106,240	4,028,102
TOTAL ENDING BALANCE	\$1,516,091	\$1,401,589	\$2,151,589	\$1,054,728	\$4,106,240	\$4,028,102
AUTHORIZED POSITIONS						
8150 Class/Unclash Positions	368	364	364	370	368	367
8180 Position Reconciliation	-	-	-	-	2	2
TOTAL AUTHORIZED POSITIONS	368	364	364	370	370	369
AUTHORIZED FTE						
8250 Class/Unclash FTE Positions	361.80	363.75	363.75	370.00	368.00	365.23
8280 FTE Reconciliation	-	0.33	0.33	-	2.00	2.00
TOTAL AUTHORIZED FTE	361.80	364.08	364.08	370.00	370.00	367.23

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Debt Service

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
REVENUE CATEGORIES						
INTEREST EARNINGS						
0605 Interest Income						
3430 Other Funds Debt Svc Ltd	1,019	-	-	-	-	-
OTHER						
0975 Other Revenues						
3430 Other Funds Debt Svc Ltd	635	3,000	3,000	1,000	1,000	1,000
TRANSFERS IN						
1010 Transfer In - Intrafund						
3430 Other Funds Debt Svc Ltd	1,421,805	1,415,600	1,415,600	1,301,850	1,301,850	1,301,850
REVENUE CATEGORIES						
3430 Other Funds Debt Svc Ltd	1,423,459	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850
TOTAL REVENUE CATEGORIES	\$1,423,459	\$1,418,600	\$1,418,600	\$1,302,850	\$1,302,850	\$1,302,850
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
3430 Other Funds Debt Svc Ltd	(384)	-	-	-	-	-
AVAILABLE REVENUES						
3430 Other Funds Debt Svc Ltd	1,423,075	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850
TOTAL AVAILABLE REVENUES	\$1,423,075	\$1,418,600	\$1,418,600	\$1,302,850	\$1,302,850	\$1,302,850
EXPENDITURES						
DEBT SERVICE						
7100 Principal - Bonds						
3430 Other Funds Debt Svc Ltd	-	-	-	-	1,110,000	1,110,000

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Debt Service

<i>Description</i>	<i>2009-11 Actuals</i>	<i>2011-13 Leg Adopted Budget</i>	<i>2011-13 Leg Approved Budget</i>	<i>2013-15 Agency Request Budget</i>	<i>2013-15 Governor's Budget</i>	<i>2013-15 Leg Adopted Budget</i>
7150 Interest - Bonds						
3430 Other Funds Debt Svc Ltd	-	-	-	-	192,850	192,850
7200 Principal - COP						
3430 Other Funds Debt Svc Ltd	970,000	1,070,000	1,070,000	1,110,000	-	-
7250 Interest - COP						
3430 Other Funds Debt Svc Ltd	453,075	348,600	348,600	192,850	-	-
DEBT SERVICE						
3430 Other Funds Debt Svc Ltd	1,423,075	1,418,600	1,418,600	1,302,850	1,302,850	1,302,850
TOTAL DEBT SERVICE	\$1,423,075	\$1,418,600	\$1,418,600	\$1,302,850	\$1,302,850	\$1,302,850

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Tier One and Tier Two Plan

Description	Governor's Budget (Y-01) 2013-15 Base Budget	Leg. Adopted Budget (Z-01) 2013-15 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
BEGINNING BALANCE				
0025 Beginning Balance				
3200 Other Funds Non-Ltd	45,917,960,875	45,917,960,875	0	-
0030 Beginning Balance Adjustment				
3200 Other Funds Non-Ltd	11,726,403,539	11,726,403,539	0	-
TOTAL BEGINNING BALANCE				
3200 Other Funds Non-Ltd	57,644,364,414	57,644,364,414	0	-
REVENUE CATEGORIES				
CHARGES FOR SERVICES				
0410 Charges for Services				
3200 Other Funds Non-Ltd	427,093,000	427,093,000	0	-
INTEREST EARNINGS				
0605 Interest Income				
3200 Other Funds Non-Ltd	10,745,322,000	10,745,322,000	0	-
DONATIONS AND CONTRIBUTIONS				
0915 Retirement System Contribution				
3200 Other Funds Non-Ltd	827,280,000	827,280,000	0	-
OTHER				
0975 Other Revenues				
3200 Other Funds Non-Ltd	961,500	961,500	0	-
TOTAL REVENUES				
3200 Other Funds Non-Ltd	12,000,656,500	12,000,656,500	0	-
TRANSFERS OUT				
2010 Transfer Out - Intrafund				

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Tier One and Tier Two Plan

Description	Governor's Budget (Y-01) 2013-15 Base Budget	Leg. Adopted Budget (Z-01) 2013-15 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3200 Other Funds Non-Ltd	(54,679,069)	(54,679,069)	0	-
AVAILABLE REVENUES				
3200 Other Funds Non-Ltd	69,590,341,845	69,590,341,845	0	-
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3200 Other Funds Non-Ltd	47,961,000	47,961,000	0	-
SPECIAL PAYMENTS				
6030 Dist to Non-Gov Units				
3200 Other Funds Non-Ltd	360,700,000	360,700,000	0	-
6035 Dist to Individuals				
3200 Other Funds Non-Ltd	8,132,200,000	8,132,200,000	0	-
TOTAL SPECIAL PAYMENTS				
3200 Other Funds Non-Ltd	8,492,900,000	8,492,900,000	0	-
TOTAL EXPENDITURES				
3200 Other Funds Non-Ltd	8,540,861,000	8,540,861,000	0	-
ENDING BALANCE				
3200 Other Funds Non-Ltd	61,049,480,845	61,049,480,845	0	-

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Oregon Public Service Retirement Plan

Description	Governor's Budget (Y-01) 2013-15 Base Budget	Leg. Adopted Budget (Z-01) 2013-15 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
BEGINNING BALANCE				
0025 Beginning Balance				
3200 Other Funds Non-Ltd	5,678,192,555	5,678,192,555	0	-
0030 Beginning Balance Adjustment				
3200 Other Funds Non-Ltd	860,959,191	860,959,191	0	-
TOTAL BEGINNING BALANCE				
3200 Other Funds Non-Ltd	6,539,151,746	6,539,151,746	0	-
REVENUE CATEGORIES				
CHARGES FOR SERVICES				
0410 Charges for Services				
3200 Other Funds Non-Ltd	42,600	42,600	0	-
INTEREST EARNINGS				
0605 Interest Income				
3200 Other Funds Non-Ltd	2,387,600,000	2,387,600,000	0	-
DONATIONS AND CONTRIBUTIONS				
0915 Retirement System Contribution				
3200 Other Funds Non-Ltd	1,583,000,000	1,583,000,000	0	-
TOTAL REVENUES				
3200 Other Funds Non-Ltd	3,970,642,600	3,970,642,600	0	-
TRANSFERS OUT				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	(28,504,038)	(28,504,038)	0	-
AVAILABLE REVENUES				
3200 Other Funds Non-Ltd	10,481,290,308	10,481,290,308	0	-

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

Cross Reference Number:45900-200-00-00-00000

2013-15 Biennium

Oregon Public Service Retirement Plan

Description	Governor's Budget (Y-01) 2013-15 Base Budget	Leg. Adopted Budget (Z-01) 2013-15 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3200 Other Funds Non-Ltd	4,700,000	4,700,000	0	-
SPECIAL PAYMENTS				
6035 Dist to Individuals				
3200 Other Funds Non-Ltd	732,314,000	732,314,000	0	-
TOTAL EXPENDITURES				
3200 Other Funds Non-Ltd	737,014,000	737,014,000	0	-
ENDING BALANCE				
3200 Other Funds Non-Ltd	9,744,276,308	9,744,276,308	0	-

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

Cross Reference Number:45900-300-00-00-00000

2013-15 Biennium

Operations

Description	Governor's Budget (Y-01) 2013-15 Base Budget	Leg. Adopted Budget (Z-01) 2013-15 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
BEGINNING BALANCE				
0025 Beginning Balance				
3400 Other Funds Ltd	2,151,589	2,151,589	0	-
REVENUE CATEGORIES				
CHARGES FOR SERVICES				
0410 Charges for Services				
3400 Other Funds Ltd	2,533,500	2,533,500	0	-
INTEREST EARNINGS				
0605 Interest Income				
3400 Other Funds Ltd	26,250	26,250	0	-
OTHER				
0975 Other Revenues				
3400 Other Funds Ltd	205,000	205,000	0	-
TRANSFERS IN				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	73,190,167	73,190,167	0	-
TOTAL REVENUES				
3400 Other Funds Ltd	75,954,917	75,954,917	0	-
TRANSFERS OUT				
2010 Transfer Out - Intrafund				
3400 Other Funds Ltd	(764,944)	(764,944)	0	-
2121 Tsfr To Governor, Office of the				
3400 Other Funds Ltd	(70,000)	(70,000)	0	-
TOTAL TRANSFERS OUT				

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

Cross Reference Number:45900-300-00-00-00000

2013-15 Biennium

Operations

Description	Governor's Budget (Y-01) 2013-15 Base Budget	Leg. Adopted Budget (Z-01) 2013-15 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(834,944)	(834,944)	0	-
AVAILABLE REVENUES				
3400 Other Funds Ltd	77,271,562	77,271,562	0	-
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	34,484,688	34,515,864	31,176	0.09%
3160 Temporary Appointments				
3400 Other Funds Ltd	166,319	166,319	0	-
3170 Overtime Payments				
3400 Other Funds Ltd	601,773	601,773	0	-
3180 Shift Differential				
3400 Other Funds Ltd	2,096	2,096	0	-
3190 All Other Differential				
3400 Other Funds Ltd	221,885	221,885	0	-
TOTAL SALARIES & WAGES				
3400 Other Funds Ltd	35,476,761	35,507,937	31,176	0.09%
OTHER PAYROLL EXPENSES				
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	13,280	13,280	0	-
3220 Public Employees' Retire Cont				
3400 Other Funds Ltd	6,733,701	5,184,612	(1,549,089)	-23.01%
3221 Pension Obligation Bond				

