



Oregon Public Employees Retirement System

**Legislatively Adopted Budget
2005-2007**

BUDGET NARRATIVE

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____ Agency Request

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 X Legislatively Adopted

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BUDGET NARRATIVE

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CERTIFICATION

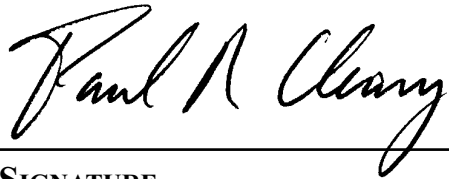
I hereby certify that the accompanying summary and detailed statements are true and correct to the best of my knowledge and belief and that the arithmetic accuracy of all numerical information has been verified.

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 agency must be approved and signed by the agency director of administrator.

☐ Agency Request

☐ Governor's Recommended

☒ Legislatively Adopted

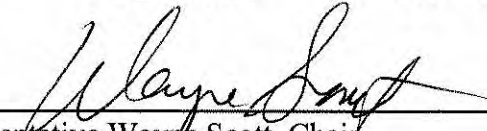
Budget Page 3

Budget Report and Measure Summary – 73rd Legislative Assembly

House Special Committee on Budget

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Bill Number</u>	<u>Biennium</u>
Public Employees Retirement System	I-18	425	SB 5558-A	2005-07

Representatives: Avakian, Boone, Hanna, Hansen, Kropf, March, Morgan,
Richardson, Schaufler, Scott, G. Smith, Whisnant



Representative Wayne Scott, Chair

Prepared By: Cora Parker, Department of Administrative Services

Reviewed By: Dallas Weyand, Legislative Fiscal Office

Date: June 15, 2005

	2003-05		2005-07		Percentage Committee Change from
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
<u>Budget Summary*</u>					
Other Funds	\$ 84,286,124	\$ 74,680,915	\$ 76,098,288	\$ +1,417,373	+1.9%
Other Funds Debt Service Limited	3,629,282	5,720,950	5,720,950	0	0.0%
Other Funds Nonlimited	5,709,547,757	5,646,765,074	5,646,765,074	0	0.0%
Total	\$ 5,797,463,163	\$ 5,727,166,939	\$ 5,728,584,312	\$ +1,417,373	+0.0%

Position Summary

Authorized Positions	401	369	380	+11
Full-time Equivalent (FTE) Positions	356.09	368.00	379.00	+11.00

(1) Includes adjustments through the April 2004 meeting of the Emergency Board

* Excludes Capital Construction expenditures

Budget Report and Measure Summary – 73rd Legislative Assembly

Senate Special Committee on Budget

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Bill Number</u>	<u>Biennium</u>
Public Employees Retirement System	I-18	425	SB 5558-A	2005-07

Senators: Bates, Carter, Devlin, Gordly, Johnson, Morse,
Nelson, Schrader, Westlund, Winters

Prepared By: Cora Parker, Department of Administrative Services



Senator Kurt Schrader, Chair

Reviewed By: Dallas Weyand, Legislative Fiscal Office

Date: May 11, 2005

Budget Summary*	2003-05		2005-07		Percentage Committee
	Legislatively Approved				Change from
	Budget (1)	Governor's Budget	Committee	Difference from	Governor's Budget
			Recommendation	Governor's Budget	
Other Funds	\$ 84,286,124	\$ 74,680,915	\$ 76,098,288	\$ +1,417,373	+1.9%
Other Funds Debt Service Limited	3,629,282	5,720,950	5,720,950	0	0.0%
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(1) Includes adjustments through the April 2004 meeting of the Emergency Board

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Joint Ways and Means Subcommittee on General Government approved Package 106 (Ratification of Fee Revenue) with no revisions.

While no specific revenue changes were directed by the Joint Subcommittee, the agency may need to update its revenues in the ORBITS system to reflect changes in estimates that have occurred between initial budget development and passage of the budget.