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

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Cross Reference Number:45900-300-00-00-00000

2013-15 Biennium

Operations

Description	Governor's Budget (Y-01) 2013-15 Base Budget	Leg. Adopted Budget (Z-01) 2013-15 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	1,949,672	1,949,672	0	-
3230 Social Security Taxes				
3400 Other Funds Ltd	2,709,070	2,711,456	2,386	0.09%
3240 Unemployment Assessments				
3400 Other Funds Ltd	39,629	39,629	0	-
3250 Worker's Comp. Assess. (WCD)				
3400 Other Funds Ltd	19,588	19,588	0	-
3260 Mass Transit Tax				
3400 Other Funds Ltd	230,065	230,065	0	-
3270 Flexible Benefits				
3400 Other Funds Ltd	10,135,296	10,135,296	0	-
TOTAL OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	21,830,301	20,283,598	(1,546,703)	-7.09%
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				
3400 Other Funds Ltd	(139,689)	(139,689)	0	-
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	398,246	1,913,773	1,515,527	380.55%
3470 Undistributed (P.S.)				
3400 Other Funds Ltd	(750,000)	(750,000)	0	-
TOTAL P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	(491,443)	1,024,084	1,515,527	308.38%
TOTAL PERSONAL SERVICES				
3400 Other Funds Ltd	56,815,619	56,815,619	0	-

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

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2013-15 Biennium

Operations

Description	Governor's Budget (Y-01) 2013-15 Base Budget	Leg. Adopted Budget (Z-01) 2013-15 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	214,341	214,341	0	-
4125 Out of State Travel				
3400 Other Funds Ltd	7,709	7,709	0	-
4150 Employee Training				
3400 Other Funds Ltd	573,862	573,862	0	-
4175 Office Expenses				
3400 Other Funds Ltd	1,776,463	1,776,463	0	-
4200 Telecommunications				
3400 Other Funds Ltd	500,164	500,164	0	-
4225 State Gov. Service Charges				
3400 Other Funds Ltd	2,747,287	2,747,287	0	-
4250 Data Processing				
3400 Other Funds Ltd	3,978,671	3,978,671	0	-
4275 Publicity and Publications				
3400 Other Funds Ltd	236,567	236,567	0	-
4300 Professional Services				
3400 Other Funds Ltd	2,893,664	2,893,664	0	-
4315 IT Professional Services				
3400 Other Funds Ltd	2,979,643	2,979,643	0	-
4325 Attorney General				
3400 Other Funds Ltd	1,048,583	1,048,583	0	-
4350 Dispute Resolution Services				

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

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Cross Reference Number:45900-300-00-00-00000

2013-15 Biennium

Operations

Description	Governor's Budget (Y-01) 2013-15 Base Budget	Leg. Adopted Budget (Z-01) 2013-15 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	84,951	84,951	0	-
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	53,849	53,849	0	-
4400 Dues and Subscriptions				
3400 Other Funds Ltd	35,364	35,364	0	-
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	1,029,597	1,029,597	0	-
4450 Fuels and Utilities				
3400 Other Funds Ltd	272,584	272,584	0	-
4475 Facilities Maintenance				
3400 Other Funds Ltd	1,091,933	1,091,933	0	-
4625 Other COP Costs				
3400 Other Funds Ltd	2,682	2,682	0	-
4650 Other Services and Supplies				
3400 Other Funds Ltd	2,861	2,861	0	-
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	80,862	80,862	0	-
4715 IT Expendable Property				
3400 Other Funds Ltd	894,132	894,132	0	-
TOTAL SERVICES & SUPPLIES				
3400 Other Funds Ltd	20,505,769	20,505,769	0	-
CAPITAL OUTLAY				
5100 Office Furniture and Fixtures				
3400 Other Funds Ltd	32,716	32,716	0	-

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Public Employees Retirement System, Oregon

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Operations

Description	Governor's Budget (Y-01) 2013-15 Base Budget	Leg. Adopted Budget (Z-01) 2013-15 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
5150 Telecommunications Equipment				
3400 Other Funds Ltd	100,506	100,506	0	-
5200 Technical Equipment				
3400 Other Funds Ltd	300,000	300,000	0	-
5550 Data Processing Software				
3400 Other Funds Ltd	110,226	110,226	0	-
5600 Data Processing Hardware				
3400 Other Funds Ltd	384,140	384,140	0	-
TOTAL CAPITAL OUTLAY				
3400 Other Funds Ltd	927,588	927,588	0	-
TOTAL EXPENDITURES				
3400 Other Funds Ltd	78,248,976	78,248,976	0	-
ENDING BALANCE				
3400 Other Funds Ltd	(977,414)	(977,414)	0	-
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	332	332	0	-
8180 Position Reconciliation	2	2	0	-
TOTAL AUTHORIZED POSITIONS	334	334	0	-
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	332.00	332.00	0	-
8280 FTE Reconciliation	2.00	2.00	0	-
TOTAL AUTHORIZED FTE	334.00	334.00	0	-

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

Cross Reference Number:45900-400-00-00-00000

2013-15 Biennium

Debt Service

Description	Governor's Budget (Y-01) 2013-15 Base Budget	Leg. Adopted Budget (Z-01) 2013-15 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

REVENUE CATEGORIES

OTHER

0975 Other Revenues

3430 Other Funds Debt Svc Ltd	1,000	1,000	0	-
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TRANSFERS IN

1010 Transfer In - Intrafund

3430 Other Funds Debt Svc Ltd	1,301,850	1,301,850	0	-
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TOTAL REVENUES

3430 Other Funds Debt Svc Ltd	1,302,850	1,302,850	0	-
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AVAILABLE REVENUES

3430 Other Funds Debt Svc Ltd	1,302,850	1,302,850	0	-
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EXPENDITURES

DEBT SERVICE

7100 Principal - Bonds

3430 Other Funds Debt Svc Ltd	1,110,000	1,110,000	0	-
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7150 Interest - Bonds

3430 Other Funds Debt Svc Ltd	192,850	192,850	0	-
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TOTAL DEBT SERVICE

3430 Other Funds Debt Svc Ltd	1,302,850	1,302,850	0	-
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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Non-PICS Psnl Svc / Vacancy Factor
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

EXPENDITURES

PERSONAL SERVICES

SALARIES & WAGES

3160 Temporary Appointments

3400 Other Funds Ltd	3,991	3,991	0	0.00%
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3170 Overtime Payments

3400 Other Funds Ltd	14,020	14,020	0	0.00%
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3180 Shift Differential

3400 Other Funds Ltd	50	50	0	0.00%
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3190 All Other Differential

3400 Other Funds Ltd	5,325	5,325	0	0.00%
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SALARIES & WAGES

3400 Other Funds Ltd	23,386	23,386	0	0.00%
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TOTAL SALARIES & WAGES	\$23,386	\$23,386	\$0	0.00%
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OTHER PAYROLL EXPENSES

3220 Public Employees Retire Cont

3400 Other Funds Ltd	3,699	2,842	(857)	(23.17%)
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3221 Pension Obligation Bond

3400 Other Funds Ltd	247,927	247,927	0	0.00%
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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

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Cross Reference Number: 45900-300-00-00-00000

2013-15 Biennium

Package: Non-PICS Psnl Svc / Vacancy Factor

Operations

Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3230 Social Security Taxes				
3400 Other Funds Ltd	1,791	1,791	0	0.00%
3240 Unemployment Assessments				
3400 Other Funds Ltd	950	950	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	(15,575)	(15,575)	0	0.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	238,792	237,935	(857)	(0.36%)
TOTAL OTHER PAYROLL EXPENSES	\$238,792	\$237,935	(\$857)	(0.36%)
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				
3400 Other Funds Ltd	(216,207)	(216,207)	0	0.00%
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	3	860	857	28,566.67%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	(216,204)	(215,347)	857	0.40%
TOTAL P.S. BUDGET ADJUSTMENTS	(\$216,204)	(\$215,347)	\$857	0.40%
PERSONAL SERVICES				
3400 Other Funds Ltd	45,974	45,974	0	0.00%

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Public Employees Retirement System, Oregon

Agency Number: 45900

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Cross Reference Number: 45900-300-00-00-00000

2013-15 Biennium

Package: Non-PICS Psnl Svc / Vacancy Factor

Operations

Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL PERSONAL SERVICES	\$45,974	\$45,974	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	45,974	45,974	0	0.00%
TOTAL EXPENDITURES	\$45,974	\$45,974	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(45,974)	(45,974)	0	0.00%
TOTAL ENDING BALANCE	(\$45,974)	(\$45,974)	\$0	0.00%

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000

Package: Phase-in

Pkg Group: ESS Pkg Type: 020 Pkg Number: 021

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3400 Other Funds Ltd	559,232	559,232	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	559,232	559,232	0	0.00%
TOTAL SERVICES & SUPPLIES	\$559,232	\$559,232	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	559,232	559,232	0	0.00%
TOTAL EXPENDITURES	\$559,232	\$559,232	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(559,232)	(559,232)	0	0.00%
TOTAL ENDING BALANCE	(\$559,232)	(\$559,232)	\$0	0.00%

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Phase-out Pgm & One-time Costs
Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

EXPENDITURES

PERSONAL SERVICES

SALARIES & WAGES

3170 Overtime Payments

3400 Other Funds Ltd	(17,700)	(17,700)	0	0.00%
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SALARIES & WAGES

3400 Other Funds Ltd	(17,700)	(17,700)	0	0.00%
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TOTAL SALARIES & WAGES	(\$17,700)	(\$17,700)	\$0	0.00%
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OTHER PAYROLL EXPENSES

3220 Public Employees Retire Cont

3400 Other Funds Ltd	(3,375)	(2,597)	778	23.05%
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3230 Social Security Taxes

3400 Other Funds Ltd	(1,354)	(1,354)	0	0.00%
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OTHER PAYROLL EXPENSES

3400 Other Funds Ltd	(4,729)	(3,951)	778	16.45%
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TOTAL OTHER PAYROLL EXPENSES	(\$4,729)	(\$3,951)	\$778	16.45%
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P.S. BUDGET ADJUSTMENTS