Summary of Subcommittee Action

The Public Employees Retirement System (PERS) is responsible for administering retirement programs for public employees, including state, school, and local government workers. The agency's mission statement is as follows: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits, effectively and efficiently. In support of its mission, the agency manages a number of programs, including the Tier One-Tier Two Retirement program, the Oregon Public Service Retirement Program (OPSRP), three health insurance programs, Social Security Administration activities, and a deferred compensation program. The agency is also engaged in multiple projects related to implementation and replacement of program technology platforms.

The agency has identified the 2005-07 biennium as a "transition" or "rebuilding" biennium. As a result, its budget establishes a number of positions in core operational areas and maintains a significant number of limited-duration positions for program needs. The Joint Subcommittee approved a budget of \$5,728,584,312 total funds and 380 positions (379.00 full-time equivalent) for PERS. This is an increase of \$1,417,373 total funds from the Governor's Recommended Budget. The increase relates primarily to the operational impact stemming from the recent Supreme Court ruling on the Strunk lawsuit.

Tier One and Tier Two Plan – 100

The Tier One and Tier Two Plan program unit accounts for employee and employer contributions and interest earnings related to PERS Tier One and Tier Two plans. It also reflects the retirement payments made to Tier One and Tier Two retirees, as well as activity related to the agency's health insurance programs. In the 2005-07 biennium and beyond, this program unit will no longer reflect employee contributions as those will be directed to the Oregon Public Service Retirement Plan (OPSRP) Individual Account Program (IAP). This program unit is made up entirely of Other Funds Nonlimited.

The Joint Subcommittee approved the budget for this program unit with no changes.

The approved budget includes Package 090 (Analyst Adjustments) at the level recommended by the Governor. This package moves third-party administration costs for health insurance benefit programs out of the Operations program unit and into the Tier 1 and Tier 2 Plan program.

Oregon Public Service Retirement Plan – 200

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 OPSRP plan. While this program unit will account for retirement payments and IAP account payouts for OPSRP retirees, this activity is expected to be minimal for the 2005-07 biennium. This program unit is made up entirely of Other Funds Nonlimited.

The Joint Subcommittee approved the budget for this program unit with no changes.

The approved budget includes Package 090 (Analyst Adjustments) at the level recommended by the Governor. This package moves third-party administration costs for the Individual Account Program out of the Operations program unit and into the Oregon Public Service Retirement Plan program unit.

Operations – 300

This program accounts for the operational costs associated with administration of the agency's various retirement related programs.

The Joint Subcommittee made the following standard adjustments:

- Reduction of \$253,578 Other Funds expenditure limitation for the PERS rate reduction.
- Reduction of \$68,054 Other Funds expenditure limitation for the Attorney General rate reduction.

While these changes relate to the Base Budget, Essential Packages, and Policy Packages, they are reflected in Package 801 (LFO Analyst Adjustments).

The Joint Subcommittee approved Package 090 (Analyst Adjustments) with no revisions. This package includes the removal of the third-party administration costs associated with the Individual Account Program and health insurance programs as referenced above. The package also includes elimination of seven information systems positions that were approved by the November 2003 Emergency Board but never used for the approved purpose.

The Joint Subcommittee approved Package 101 (PERS Restructure and Support) with no revisions. This package includes a number of actions intended to stabilize and strengthen the agency's operational infrastructure.

The Joint Subcommittee approved Package 102 (Legal Services) with no revisions. The package includes expenditure limitation for professional legal services outside of the Attorney General line-item.

The Joint Subcommittee approved Package 103 (Resolve Accumulated Workload) with no revisions. This package requests a number of limited-duration, full-time positions across six divisions to address workload and backlog issues that have accumulated in various program areas.

Package 104 (PERS Reform Legislation Implementation) originally requested 34 limited-duration positions (34.00 full-time equivalent) to complete implementation activities related to 2003 reform legislation. The Joint Subcommittee approved changes to the package to reflect the estimated operational impact of the recent Supreme Court ruling related to the Strunk lawsuit. The change results in elimination of 22 positions (22.00 full-time equivalent) in Package 104, including position numbers 0710403 – 0710424. These original positions were for purposes of COLA recalculations required under the original reform legislation. The Joint Subcommittee revision includes reductions of \$2,061,959 Other Funds expenditure limitation for Personal Services and \$128,700 Other Funds expenditure limitation for Services and Supplies.