3465 Reconciliation Adjustment

3400 Other Funds Ltd	-	(778)	(778)	100.00%
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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Phase-out Pgm & One-time Costs
Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	-	(778)	(778)	100.00%
TOTAL P.S. BUDGET ADJUSTMENTS	-	(\$778)	(\$778)	100.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	(22,429)	(22,429)	0	0.00%
TOTAL PERSONAL SERVICES	(\$22,429)	(\$22,429)	\$0	0.00%
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	(33,050)	(33,050)	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	(145,000)	(145,000)	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	(1,152,300)	(1,152,300)	0	0.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	(1,000)	(1,000)	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	(346,140)	(346,140)	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	(1,677,490)	(1,677,490)	0	0.00%

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Phase-out Pgm & One-time Costs
Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL SERVICES & SUPPLIES	(\$1,677,490)	(\$1,677,490)	\$0	0.00%
CAPITAL OUTLAY				
5150 Telecommunications Equipment				
3400 Other Funds Ltd	(34,000)	(34,000)	0	0.00%
5200 Technical Equipment				
3400 Other Funds Ltd	(300,000)	(300,000)	0	0.00%
CAPITAL OUTLAY				
3400 Other Funds Ltd	(334,000)	(334,000)	0	0.00%
TOTAL CAPITAL OUTLAY	(\$334,000)	(\$334,000)	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	(2,033,919)	(2,033,919)	0	0.00%
TOTAL EXPENDITURES	(\$2,033,919)	(\$2,033,919)	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	2,033,919	2,033,919	0	0.00%
TOTAL ENDING BALANCE	\$2,033,919	\$2,033,919	\$0	0.00%

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

Cross Reference Number: 45900-300-00-00-00000

2013-15 Biennium

Package: Standard Inflation

Operations

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

EXPENDITURES

SERVICES & SUPPLIES

4100 Instate Travel

3400 Other Funds Ltd	5,144	5,144	0	0.00%
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4125 Out of State Travel

3400 Other Funds Ltd	185	185	0	0.00%
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4150 Employee Training

3400 Other Funds Ltd	12,979	12,979	0	0.00%
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4175 Office Expenses

3400 Other Funds Ltd	39,156	39,156	0	0.00%
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4200 Telecommunications

3400 Other Funds Ltd	11,841	11,841	0	0.00%
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4225 State Gov. Service Charges

3400 Other Funds Ltd	(1,044,265)	(1,044,265)	0	0.00%
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4250 Data Processing

3400 Other Funds Ltd	197,634	197,634	0	0.00%
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4275 Publicity and Publications

3400 Other Funds Ltd	5,678	5,678	0	0.00%
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4300 Professional Services

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Public Employees Retirement System, Oregon

Agency Number: 45900

**Package Comparison Report - Detail
2013-15 Biennium
Operations**

Cross Reference Number: 45900-300-00-00-00000

Package: Standard Inflation

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	81,025	81,025	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	51,166	51,166	0	0.00%
4325 Attorney General				
3400 Other Funds Ltd	156,191	156,191	0	0.00%
4350 Dispute Resolution Services				
3400 Other Funds Ltd	(2,688)	(2,688)	0	0.00%
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	1,294	1,294	0	0.00%
4400 Dues and Subscriptions				
3400 Other Funds Ltd	849	849	0	0.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	60,199	60,199	0	0.00%
4450 Fuels and Utilities				
3400 Other Funds Ltd	6,542	6,542	0	0.00%
4475 Facilities Maintenance				
3400 Other Funds Ltd	26,206	26,206	0	0.00%
4650 Other Services and Supplies				
3400 Other Funds Ltd	69	69	0	0.00%

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Package Comparison Report - Detail
2013-15 Biennium
Operations**

Cross Reference Number: 45900-300-00-00-00000

Package: Standard Inflation

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	1,919	1,919	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	13,152	13,152	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	(375,724)	(375,724)	0	0.00%
TOTAL SERVICES & SUPPLIES	(\$375,724)	(\$375,724)	\$0	0.00%
CAPITAL OUTLAY				
5100 Office Furniture and Fixtures				
3400 Other Funds Ltd	785	785	0	0.00%
5150 Telecommunications Equipment				
3400 Other Funds Ltd	1,596	1,596	0	0.00%
5550 Data Processing Software				
3400 Other Funds Ltd	2,645	2,645	0	0.00%
5600 Data Processing Hardware				
3400 Other Funds Ltd	9,219	9,219	0	0.00%
CAPITAL OUTLAY				
3400 Other Funds Ltd	14,245	14,245	0	0.00%
TOTAL CAPITAL OUTLAY	\$14,245	\$14,245	\$0	0.00%

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

Cross Reference Number: 45900-300-00-00-00000

2013-15 Biennium

Package: Standard Inflation

Operations

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
3400 Other Funds Ltd	(361,479)	(361,479)	0	0.00%
TOTAL EXPENDITURES	(\$361,479)	(\$361,479)	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	361,479	361,479	0	0.00%
TOTAL ENDING BALANCE	\$361,479	\$361,479	\$0	0.00%

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Technical Adjustments
Pkg Group: ESS Pkg Type: 060 Pkg Number: 060

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3400 Other Funds Ltd	(22,000)	(22,000)	0	0.00%
4650 Other Services and Supplies				
3400 Other Funds Ltd	22,000	22,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL SERVICES & SUPPLIES	-	-	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL EXPENDITURES	-	-	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	\$0	0.00%

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000

Package: May 2012 E-Board

Pkg Group: POL Pkg Type: 080 Pkg Number: 081

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

REVENUE CATEGORIES

TRANSFERS IN

1010 Transfer In - Intrafund

3400 Other Funds Ltd	1,315,510	1,315,510	0	0.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	1,315,510	1,315,510	0	0.00%
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TOTAL AVAILABLE REVENUES	\$1,315,510	\$1,315,510	\$0	0.00%
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EXPENDITURES

PERSONAL SERVICES

SALARIES & WAGES

3110 Class/Unclass Sal. and Per Diem

3400 Other Funds Ltd	199,800	199,800	0	0.00%
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SALARIES & WAGES

3400 Other Funds Ltd	199,800	199,800	0	0.00%
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TOTAL SALARIES & WAGES	\$199,800	\$199,800	\$0	0.00%
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OTHER PAYROLL EXPENSES

3210 Empl. Rel. Bd. Assessments

3400 Other Funds Ltd	120	120	0	0.00%
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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Package Comparison Report - Detail
2013-15 Biennium
Operations**

**Cross Reference Number: 45900-300-00-00-00000
Package: May 2012 E-Board
Pkg Group: POL Pkg Type: 080 Pkg Number: 081**

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	38,103	29,310	(8,793)	(23.08%)
3230 Social Security Taxes				
3400 Other Funds Ltd	15,285	15,285	0	0.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	177	177	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	1,199	1,199	0	0.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	91,584	91,584	0	0.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	146,468	137,675	(8,793)	(6.00%)
TOTAL OTHER PAYROLL EXPENSES	\$146,468	\$137,675	(\$8,793)	(6.00%)
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	(2)	8,791	8,793	439,650.00%
3470 Undistributed (P.S.)				
3400 Other Funds Ltd	750,000	750,000	0	0.00%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	749,998	758,791	8,793	1.17%

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

Cross Reference Number: 45900-300-00-00-00000

2013-15 Biennium

Package: May 2012 E-Board

Operations

Pkg Group: POL Pkg Type: 080 Pkg Number: 081

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL P.S. BUDGET ADJUSTMENTS	\$749,998	\$758,791	\$8,793	1.17%
PERSONAL SERVICES				
3400 Other Funds Ltd	1,096,266	1,096,266	0	0.00%
TOTAL PERSONAL SERVICES	\$1,096,266	\$1,096,266	\$0	0.00%
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	2,925	2,925	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	15,000	15,000	0	0.00%
4300 Professional Services				
3400 Other Funds Ltd	(348,237)	(348,237)	0	0.00%
4650 Other Services and Supplies				
3400 Other Funds Ltd	200,000	200,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	(130,312)	(130,312)	0	0.00%
TOTAL SERVICES & SUPPLIES	(\$130,312)	(\$130,312)	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	965,954	965,954	0	0.00%
TOTAL EXPENDITURES	\$965,954	\$965,954	\$0	0.00%

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Package Comparison Report - Detail
2013-15 Biennium
Operations**

Cross Reference Number: 45900-300-00-00-00000

Package: May 2012 E-Board

Pkg Group: POL Pkg Type: 080 Pkg Number: 081

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
ENDING BALANCE				
3400 Other Funds Ltd	349,556	349,556	0	0.00%
TOTAL ENDING BALANCE	\$349,556	\$349,556	\$0	0.00%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	3	3	0	0.00%
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	3.00	3.00	0.00	0.00%

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Statewide Administrative Savings
Pkg Group: POL Pkg Type: 090 Pkg Number: 091

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

EXPENDITURES

PERSONAL SERVICES

P.S. BUDGET ADJUSTMENTS

3470 Undistributed (P.S.)

3400 Other Funds Ltd	(1,087,051)	(1,087,051)	0	0.00%
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P.S. BUDGET ADJUSTMENTS

3400 Other Funds Ltd	(1,087,051)	(1,087,051)	0	0.00%
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TOTAL P.S. BUDGET ADJUSTMENTS	(\$1,087,051)	(\$1,087,051)	\$0	0.00%
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PERSONAL SERVICES

3400 Other Funds Ltd	(1,087,051)	(1,087,051)	0	0.00%
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TOTAL PERSONAL SERVICES	(\$1,087,051)	(\$1,087,051)	\$0	0.00%
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SERVICES & SUPPLIES

4675 Undistributed (S.S.)

3400 Other Funds Ltd	(352,557)	(352,557)	0	0.00%
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SERVICES & SUPPLIES

3400 Other Funds Ltd	(352,557)	(352,557)	0	0.00%
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TOTAL SERVICES & SUPPLIES	(\$352,557)	(\$352,557)	\$0	0.00%
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CAPITAL OUTLAY