While the positions eliminated in Package 104 are no longer necessary for the originally intended purpose, the Strunk ruling will result in an additional operational impact on the agency. The Joint Subcommittee approved the establishment of 33 positions (33.00 full-time equivalent) for purposes of implementing the Supreme Court's ruling. This work includes, but is not limited to, adjustments to all Tier 1 member accounts by crediting eight percent earnings for 2003. The approved positions, shown in Package 810 (Additional Ways and Means Adjustments), include the following:

- One limited-duration, full-time Project Manager 1 position (1.00 full-time equivalent);
- Two limited-duration, full-time Program Technician 1 positions (2.00 full-time equivalent);
- Seven limited-duration, full-time Retirement Counselor 2 positions (7.00 full-time equivalent);
- Thirteen limited-duration, full-time Retirement Counselor 1 positions (13.00 full-time equivalent);
- Two limited-duration, full-time Office Specialist 2 positions (2.00 full-time equivalent);
- One limited-duration, full-time Support Services Supervisor 1 position (1.00 full-time equivalent);
- One limited-duration, full-time Information Specialist position (1.00 full-time equivalent);
- One limited-duration, full-time Office Specialist 1 position (1.00 full-time equivalent);
- Two limited-duration, full-time Data Entry Operator positions (2.00 full-time equivalent);
- One limited-duration, full-time Administrative Specialist 1 position (1.00 full-time equivalent);
- One limited-duration, full-time Word Processing Technician 3 position (1.00 full-time equivalent); and,
- One limited-duration, full-time Compliance Specialist 1 position (1.00 full-time equivalent).

The package also includes \$2,985,614 Other Funds expenditure limitation for Personal Services and \$944,050 Other Funds expenditure limitation for Services and Supplies. The Services and Supplies expenditure limitation includes \$750,000 OF for IT professional services. The net addition to the Department's budget related to the Strunk ruling, which includes the adjustments to Package 104 and the addition of Package 810, is \$1,739,005 Other Funds expenditure limitation and 11 limited-duration, full-time positions (11.00 full-time equivalent).

The Joint Subcommittee approved Package 105 (Information Technology Initiatives) with no revisions. This package includes expenditure limitation for information technology initiatives, including digital imaging activities and software and development support for the jClarety platform.

The Joint Subcommittee approved Package 107 (RIMS Replacement) with no revisions. The package includes expenditure limitation related to conversion of the agency's legacy technology platform, the RIMS system. This effort was approved at the November 2004 Emergency Board. Package 107 represents the estimated 2005-07 costs related to the replacement efforts. While no adjustments were made to the package, it is possible

that PERS will need to approach the Emergency Board during the interim to adjust carryforward expenditure limitation related to this or other information technology projects.

Debt Service – 400

The Joint Subcommittee approved the budget for this program unit with no changes.

Summary of Performance Measure Action

At the recommendation of the agency, the Joint Subcommittee did not approve Performance Measure Number 1 and Numbers 3 – 8. The agency was directed to modify Performance Measure Number 2 (revised Number 1) “Percentage of Service Retirements Paid Within 1.5 Months From Retirement Date” to be more useful. The Joint Subcommittee approved the agency’s recommended Performance Measure Numbers 9 – 13 (revised Numbers 2 – 6) as interim measures to be reviewed again in 2007. The Joint Subcommittee directed the agency to add two new standard customer satisfaction measures under Numbers 14 and 15 (revised Numbers 7 and 8). The final measures as modified are listed on the attachment.

The Joint Subcommittee also directed the agency to report on PERS retirement income replacement ratio for members that reach normal retirement age. While this will not be a formal Key Performance Measure, the agency is asked to include this information in a report during the interim and/or to reflect it in its next budget request document.