5950 Undistributed (C.O.)

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Package Comparison Report - Detail
2013-15 Biennium
Operations**

**Cross Reference Number: 45900-300-00-00-00000
Package: Statewide Administrative Savings
Pkg Group: POL Pkg Type: 090 Pkg Number: 091**

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(29,380)	(29,380)	0	0.00%
CAPITAL OUTLAY				
3400 Other Funds Ltd	(29,380)	(29,380)	0	0.00%
TOTAL CAPITAL OUTLAY	(\$29,380)	(\$29,380)	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	(1,468,988)	(1,468,988)	0	0.00%
TOTAL EXPENDITURES	(\$1,468,988)	(\$1,468,988)	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	1,468,988	1,468,988	0	0.00%
TOTAL ENDING BALANCE	\$1,468,988	\$1,468,988	\$0	0.00%

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: PERS Taxation Policy
Pkg Group: POL Pkg Type: 090 Pkg Number: 092

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
PERSONAL SERVICES				
P.S. BUDGET ADJUSTMENTS				
3991 PERS Policy Adjustment				
3400 Other Funds Ltd	(161,673)	(161,673)	0	0.00%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	(161,673)	(161,673)	0	0.00%
TOTAL P.S. BUDGET ADJUSTMENTS	(\$161,673)	(\$161,673)	\$0	0.00%
<hr/>				
PERSONAL SERVICES				
3400 Other Funds Ltd	(161,673)	(161,673)	0	0.00%
TOTAL PERSONAL SERVICES	(\$161,673)	(\$161,673)	\$0	0.00%
<hr/>				
EXPENDITURES				
3400 Other Funds Ltd	(161,673)	(161,673)	0	0.00%
TOTAL EXPENDITURES	(\$161,673)	(\$161,673)	\$0	0.00%
<hr/>				
ENDING BALANCE				
3400 Other Funds Ltd	161,673	161,673	0	0.00%
TOTAL ENDING BALANCE	\$161,673	\$161,673	\$0	0.00%

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Other PERS Adjustments
Pkg Group: POL Pkg Type: 090 Pkg Number: 093

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
PERSONAL SERVICES				
P.S. BUDGET ADJUSTMENTS				
3991 PERS Policy Adjustment				
3400 Other Funds Ltd	(1,291,845)	(1,291,845)	0	0.00%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	(1,291,845)	(1,291,845)	0	0.00%
TOTAL P.S. BUDGET ADJUSTMENTS	(\$1,291,845)	(\$1,291,845)	\$0	0.00%
<hr/>				
PERSONAL SERVICES				
3400 Other Funds Ltd	(1,291,845)	(1,291,845)	0	0.00%
TOTAL PERSONAL SERVICES	(\$1,291,845)	(\$1,291,845)	\$0	0.00%
<hr/>				
EXPENDITURES				
3400 Other Funds Ltd	(1,291,845)	(1,291,845)	0	0.00%
TOTAL EXPENDITURES	(\$1,291,845)	(\$1,291,845)	\$0	0.00%
<hr/>				
ENDING BALANCE				
3400 Other Funds Ltd	1,291,845	1,291,845	0	0.00%
TOTAL ENDING BALANCE	\$1,291,845	\$1,291,845	\$0	0.00%

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Current Service Delivery Levels
Pkg Group: POL Pkg Type: POL Pkg Number: 101

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

REVENUE CATEGORIES

TRANSFERS IN

1010 Transfer In - Intrafund

3400 Other Funds Ltd	5,474,611	5,474,611	0	0.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	5,474,611	5,474,611	0	0.00%
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TOTAL AVAILABLE REVENUES	\$5,474,611	\$5,474,611	\$0	0.00%
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EXPENDITURES

PERSONAL SERVICES

SALARIES & WAGES

3110 Class/Unclass Sal. and Per Diem

3400 Other Funds Ltd	2,906,544	2,888,214	(18,330)	(0.63%)
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SALARIES & WAGES

3400 Other Funds Ltd	2,906,544	2,888,214	(18,330)	(0.63%)
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TOTAL SALARIES & WAGES	\$2,906,544	\$2,888,214	(\$18,330)	(0.63%)
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OTHER PAYROLL EXPENSES

3210 Empl. Rel. Bd. Assessments

3400 Other Funds Ltd	1,200	1,185	(15)	(1.25%)
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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Current Service Delivery Levels
Pkg Group: POL Pkg Type: POL Pkg Number: 101

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	554,278	423,700	(130,578)	(23.56%)
3230 Social Security Taxes				
3400 Other Funds Ltd	222,355	220,953	(1,402)	(0.63%)
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	1,770	1,746	(24)	(1.36%)
3260 Mass Transit Tax				
3400 Other Funds Ltd	17,440	17,325	(115)	(0.66%)
3270 Flexible Benefits				
3400 Other Funds Ltd	915,840	904,392	(11,448)	(1.25%)
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	1,712,883	1,569,301	(143,582)	(8.38%)
TOTAL OTHER PAYROLL EXPENSES	\$1,712,883	\$1,569,301	(\$143,582)	(8.38%)
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	1	138,414	138,413	13,841,300.00%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	1	138,414	138,413	13,841,300.00%
TOTAL P.S. BUDGET ADJUSTMENTS	\$1	\$138,414	\$138,413	13,841,300.00%

PERSONAL SERVICES

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Current Service Delivery Levels
Pkg Group: POL Pkg Type: POL Pkg Number: 101

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	4,619,428	4,595,929	(23,499)	(0.51%)
TOTAL PERSONAL SERVICES	\$4,619,428	\$4,595,929	(\$23,499)	(0.51%)
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	36,000	36,000	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	150,000	150,000	0	0.00%
4300 Professional Services				
3400 Other Funds Ltd	635,000	635,000	0	0.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	3,000	3,000	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	12,000	12,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	836,000	836,000	0	0.00%
TOTAL SERVICES & SUPPLIES	\$836,000	\$836,000	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	5,455,428	5,431,929	(23,499)	(0.43%)
TOTAL EXPENDITURES	\$5,455,428	\$5,431,929	(\$23,499)	(0.43%)

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Current Service Delivery Levels
Pkg Group: POL Pkg Type: POL Pkg Number: 101

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
ENDING BALANCE				
3400 Other Funds Ltd	19,183	42,682	23,499	122.50%
TOTAL ENDING BALANCE	\$19,183	\$42,682	\$23,499	122.50%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	30	30	0	0.00%
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	30.00	29.64	(0.36)	(1.20%)

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Retiree Health Insurance Program
Pkg Group: POL Pkg Type: POL Pkg Number: 102

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

REVENUE CATEGORIES

TRANSFERS IN

1010 Transfer In - Intrafund

3400 Other Funds Ltd	805,913	805,913	0	0.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	805,913	805,913	0	0.00%
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TOTAL AVAILABLE REVENUES	\$805,913	\$805,913	\$0	0.00%
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EXPENDITURES

PERSONAL SERVICES

SALARIES & WAGES

3110 Class/Unclass Sal. and Per Diem

3400 Other Funds Ltd	335,976	306,358	(29,618)	(8.82%)
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SALARIES & WAGES

3400 Other Funds Ltd	335,976	306,358	(29,618)	(8.82%)
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TOTAL SALARIES & WAGES	\$335,976	\$306,358	(\$29,618)	(8.82%)
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OTHER PAYROLL EXPENSES

3210 Empl. Rel. Bd. Assessments

3400 Other Funds Ltd	120	113	(7)	(5.83%)
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Budget Page 314

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Retiree Health Insurance Program
Pkg Group: POL Pkg Type: POL Pkg Number: 102

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	64,070	44,943	(19,127)	(29.85%)
3230 Social Security Taxes				
3400 Other Funds Ltd	25,702	23,436	(2,266)	(8.82%)
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	177	166	(11)	(6.21%)
3260 Mass Transit Tax				
3400 Other Funds Ltd	2,016	1,838	(178)	(8.83%)
3270 Flexible Benefits				
3400 Other Funds Ltd	91,584	86,496	(5,088)	(5.56%)
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	183,669	156,992	(26,677)	(14.52%)
TOTAL OTHER PAYROLL EXPENSES	\$183,669	\$156,992	(\$26,677)	(14.52%)
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	1	13,479	13,478	1,347,800.00%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	1	13,479	13,478	1,347,800.00%
TOTAL P.S. BUDGET ADJUSTMENTS	\$1	\$13,479	\$13,478	1,347,800.00%

PERSONAL SERVICES

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Budget Page 315

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Retiree Health Insurance Program
Pkg Group: POL Pkg Type: POL Pkg Number: 102

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	519,646	476,829	(42,817)	(8.24%)
TOTAL PERSONAL SERVICES	\$519,646	\$476,829	(\$42,817)	(8.24%)
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	4,050	4,050	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	15,000	15,000	0	0.00%
4300 Professional Services				
3400 Other Funds Ltd	250,000	250,000	0	0.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	3,000	3,000	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	12,000	12,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	284,050	284,050	0	0.00%
TOTAL SERVICES & SUPPLIES	\$284,050	\$284,050	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	803,696	760,879	(42,817)	(5.33%)
TOTAL EXPENDITURES	\$803,696	\$760,879	(\$42,817)	(5.33%)

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Retiree Health Insurance Program
Pkg Group: POL Pkg Type: POL Pkg Number: 102

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
ENDING BALANCE				
3400 Other Funds Ltd	2,217	45,034	42,817	1,931.30%
TOTAL ENDING BALANCE	\$2,217	\$45,034	\$42,817	1,931.30%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	3	3	0	0.00%
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	3.00	2.84	(0.16)	(5.33%)

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Infrastructure Maintenance & Enhancement
Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
REVENUE CATEGORIES				
TRANSFERS IN				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	1,860,000	1,860,000	0	0.00%
AVAILABLE REVENUES				
3400 Other Funds Ltd	1,860,000	1,860,000	0	0.00%
TOTAL AVAILABLE REVENUES	\$1,860,000	\$1,860,000	\$0	0.00%
EXPENDITURES				
SERVICES & SUPPLIES				
4250 Data Processing				
3400 Other Funds Ltd	135,000	135,000	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	910,000	450,000	(460,000)	(50.55%)
SERVICES & SUPPLIES				
3400 Other Funds Ltd	1,045,000	585,000	(460,000)	(44.02%)
TOTAL SERVICES & SUPPLIES	\$1,045,000	\$585,000	(\$460,000)	(44.02%)
CAPITAL OUTLAY				
5550 Data Processing Software				
3400 Other Funds Ltd	315,000	315,000	0	0.00%