DETAIL OF SENATE SPECIAL COMMITTEE ON BUDGET ACTION

SB 5558-A

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Cora Parker -- 503-378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2005-07 GOVERNOR'S BUDGET *	\$0	\$0	\$80,401,865	\$5,646,765,074	\$0	\$0	\$5,727,166,939	369	368.00
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
Operations - 300									
Pkg 104: PERS Reform Legislation Implementation									
Personal Services	0	0	(2,061,959)	0	0	0	(2,061,959)	(22)	(22.00)
Services and Supplies	0	0	(128,700)	0	0	0	(128,700)	0	0.00
Pkg 801: LFO Analyst Adjustments									
Personal Services									
PERS Rate Reduction	0	0	(253,578)	0	0	0	(253,578)	0	0.00
Services and Supplies									
Attorney General Rate Reduction	0	0	(68,054)	0	0	0	(68,054)	0	0.00
Pkg 810: Additional Ways and Means Adjustments									
Personal Services									
Supplemental Request - Strunk Ruling	0	0	2,985,614	0	0	0	2,985,614	33	33.00
Services and Supplies									
Supplemental Request - Strunk Ruling	0	0	944,050	0	0	0	944,050	0	0.00
TOTAL ADJUSTMENTS	\$0	\$0	\$1,417,373	\$0	\$0	\$0	\$1,417,373	11	11.00
SUBCOMMITTEE RECOMMENDATION *	\$0	\$0	\$81,819,238	\$5,646,765,074	\$0	\$0	\$5,728,584,312	380	379.00
% Change from Governor's Budget	0.00%	0.00%	1.76%	0.00%	0.00%	0.00%	0.02%	2.98%	2.99%

* Excludes Capital Construction expenditures

LEGISLATIVELY ADOPTED PERFORMANCE MEASURES, 2005-07

Agency Name: **PUBLIC EMPLOYEES RETIREMENT SYSTEM**

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

Related Oregon Benchmarks (OBMs) or High-Level Outcomes (HLOs): None

Agency Name: Public Employees Retirement System

Col-1	Col-2	Col-3	Col-4	Col-5	Col-6	Col-8	Col-9
Agency Goal	OBM# HLO#	Key Performance Measure (KPM)	PM No.	2006 Target	2007 Target	Lead Unit or Division	Status of KPM
Benefits access and other core processes are streamlined and consistent, for members and staff	Mission	Percentage of Service Retirements Paid Within 1.5 Months From Retirement Date	1		80%	BPD	Modified
Achieve dramatic savings	Mission	Total Benefit Administration Costs Per Active Member and Annuitant (excluding special projects)	2		\$52	Director	Added
Achieve dramatic savings	Mission	Total Benefit Administrative Costs Per Active Member and Annuitant (including special projects)	3		\$65	Director	Added
Achieve dramatic savings	Mission	Member to Staff Ratio	4		1:1,400	Director	Added
Key Stakeholders think we're doing a great job	Mission	Average Dollars Deferred By Participant	5		\$425	CSD	Added
Key Stakeholders think we're doing a great job	Mission	Level of Participation	6		46%	CSD	Status:
Key Stakeholders think we're doing a great job	Mission	Percent of customers rating their overall satisfaction with the agency above average or excellent.	7	N/A	N/A		Added
		Percent of customers rating satisfaction with agency services above average or excellent for:	8				
		A: Timeliness		N/A	N/A		Added
		B: Accuracy		N/A	N/A		Added
		C: Helpfulness		N/A	N/A		Added
		D: Expertise		N/A	N/A		Added
		E: Information Availability		N/A	N/A		Added

Budget Report and Measure Summary – 73rd Legislative Assembly

Joint Committee on Ways and Means

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Bill Number</u>	<u>Biennium</u>
Department of Administrative Services	–	–	HB 5176-A	2005-07
Various Agencies				

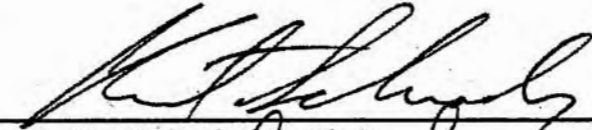
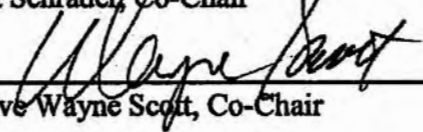
Senators: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson, Schrader, Westlund, Winters

Representatives: Avakian, Hanna, Hansen, Kropf, March, Morgan Richardson, Scott, G. Smith, Whisnant