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Infrastructure Maintenance & Enhancement
Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
5600 Data Processing Hardware				
3400 Other Funds Ltd	500,000	360,000	(140,000)	(28.00%)
CAPITAL OUTLAY				
3400 Other Funds Ltd	815,000	675,000	(140,000)	(17.18%)
TOTAL CAPITAL OUTLAY	\$815,000	\$675,000	(\$140,000)	(17.18%)
EXPENDITURES				
3400 Other Funds Ltd	1,860,000	1,260,000	(600,000)	(32.26%)
TOTAL EXPENDITURES	\$1,860,000	\$1,260,000	(\$600,000)	(32.26%)
ENDING BALANCE				
3400 Other Funds Ltd	-	600,000	600,000	100.00%
TOTAL ENDING BALANCE	-	\$600,000	\$600,000	100.00%

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Compliance Plan for SB 5701 (2012)
Pkg Group: POL Pkg Type: LFO Pkg Number: 811

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

EXPENDITURES

PERSONAL SERVICES

SALARIES & WAGES

3110 Class/Unclass Sal. and Per Diem

3400 Other Funds Ltd	-	(332,934)	(332,934)	100.00%
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SALARIES & WAGES

3400 Other Funds Ltd	-	(332,934)	(332,934)	100.00%
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TOTAL SALARIES & WAGES	-	(\$332,934)	(\$332,934)	100.00%
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OTHER PAYROLL EXPENSES

3210 Empl. Rel. Bd. Assessments

3400 Other Funds Ltd	-	(150)	(150)	100.00%
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3220 Public Employees Retire Cont

3400 Other Funds Ltd	-	(48,842)	(48,842)	100.00%
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3230 Social Security Taxes

3400 Other Funds Ltd	-	(25,469)	(25,469)	100.00%
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3250 Workers Comp. Assess. (WCD)

3400 Other Funds Ltd	-	(221)	(221)	100.00%
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3270 Flexible Benefits

3400 Other Funds Ltd	-	(114,480)	(114,480)	100.00%
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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Compliance Plan for SB 5701 (2012)
Pkg Group: POL Pkg Type: LFO Pkg Number: 811

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	-	(189,162)	(189,162)	100.00%
TOTAL OTHER PAYROLL EXPENSES	-	(\$189,162)	(\$189,162)	100.00%
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	-	138,378	138,378	100.00%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	-	138,378	138,378	100.00%
TOTAL P.S. BUDGET ADJUSTMENTS	-	\$138,378	\$138,378	100.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	-	(383,718)	(383,718)	100.00%
TOTAL PERSONAL SERVICES	-	(\$383,718)	(\$383,718)	100.00%
EXPENDITURES				
3400 Other Funds Ltd	-	(383,718)	(383,718)	100.00%
TOTAL EXPENDITURES	-	(\$383,718)	(\$383,718)	100.00%
ENDING BALANCE				
3400 Other Funds Ltd	-	383,718	383,718	100.00%
TOTAL ENDING BALANCE	-	\$383,718	\$383,718	100.00%
AUTHORIZED POSITIONS				

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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Compliance Plan for SB 5701 (2012)
Pkg Group: POL Pkg Type: LFO Pkg Number: 811

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
8150 Class/Unclass Positions	-	(3)	(3)	100.00%
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	-	(3.75)	(3.75)	100.00%

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: End of Session Bill (HB 5008)
Pkg Group: POL Pkg Type: LFO Pkg Number: 820

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

EXPENDITURES

SERVICES & SUPPLIES

4200 Telecommunications

3400 Other Funds Ltd	-	9,434	9,434	100.00%
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4225 State Gov. Service Charges

3400 Other Funds Ltd	-	(112,610)	(112,610)	100.00%
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4250 Data Processing

3400 Other Funds Ltd	-	280,911	280,911	100.00%
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4325 Attorney General

3400 Other Funds Ltd	-	(57,714)	(57,714)	100.00%
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SERVICES & SUPPLIES

3400 Other Funds Ltd	-	120,021	120,021	100.00%
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TOTAL SERVICES & SUPPLIES

	-	\$120,021	\$120,021	100.00%
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EXPENDITURES

3400 Other Funds Ltd	-	120,021	120,021	100.00%
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TOTAL EXPENDITURES

	-	\$120,021	\$120,021	100.00%
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ENDING BALANCE

3400 Other Funds Ltd	-	(120,021)	(120,021)	100.00%
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TOTAL ENDING BALANCE

	-	(\$120,021)	(\$120,021)	100.00%
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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: SB 822 - Administrative Costs
Pkg Group: POL Pkg Type: LFO Pkg Number: 841

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

EXPENDITURES

PERSONAL SERVICES

SALARIES & WAGES

3110 Class/Unclass Sal. and Per Diem

3400 Other Funds Ltd	-	114,756	114,756	100.00%
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3160 Temporary Appointments

3400 Other Funds Ltd	-	134,382	134,382	100.00%
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3170 Overtime Payments

3400 Other Funds Ltd	-	64,550	64,550	100.00%
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SALARIES & WAGES

3400 Other Funds Ltd	-	313,688	313,688	100.00%
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TOTAL SALARIES & WAGES	-	\$313,688	\$313,688	100.00%
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OTHER PAYROLL EXPENSES

3210 Empl. Rel. Bd. Assessments

3400 Other Funds Ltd	-	80	80	100.00%
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3220 Public Employees Retire Cont

3400 Other Funds Ltd	-	26,304	26,304	100.00%
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3230 Social Security Taxes

3400 Other Funds Ltd	-	23,997	23,997	100.00%
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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: SB 822 - Administrative Costs
Pkg Group: POL Pkg Type: LFO Pkg Number: 841

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	-	118	118	100.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	-	1,883	1,883	100.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	-	61,056	61,056	100.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	-	113,438	113,438	100.00%
TOTAL OTHER PAYROLL EXPENSES	-	\$113,438	\$113,438	100.00%
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	-	7,892	7,892	100.00%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	-	7,892	7,892	100.00%
TOTAL P.S. BUDGET ADJUSTMENTS	-	\$7,892	\$7,892	100.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	-	435,018	435,018	100.00%
TOTAL PERSONAL SERVICES	-	\$435,018	\$435,018	100.00%
SERVICES & SUPPLIES				

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Budget Page 325

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2013-15 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: SB 822 - Administrative Costs
Pkg Group: POL Pkg Type: LFO Pkg Number: 841

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4150 Employee Training				
3400 Other Funds Ltd	-	1,463	1,463	100.00%
4175 Office Expenses				
3400 Other Funds Ltd	-	41,670	41,670	100.00%
4300 Professional Services				
3400 Other Funds Ltd	-	100,000	100,000	100.00%
4315 IT Professional Services				
3400 Other Funds Ltd	-	425,000	425,000	100.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	-	5,000	5,000	100.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	-	573,133	573,133	100.00%
TOTAL SERVICES & SUPPLIES	-	\$573,133	\$573,133	100.00%
EXPENDITURES				
3400 Other Funds Ltd	-	1,008,151	1,008,151	100.00%
TOTAL EXPENDITURES	-	\$1,008,151	\$1,008,151	100.00%
ENDING BALANCE				
3400 Other Funds Ltd	-	(1,008,151)	(1,008,151)	100.00%
TOTAL ENDING BALANCE	-	(\$1,008,151)	(\$1,008,151)	100.00%

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Budget Page 326

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
 2013-15 Biennium
 Operations

Cross Reference Number: 45900-300-00-00-00000
 Package: SB 822 - Administrative Costs
 Pkg Group: POL Pkg Type: LFO Pkg Number: 841

Description	Governor's Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	-	2	2	100.00%
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	-	1.50	1.50	100.00%

BUDGET NARRATIVE

09/16/13 REPORT NO.: PPDPLBUDCL
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 000 Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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 PROD FILE
 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	B	Y7500	AE BOARD AND COMMISSION MEMBER		.00	1.00	0.00					
000	MEAHZ7014	HA	PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	24.00	11,697.00		280,728			280,728
000	MENNZ0119	AA	EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	3,970.00		95,280			95,280
000	MENNZ0830	AA	EXECUTIVE ASSISTANT	1	1.00	24.00	3,781.00		90,744			90,744
000	MESNZ7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	3	3.00	72.00	7,859.66		565,896			565,896
000	MESNZ7010	IA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	9,955.00		238,920			238,920
000	MESNZ7012	AA	PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	9,955.00		238,920			238,920
000	MMC X1319	AA	HUMAN RESOURCE ASSISTANT	2	2.00	48.00	3,781.00		181,488			181,488
000	MMN X0863	AA	PROGRAM ANALYST 4	1	1.00	24.00	5,839.00		140,136			140,136
000	MMN X0871	AA	OPERATIONS & POLICY ANALYST 2	4	4.00	96.00	5,336.50		512,304			512,304
000	MMN X0872	AA	OPERATIONS & POLICY ANALYST 3	5	5.00	120.00	5,476.20		657,144			657,144
000	MMN X0873	AA	OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	5,567.00		133,608			133,608
000	MMN X1320	AA	HUMAN RESOURCE ANALYST 1	1	1.00	24.00	4,364.00		104,736			104,736
000	MMN X1321	AA	HUMAN RESOURCE ANALYST 2	1	1.00	24.00	5,052.00		121,248			121,248
000	MMN X5618	AA	INTERNAL AUDITOR 3	2	2.00	48.00	6,134.00		294,432			294,432
000	MMS X0873	AA	OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	6,435.00		154,440			154,440
000	MMS X1322	AA	HUMAN RESOURCE ANALYST 3	1	1.00	24.00	6,435.00		154,440			154,440
000	MMS X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	9	9.00	216.00	4,544.33		981,576			981,576
000	MMS X7004	AA	PRINCIPAL EXECUTIVE/MANAGER C	1	1.00	24.00	5,052.00		121,248			121,248
000	MMS X7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	9	9.00	216.00	5,884.88		1,271,136			1,271,136
000	MMS X7008	AA	PRINCIPAL EXECUTIVE/MANAGER E	4	4.00	96.00	7,250.00		696,000			696,000
000	MMS X7008	IA	PRINCIPAL EXECUTIVE/MANAGER E	2	2.00	48.00	8,824.00		423,552			423,552
000	MMS X7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	8,613.00		206,712			206,712
000	OA	C0103	AA OFFICE SPECIALIST 1	16	16.00	384.00	2,313.43		888,360			888,360
000	OA	C0104	AA OFFICE SPECIALIST 2	19	19.00	456.00	2,608.26		1,189,368			1,189,368