Prepared By: Linda Ames, Department of Administrative Services

Reviewed By: Dallas Weyand, Legislative Fiscal Office

Date: August 2, 2005


 Senator Kurt Schrader, Co-Chair

 Representative Wayne Scott, Co-Chair

Subcommittee on Capital Construction and Bonding

<u>Budget Summary*</u>	<u>2003-05</u>		<u>2005-07</u>		<u>Percentage Committee</u>
	<u>Legislatively Approved</u>	<u>Governor's Budget</u>	<u>Committee</u>	<u>Difference from</u>	<u>Change from</u>
	<u>Budget</u>		<u>Recommendation</u>	<u>Governor's Budget</u>	<u>Governor's Budget</u>
<u>Department of Administrative Services</u>					
Other Funds	0	0	(35,665,294)	-35,665,294	0.0%
<u>Various Agencies: Assessments/Charge Adjustments</u>					
General Fund	\$ 0	\$ 0	(5,490,091)	-5,490,091	0.0%
Lottery Funds	0	0	(349,312)	-349,312	0.0%
Other Funds	0	0	(7,374,960)	-7,374,960	0.0%
Federal Funds	0	0	(4,764,942)	-4,764,942	0.0%
Total	\$ 0	\$ 0	(17,979,305)	-17,979,305	0.0%

* Excludes Capital Construction expenditures

Summary of Revenue Changes

Actions approved in the budget bill for the Department of Administrative Services (House Bill 5130), the budget bill for the State Library (House Bill 5115), and the budget bill for the Secretary of State (Senate Bill 5602) will reduce assessments and charges to state agencies by \$18.0 million total funds, with General Fund savings of \$5.5 million. Individual agency budgets will reflect the reduced assessment and charge amounts.

Summary of Subcommittee Action

Department of Administrative Services

House Bill 5166 established a budget for the new State Data Center, within the Department of Administrative Service (DAS). However, that bill did not make the corresponding adjustments to the budget for the DAS Information Resources Management Division. The Subcommittee on Capital Construction and Bonding approved a reduction of \$35,665,294 Other Funds expenditure limitation for the DAS Information Resources Management Division to reflect the transfer of operations to the State Data Center.

Adjustments to Various Assessments and Charges

House Bill 5176-A makes adjustments to 2005-07 budgeted expenditures for state agencies to reflect the impact of a number of changes to DAS assessments and charges, including the following:

- Reduction in the State Controller's Division Oregon State Payroll System user charges.
- Reduction in the Mall Plaza debt service.
- Elimination of the assessment for the Progress Board.
- Reduction in the uniform rent rate for office space of \$0.08 per square foot per month.
- Reduction in the fleet rate.
- Reduction reflecting the elimination of the Public Employees Benefits Board (PEBB) Wellness program.
- Reduction in telecom costs as a result of the Smart Buy program.
- Changes related to the recent restructure/rebuild of the DAS Information Resources Management Division, including a new assessment for a second phase of Cyber Security activities.

The bill also makes adjustments to several other assessments and charges, as follows:

- Treasury Debt Management charges have been adjusted to reflect updated information on agencies' relative debt levels and new debt issuances.
- Library assessment has been reduced consistent with the Legislatively Adopted Budget for the State Library.
- DAS Human Resource Services Division charges have been adjusted among agencies to better reflect workload, netting to zero.

- Secretary of State Audits Division assessment has been reduced, consistent with the Legislatively Adopted Budget for the Secretary of State.

The combined results of the changes in assessments and charges are reflected in changes to state agency budgets and are presented in Attachment

1. Savings total \$5.5 million General Fund, \$0.3 million Lottery Funds, \$7.4 million Other Funds, and \$4.8 million Federal Funds.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5176-A