___ Agency Request ___ Governor's Recommended X Legislatively Adopted

BUDGET NARRATIVE

09/16/13 REPORT NO.: PPDPLBUDCL
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 000 Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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 PROD FILE
 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	OA	C0107	AA ADMINISTRATIVE SPECIALIST 1	4	4.00	96.00	3,165.50		303,888			303,888
000	OA	C0108	AA ADMINISTRATIVE SPECIALIST 2	5	5.00	120.00	3,418.20		410,184			410,184
000	OA	C0118	AA EXECUTIVE SUPPORT SPECIALIST 1	2	2.00	48.00	2,997.00		143,856			143,856
000	OA	C0211	AA ACCOUNTING TECHNICIAN 2	1	1.00	24.00	2,662.00		63,888			63,888
000	OA	C0212	AA ACCOUNTING TECHNICIAN 3	3	3.00	72.00	3,617.66		260,472			260,472
000	OA	C0323	AA PUBLIC SERVICE REP 3	3	3.00	72.00	2,660.00		191,520			191,520
000	OA	C0405	AA MAIL SERVICES ASSISTANT	2	2.00	48.00	2,292.00		110,016			110,016
000	OA	C0435	AA PROCUREMENT AND CONTRACT ASST	1	1.00	24.00	3,838.00		92,112			92,112
000	OA	C0436	AA PROCUREMENT & CONTRACT SPEC 1	1	1.00	24.00	3,838.00		92,112			92,112
000	OA	C0438	AA PROCUREMENT & CONTRACT SPEC 3	1	1.00	24.00	6,163.00		147,912			147,912
000	OA	C0501	AA DATA ENTRY OPERATOR	2	2.00	48.00	2,471.00		118,608			118,608
000	OA	C0841	AA RETIREMENT COUNSELOR 1	59	59.00	1416.00	3,376.88		4,781,664			4,781,664
000	OA	C0842	AA RETIREMENT COUNSELOR 2	31	31.00	744.00	3,879.77		2,886,552			2,886,552
000	OA	C0854	AA PROJECT MANAGER 1	2	2.00	48.00	3,928.50		188,568			188,568
000	OA	C0855	AA PROJECT MANAGER 2	5	5.00	120.00	5,600.00		672,000			672,000
000	OA	C0860	AA PROGRAM ANALYST 1	1	1.00	24.00	4,628.00		111,072			111,072
000	OA	C0861	AA PROGRAM ANALYST 2	2	2.00	48.00	5,472.50		262,680			262,680
000	OA	C0870	AA OPERATIONS & POLICY ANALYST 1	18	18.00	432.00	4,000.33		1,728,144			1,728,144
000	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	27	27.00	648.00	4,803.66		3,112,776			3,112,776
000	OA	C1117	AA RESEARCH ANALYST 3	1	1.00	24.00	3,838.00		92,112			92,112
000	OA	C1215	AA ACCOUNTANT 1	3	3.00	72.00	3,438.66		247,584			247,584
000	OA	C1216	AA ACCOUNTANT 2	4	4.00	96.00	3,942.50		378,480			378,480
000	OA	C1217	AA ACCOUNTANT 3	5	5.00	120.00	5,313.20		637,584			637,584
000	OA	C1218	AA ACCOUNTANT 4	1	1.00	24.00	6,463.00		155,112			155,112
000	OA	C1244	AA FISCAL ANALYST 2	1	1.00	24.00	5,604.00		134,496			134,496

___ Agency Request ___ Governor's Recommended X Legislatively Adopted

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	OA	C1245 AA	FISCAL ANALYST 3	1	1.00	24.00	6,463.00		155,112			155,112
000	OA	C1338 AA	TRAINING & DEVELOPMENT SPEC 1	4	4.00	96.00	3,947.00		378,912			378,912
000	OA	C1482 IA	INFO SYSTEMS SPECIALIST 2	4	4.00	96.00	3,670.50		352,368			352,368
000	OA	C1484 IA	INFO SYSTEMS SPECIALIST 4	11	11.00	264.00	4,501.00		1,188,264			1,188,264
000	OA	C1485 IA	INFO SYSTEMS SPECIALIST 5	8	8.00	192.00	5,555.62		1,066,680			1,066,680
000	OA	C1486 IA	INFO SYSTEMS SPECIALIST 6	8	8.00	192.00	5,326.37		1,022,664			1,022,664
000	OA	C1487 IA	INFO SYSTEMS SPECIALIST 7	9	9.00	216.00	6,524.44		1,409,280			1,409,280
000	OA	C1488 IA	INFO SYSTEMS SPECIALIST 8	7	7.00	168.00	7,393.00		1,242,024			1,242,024
000	OA	C2510 AA	ELECTRONIC PUB DESIGN SPEC 1	3	3.00	72.00	3,020.66		217,488			217,488
000	OA	C5246 AA	COMPLIANCE SPECIALIST 1	1	1.00	24.00	3,032.00		72,768			72,768
000	OA	C5247 AA	COMPLIANCE SPECIALIST 2	3	3.00	72.00	4,784.66		344,496			344,496
000				332	332.00	7968.00	4,267.54		34,515,864			34,515,864

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09/16/13 REPORT NO.: PPDFLBUDCL
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
081	OA	C0212 AA	ACCOUNTING TECHNICIAN 3	3	3.00	72.00	2,775.00		199,800			199,800
081				3	3.00	72.00	2,775.00		199,800			199,800

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09/16/13 REPORT NO.: PPDPLBUDCL
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF
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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
101	MMN	X0872	AA OPERATIONS & POLICY ANALYST 3	5	5.00	120.00	5,870.40		704,448			704,448
101	MMS	X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	4,159.00		99,816			99,816
101	OA	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	2,451.00		58,824			58,824
101	OA	C0841	AA RETIREMENT COUNSELOR 1	6	6.00	144.00	3,056.16		440,088			440,088
101	OA	C0842	AA RETIREMENT COUNSELOR 2	11	10.76	258.00	3,476.63		898,770			898,770
101	OA	C0870	AA OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	3,332.00		79,968			79,968
101	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	4,210.00		101,040			101,040
101	OA	C1118	AA RESEARCH ANALYST 4	1	.88	21.00	4,628.00		97,188			97,188
101	OA	C1487	IA INFO SYSTEMS SPECIALIST 7	2	2.00	48.00	6,492.00		311,616			311,616
101	OA	C5247	AA COMPLIANCE SPECIALIST 2	1	1.00	24.00	4,019.00		96,456			96,456
101				30	29.64	711.00	4,057.16		2,888,214			2,888,214

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
102	MMS	X7006 AA	PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	5,052.00		121,248			121,248
102	OA	C0438 AA	PROCUREMENT & CONTRACT SPEC 3	1	.88	21.00	4,413.00		92,673			92,673
102	OA	C1217 AA	ACCOUNTANT 3	1	.96	23.00	4,019.00		92,437			92,437
102				3	2.84	68.00	4,494.66		306,358			306,358

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
811	MMN	X0871	AA OPERATIONS & POLICY ANALYST 2		.75-	18.00-	5,839.00		105,102-			105,102-
811	OA	C0501	AA DATA ENTRY OPERATOR	2-	2.00-	48.00-	2,471.00		118,608-			118,608-
811	OA	C1486	IA INFO SYSTEMS SPECIALIST 6	1-	1.00-	24.00-	4,551.00		109,224-			109,224-
811				3-	3.75-	90.00-	4,234.20		332,934-			332,934-

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
841	OA	C0841 AA	RETIREMENT COUNSELOR 1	1	.50	12.00	2,899.00		34,788			34,788
841	OA	C0860 AA	PROGRAM ANALYST 1	1	1.00	24.00	3,332.00		79,968			79,968
841				2	1.50	36.00	3,115.50		114,756			114,756
				367	365.23	8765.00	4,234.43		37,692,058			37,692,058
				367	365.23	8765.00	4,234.43		37,692,058			37,692,058

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	B	Y7500	AE BOARD AND COMMISSION MEMBER		.00	.00	0.00					
000	MEAHZ7014	HA	PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	24.00	11,697.00		280,728			280,728
000	MENNZ0119	AA	EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	3,970.00		95,280			95,280
000	MENNZ0830	AA	EXECUTIVE ASSISTANT	1	1.00	24.00	3,781.00		90,744			90,744
000	MESNZ7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	3	3.00	72.00	7,859.66		565,896			565,896
000	MESNZ7010	IA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	9,955.00		238,920			238,920
000	MESNZ7012	AA	PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	9,955.00		238,920			238,920
000	MMC X1319	AA	HUMAN RESOURCE ASSISTANT	2	2.00	48.00	3,781.00		181,488			181,488
000	MMN X0863	AA	PROGRAM ANALYST 4	1	1.00	24.00	5,839.00		140,136			140,136
000	MMN X0871	AA	OPERATIONS & POLICY ANALYST 2	4	3.25	78.00	5,504.00		407,202			407,202
101	MMN X0872	AA	OPERATIONS & POLICY ANALYST 3	10	10.00	240.00	5,673.30		1,361,592			1,361,592
000	MMN X0873	AA	OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	5,567.00		133,608			133,608
000	MMN X1320	AA	HUMAN RESOURCE ANALYST 1	1	1.00	24.00	4,364.00		104,736			104,736
000	MMN X1321	AA	HUMAN RESOURCE ANALYST 2	1	1.00	24.00	5,052.00		121,248			121,248
000	MMN X5618	AA	INTERNAL AUDITOR 3	2	2.00	48.00	6,134.00		294,432			294,432
000	MMS X0873	AA	OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	6,435.00		154,440			154,440
000	MMS X1322	AA	HUMAN RESOURCE ANALYST 3	1	1.00	24.00	6,435.00		154,440			154,440
101	MMS X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	10	10.00	240.00	4,505.80		1,081,392			1,081,392
000	MMS X7004	AA	PRINCIPAL EXECUTIVE/MANAGER C	1	1.00	24.00	5,052.00		121,248			121,248
102	MMS X7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	10	10.00	240.00	5,801.60		1,392,384			1,392,384
000	MMS X7008	AA	PRINCIPAL EXECUTIVE/MANAGER E	4	4.00	96.00	7,250.00		696,000			696,000
000	MMS X7008	IA	PRINCIPAL EXECUTIVE/MANAGER E	2	2.00	48.00	8,824.00		423,552			423,552
000	MMS X7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	8,613.00		206,712			206,712
000	OA C0103	AA	OFFICE SPECIALIST 1	16	16.00	384.00	2,313.43		888,360			888,360
101	OA C0104	AA	OFFICE SPECIALIST 2	20	20.00	480.00	2,600.40		1,248,192			1,248,192

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	OA	C0107	AA ADMINISTRATIVE SPECIALIST 1	4	4.00	96.00	3,165.50		303,888			303,888
000	OA	C0108	AA ADMINISTRATIVE SPECIALIST 2	5	5.00	120.00	3,418.20		410,184			410,184
000	OA	C0118	AA EXECUTIVE SUPPORT SPECIALIST 1	2	2.00	48.00	2,997.00		143,856			143,856
000	OA	C0211	AA ACCOUNTING TECHNICIAN 2	1	1.00	24.00	2,662.00		63,888			63,888
081	OA	C0212	AA ACCOUNTING TECHNICIAN 3	6	6.00	144.00	3,196.33		460,272			460,272
000	OA	C0323	AA PUBLIC SERVICE REP 3	3	3.00	72.00	2,660.00		191,520			191,520
000	OA	C0405	AA MAIL SERVICES ASSISTANT	2	2.00	48.00	2,292.00		110,016			110,016
000	OA	C0435	AA PROCUREMENT AND CONTRACT ASST	1	1.00	24.00	3,838.00		92,112			92,112
000	OA	C0436	AA PROCUREMENT & CONTRACT SPEC 1	1	1.00	24.00	3,838.00		92,112			92,112
102	OA	C0438	AA PROCUREMENT & CONTRACT SPEC 3	2	1.88	45.00	5,288.00		240,585			240,585
811	OA	C0501	AA DATA ENTRY OPERATOR		.00	.00	2,471.00					
841	OA	C0841	AA RETIREMENT COUNSELOR 1	66	65.50	1572.00	3,340.48		5,256,540			5,256,540
101	OA	C0842	AA RETIREMENT COUNSELOR 2	42	41.76	1002.00	3,774.19		3,785,322			3,785,322
000	OA	C0854	AA PROJECT MANAGER 1	2	2.00	48.00	3,928.50		188,568			188,568
000	OA	C0855	AA PROJECT MANAGER 2	5	5.00	120.00	5,600.00		672,000			672,000
841	OA	C0860	AA PROGRAM ANALYST 1	2	2.00	48.00	3,980.00		191,040			191,040
000	OA	C0861	AA PROGRAM ANALYST 2	2	2.00	48.00	5,472.50		262,680			262,680
000	OA	C0870	AA OPERATIONS & POLICY ANALYST 1	19	19.00	456.00	3,965.15		1,808,112			1,808,112
000	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	28	28.00	672.00	4,782.46		3,213,816			3,213,816
000	OA	C1117	AA RESEARCH ANALYST 3	1	1.00	24.00	3,838.00		92,112			92,112
101	OA	C1118	AA RESEARCH ANALYST 4	1	.88	21.00	4,628.00		97,188			97,188
000	OA	C1215	AA ACCOUNTANT 1	3	3.00	72.00	3,438.66		247,584			247,584
000	OA	C1216	AA ACCOUNTANT 2	4	4.00	96.00	3,942.50		378,480			378,480
102	OA	C1217	AA ACCOUNTANT 3	6	5.96	143.00	5,097.50		730,021			730,021
000	OA	C1218	AA ACCOUNTANT 4	1	1.00	24.00	6,463.00		155,112			155,112

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	OA	C1244 AA	FISCAL ANALYST 2	1	1.00	24.00	5,604.00		134,496			134,496
000	OA	C1245 AA	FISCAL ANALYST 3	1	1.00	24.00	6,463.00		155,112			155,112
000	OA	C1338 AA	TRAINING & DEVELOPMENT SPEC 1	4	4.00	96.00	3,947.00		378,912			378,912
000	OA	C1482 IA	INFO SYSTEMS SPECIALIST 2	4	4.00	96.00	3,670.50		352,368			352,368
000	OA	C1484 IA	INFO SYSTEMS SPECIALIST 4	11	11.00	264.00	4,501.00		1,188,264			1,188,264
000	OA	C1485 IA	INFO SYSTEMS SPECIALIST 5	8	8.00	192.00	5,555.62		1,066,680			1,066,680
000	OA	C1486 IA	INFO SYSTEMS SPECIALIST 6	7	7.00	168.00	5,240.22		913,440			913,440
101	OA	C1487 IA	INFO SYSTEMS SPECIALIST 7	11	11.00	264.00	6,518.54		1,720,896			1,720,896
000	OA	C1488 IA	INFO SYSTEMS SPECIALIST 8	7	7.00	168.00	7,393.00		1,242,024			1,242,024
000	OA	C2510 AA	ELECTRONIC PUB DESIGN SPEC 1	3	3.00	72.00	3,020.66		217,488			217,488
000	OA	C5246 AA	COMPLIANCE SPECIALIST 1	1	1.00	24.00	3,032.00		72,768			72,768
101	OA	C5247 AA	COMPLIANCE SPECIALIST 2	4	4.00	96.00	4,593.25		440,952			440,952
				367	365.23	8765.00	4,234.43		37,692,058			37,692,058

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS	CLASS	COMP	RNG	S T	POS P	CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
1510128	001187330	300-03-03-00000	081 0 LF	OA	C0212 AA	19	02	1	1.00	2,775.00	24.00			66,600			
			EST DATE: 2013/07/01 EXP DATE: 2015/06/30														
1510129	001187340	300-03-03-00000	081 0 LF	OA	C0212 AA	19	02	1	1.00	2,775.00	24.00			66,600			
			EST DATE: 2013/07/01 EXP DATE: 2015/06/30														
1510130	001187350	300-03-03-00000	081 0 LF	OA	C0212 AA	19	02	1	1.00	2,775.00	24.00			66,600			
			EST DATE: 2013/07/01 EXP DATE: 2015/06/30														
			081						3	3.00		72.00			199,800		

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	S T RNG P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
1510101	001186930	300-02-09-00000	101 0 PF	MMN X0872 AA	30 04	1	1.00	5,567.00	24.00		133,608			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
1510102	001186950	300-05-09-00000	101 0 PF	MMN X0872 AA	30 02	1	1.00	5,052.00	24.00		121,248			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
1510103	001186970	300-03-09-00000	101 0 PF	MMN X0872 AA	30 05	1	1.00	5,839.00	24.00		140,136			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
1510104	001186990	300-06-00-00000	101 0 PF	MMN X0872 AA	30 06	1	1.00	6,134.00	24.00		147,216			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
1510105	001187020	300-05-02-00000	101 0 PF	OA C0842 AA	22 04	1	1.00	3,484.00	24.00		83,616			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
1510106	001187040	300-05-02-00000	101 0 PF	OA C0871 AA	27 03	1	1.00	4,210.00	24.00		101,040			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
1510107	001187060	300-05-01-00000	101 0 PF	MMS X7002 AA	26X 03	1	1.00	4,159.00	24.00		99,816			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
1510108	001187120	300-05-01-00000	101 0 PF	OA C0841 AA	20 03	1	1.00	3,032.00	24.00		72,768			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
1510109	001187130	300-05-01-00000	101 0 PF	OA C0841 AA	20 03	1	1.00	3,032.00	24.00		72,768			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
1510110	001187140	300-05-01-00000	101 0 PF	OA C0841 AA	20 03	1	1.00	3,032.00	24.00		72,768			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
1510111	001187150	300-05-01-00000	101 0 PF	OA C0842 AA	22 02	1	1.00	3,177.00	24.00		76,248			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
1510112	001187160	300-05-01-00000	101 0 PF	OA C0842 AA	22 03	1	1.00	3,332.00	24.00		79,968			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
1510113	001187170	300-05-01-00000	101 0 PF	OA C0842 AA	22 04	1	1.00	3,484.00	24.00		83,616			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
1510114	001187180	300-05-01-00000	101 0 PF	OA C0842 AA	22 02	1	1.00	3,177.00	24.00		76,248			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
1510115	001187190	300-05-01-00000	101 0 PF	OA C0842 AA	22 09	1	1.00	4,413.00	24.00		105,912			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
1510116	001187200	300-05-01-00000	101 0 PF	OA C0104 AA	15 03	1	1.00	2,451.00	24.00		58,824			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														

___ Agency Request

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BUDGET NARRATIVE

09/16/13 REPORT NO.: PPDPLWSBUD
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF: 300-00-00 101 Operations

DEPT. OF ADMIN. SVCS. --- PPDB PICS SYSTEM

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	RNG	S T P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
1510117	001187210	300-05-01-00000	101 0 PF OA	C0841 AA	20	03	1	1.00	3,032.00	24.00		72,768			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01															
1510118	001187220	300-05-01-00000	101 0 PF OA	C0842 AA	22	03	1	1.00	3,332.00	24.00		79,968			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01															
1510119	001187230	300-05-01-00000	101 0 PF OA	C0841 AA	20	04	1	1.00	3,177.00	24.00		76,248			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01															
1510120	001187240	300-05-01-00000	101 0 PF OA	C0841 AA	20	03	1	1.00	3,032.00	24.00		72,768			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01															
1510121	001187250	300-05-01-00000	101 0 PF OA	C0842 AA	22	05	1	1.00	3,652.00	24.00		87,648			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01															
1510122	001187260	300-05-01-00000	101 0 PF OA	C0842 AA	22	06	1	1.00	3,838.00	24.00		92,112			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01															
1510123	001187270	300-06-00-00000	101 0 PF MMN	X0872 AA	30	08	1	1.00	6,760.00	24.00		162,240			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01															
1510124	001187280	300-06-00-00000	101 0 PF OA	C0870 AA	23	02	1	1.00	3,332.00	24.00		79,968			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01															
1510125	001187290	300-06-00-00000	101 0 PF OA	C5247 AA	25	04	1	1.00	4,019.00	24.00		96,456			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01															
1510126	001187300	300-04-07-00000	101 0 PF OA	C1487 IA	31	07	1	1.00	6,343.00	24.00		152,232			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01															
1510127	001187320	300-04-07-00000	101 0 PF OA	C1487 IA	31	08	1	1.00	6,641.00	24.00		159,384			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01															
1510131	001193880	300-05-02-00000	101 0 PF OA	C0842 AA	22	02	1	.88	3,177.00	21.00		66,717			
EST DATE: 2013/10/01 EXP DATE: 9999/01/01															
1510132	001193890	300-05-02-00000	101 0 PF OA	C0842 AA	22	02	1	.88	3,177.00	21.00		66,717			
EST DATE: 2013/10/01 EXP DATE: 9999/01/01															
1510133	001193910	300-01-02-00000	101 0 PF OA	C1118 AA	30	02	1	.88	4,628.00	21.00		97,188			
EST DATE: 2013/10/01 EXP DATE: 9999/01/01															
					101			30	29.64			711.00		2,888,214	

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09/16/13 REPORT NO.: PPDPLWSBUD
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM
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DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	S T RNG P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K	
1510201	001193950	300-03-08-00000	102 0 PF	MMS X7006 AA	31X 02	1	1.00	5,052.00	24.00		121,248				
			EST DATE: 2013/07/01 EXP DATE: 9999/01/01												
1510202	001193960	300-03-08-00000	102 0 PF	OA C0438 AA	29 02	1	.88	4,413.00	21.00		92,673				
			EST DATE: 2013/10/01 EXP DATE: 9999/01/01												
1510203	001193970	300-03-08-00000	102 0 PF	OA C1217 AA	27 02	1	.96	4,019.00	23.00		92,437				
			EST DATE: 2013/08/01 EXP DATE: 9999/01/01												
			102			3	2.84			68.00	306,358				

BUDGET NARRATIVE

09/16/13 REPORT NO.: PPDPLWSBUD
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM
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POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	S		FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
					RNG	P								
0911415	000983770	300-04-02-00000	811 0 PF	OA C0501 AA	11	09	1-	2,662.00	24.00-		63,888-			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
0911416	000983780	300-04-02-00000	811 0 PF	OA C0501 AA	11	05	1-	2,280.00	24.00-		54,720-			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
8700102	000232280	300-01-04-00000	811 0 PF	MMN X0871 AA	27	08	1-	5,839.00	24.00-		140,136-			
EST DATE: 2013/07/01 EXP DATE: 2013/12/31														
8700102	000232280	300-01-04-00000	811 0 PF	MMN X0871 AA	27	08	1	.25	5,839.00	6.00	35,034			
EST DATE: 2013/07/01 EXP DATE: 2013/12/31														
8900101	000232510	300-04-07-00000	811 0 PF	OA C1486 IA	29	02	1-	4,551.00	24.00-		109,224-			
EST DATE: 2013/07/01 EXP DATE: 9999/01/01														
811							3-	3.75-	90.00-		332,934-			

BUDGET NARRATIVE

09/16/13 REPORT NO.: PPDPLWSBUD
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM
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DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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 PICS SYSTEM: BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	S T RNG P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
1582201	001216350	300-02-09-00000	841 0 LF	OA C0860 AA	23 02	1	1.00	3,332.00	24.00		79,968			
EST DATE: 2013/07/01 EXP DATE: 2015/06/30														
1582202	001216360	300-05-02-00000	841 0 LP	OA C0841 AA	20 02	1	.50	2,899.00	12.00		34,788			
EST DATE: 2013/07/01 EXP DATE: 2015/06/30														
			841			2	1.50		36.00		114,756			
						35	33.23		797.00		3,176,194			
						35	33.23		797.00		3,176,194			

BUDGET NARRATIVE

09/05/13 REPORT NO.: PDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 Operations

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 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 081 - May 2012 E-Board

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1510128	OA	C0212 AA	ACCOUNTING TECHNICIAN 3	1	1.00	24.00	02	2,775.00		66,600 45,492			66,600 45,492
1510129	OA	C0212 AA	ACCOUNTING TECHNICIAN 3	1	1.00	24.00	02	2,775.00		66,600 45,492			66,600 45,492
1510130	OA	C0212 AA	ACCOUNTING TECHNICIAN 3	1	1.00	24.00	02	2,775.00		66,600 45,492			66,600 45,492
TOTAL PICS SALARY										199,800			199,800
TOTAL PICS OPE										136,476			136,476
TOTAL PICS PERSONAL SERVICES =				3	3.00	72.00				336,276			336,276

Agency Request

Governor's Recommended

Legislatively Adopted

BUDGET NARRATIVE

09/05/13 REPORT NO.: PDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 101 - Current Service Delivery Level

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1510117	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	03	3,032.00		72,768 46,869			72,768 46,869
1510118	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	03	3,332.00		79,968 48,476			79,968 48,476
1510119	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	04	3,177.00		76,248 47,646			76,248 47,646
1510120	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	03	3,032.00		72,768 46,869			72,768 46,869
1510121	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	05	3,652.00		87,648 50,190			87,648 50,190
1510122	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	06	3,838.00		92,112 51,187			92,112 51,187
1510123	MMN	X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	08	6,760.00		162,240 66,839			162,240 66,839
1510124	OA	C0870	AA OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	02	3,332.00		79,968 48,476			79,968 48,476
1510125	OA	C5247	AA COMPLIANCE SPECIALIST 2	1	1.00	24.00	04	4,019.00		96,456 52,156			96,456 52,156
1510126	OA	C1487	IA INFO SYSTEMS SPECIALIST 7	1	1.00	24.00	07	6,343.00		152,232 64,605			152,232 64,605
1510127	OA	C1487	IA INFO SYSTEMS SPECIALIST 7	1	1.00	24.00	08	6,641.00		159,384 66,202			159,384 66,202
1510131	OA	C0842	AA RETIREMENT COUNSELOR 2	1	.88	21.00	02	3,177.00		66,717 41,689			66,717 41,689
1510132	OA	C0842	AA RETIREMENT COUNSELOR 2	1	.88	21.00	02	3,177.00		66,717 41,689			66,717 41,689
1510133	OA	C1118	AA RESEARCH ANALYST 4	1	.88	21.00	02	4,628.00		97,188 48,491			97,188 48,491
TOTAL PICS SALARY										2,888,214			2,888,214
TOTAL PICS OPE										1,551,976			1,551,976
TOTAL PICS PERSONAL SERVICES =				30	29.64	711.00				4,440,190			4,440,190

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

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09/05/13 REPORT NO.: PDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 102 - Retiree Health Insurance Progr

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1510201	MMS	X7006	AA PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	02	5,052.00		121,248			121,248
										57,690			57,690
1510202	OA	C0438	AA PROCUREMENT & CONTRACT SPEC 3	1	.88	21.00	02	4,413.00		92,673			92,673
										47,482			47,482
1510203	OA	C1217	AA ACCOUNTANT 3	1	.96	23.00	02	4,019.00		92,437			92,437
										49,982			49,982
TOTAL PICS SALARY										306,358			306,358
TOTAL PICS OPE										155,154			155,154
TOTAL PICS PERSONAL SERVICES =				3	2.84	68.00				461,512			461,512

BUDGET NARRATIVE

09/05/13 REPORT NO.: PDDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
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 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 811 - Compliance Plan for SB 5701 (2)

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
0911415	OA C0501	AA DATA ENTRY OPERATOR	1-	1.00-	24.00-	09	2,662.00		63,888-	44,886-		63,888-
0911416	OA C0501	AA DATA ENTRY OPERATOR	1-	1.00-	24.00-	05	2,280.00		54,720-	42,841-		54,720-
8700102	MMN X0871	AA OPERATIONS & POLICY ANALYST 2	1-	1.00-	24.00-	08	5,839.00		140,136-	61,905-		140,136-
8700102	MMN X0871	AA OPERATIONS & POLICY ANALYST 2	1	.25	6.00	08	5,839.00		35,034	15,476		35,034
8900101	OA C1486	IA INFO SYSTEMS SPECIALIST 6	1-	1.00-	24.00-	02	4,551.00		109,224-	55,006-		109,224-
TOTAL PICS SALARY									332,934-			332,934-
TOTAL PICS OPE									189,162-			189,162-
TOTAL PICS PERSONAL SERVICES =			3-	3.75-	90.00-				522,096-			522,096-

BUDGET NARRATIVE

09/05/13 REPORT NO.: PDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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 PROD FILE
 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 841 - SB 822 - Administrative Costs

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1582201	OA C0860 AA	PROGRAM ANALYST 1	1	1.00	24.00	02	3,332.00		79,968			79,968
									48,476			48,476
1582202	OA C0841 AA	RETIREMENT COUNSELOR 1	1	.50	12.00	02	2,899.00		34,788			34,788
									38,391			38,391
TOTAL PICS SALARY									114,756			114,756
TOTAL PICS OPE									86,867			86,867
TOTAL PICS PERSONAL SERVICES =			2	1.50	36.00				201,623			201,623

Agency Request

Governor's Recommended

Legislatively Adopted

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