Department of Administrative Services
Linda Ames -- 503-378-4366

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2005-07 GOVERNOR'S BUDGET *	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0.00
SUBCOMMITTEE ADJUSTMENTS									
Information Resources Management Division - 004									
Pkg. 095: CNIC Participating Agency									
Reduction to reflect transfer of operations to State Data Center	0	0	(35,665,294)	0	0	0	(35,665,294)	0	0.00
TOTAL ADJUSTMENTS	\$0	\$0	(\$35,665,294)	\$0	\$0	\$0	(\$35,665,294)	0	0.00
SUBCOMMITTEE RECOMMENDATION *	\$0	\$0	(\$35,665,294)	\$0	\$0	\$0	(\$35,665,294)	0	0.00
% Change from Governor's Budget	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Includes Capital Construction expenditures

**Agency Adjustments
Assessments/Charges**

**HB 5170-A
Attachment 1**

	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
ADMINISTRATIVE				
Department of Administrative Services - Operating expenses of the Information Resources Management Division	0	-737,652	0	0
Department of Administrative Services - Operating expenses of the State Services	0	434	0	0
Department of Administrative Services - Other operating expenses	-843	-198,036	0	0
Department of Administrative Services - State Data Center	0	-882,756	0	0
Treasurer of State - Administrative expenses of State Treasury operations	0	-106,600	0	0
Treasurer of State - Administrative expenses of the Oregon 529 College Savings	0	-3,942	0	0
Oregon Racing Commission	0	-3,634	0	0
Public Employees Retirement System - Administrative and operating expenses	0	-115,529	0	0
Secretary of State - Executive Office	-243	-5,848	0	0
Secretary of State - Elections Division	-32,245	0	0	0
Secretary of State - Business Services Division	-3,165	-13,181	0	0
Secretary of State - Information Systems Division	-3,695	-11,680	0	0
Secretary of State - Human Resources Division	-405	-1,807	0	0
Secretary of State - Archives Division	-63,945	-31,861	0	0
Secretary of State - Audits Division	0	-39,541	0	0
Secretary of State - Corporation Division	0	-25,558	0	0
Secretary of State - Help America Vote Act	0	0	0	-794
Oregon Liquor Control Commission - Administrative expenses	0	7,503	0	0
Department of Revenue	-768,549	-105,156	0	0
Employment Relations Board	1,730	339	0	0
Employment Relations Board - Expenses from assessments	0	1,541	0	0
Office of Governor	-9,118	-6,915	-49	0
Oregon Government Standards and Practices Commission	-1,105	0	0	0
State Library	-11,746	-2,363	0	0
State Library - Expenses from assessments	0	-38,367	0	0
CONSUMER AND BUSINESS SERVICES				
Board of Accountancy	0	-3,657	0	0
Board of Tax Practitioners	0	-3,807	0	0
Construction Contractors Board	0	-60,546	0	0
Board of Licensed Professional Counselors and Therapists	0	-1,576	0	0

**Agency Adjustments
Assessments/Charges**

**HB 5176-A
Attachment 1**

	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
Psychologist Examiners	0	-2,275	0	0
State Board of Chiropractic Examiners	0	-2,560	0	0
Board of Clinical Social Workers	0	-2,441	0	0
Oregon Board of Dentistry	0	-6,933	0	0
Board of Examiners of Licensed Dietitians	0	-656	0	0
State Mortuary and Cemetery Board	0	-4,835	0	0
Board of Naturopathic Examiners	0	-1,772	0	0
Board of Examiners of Nursing Home Administrators	0	-825	0	0
Occupational Therapy Licensing Board	0	-1,027	0	0
State Board of Pharmacy	0	-13,831	0	0
Board of Radiologic Technology	0	-2,281	0	0
State Board of Examiners for Speech-Language Pathology and Audiology	0	-1,023	0	0
Oregon State Veterinary Medical Licensing Board	0	-1,686	0	0
Health Licensing Office	0	-51,570	0	0
Bureau of Labor and Industries	-117,235	-45,409	0	-7,021
Public Utility Commission - Utility program	0	-77,361	0	-463
Public Utility Commission - Residential Service Protection Fund	0	-6,304	0	0
Public Utility Commission - Policy and administration	0	-203,922	0	0
Department of Consumer and Business Services	0	-1,024,630	0	0
Board of Medical Examiners for the State of Oregon	0	-34,644	0	0
Oregon State Board of Nursing	0	-29,603	0	0
ECONOMIC AND COMMUNITY DEVELOPMENT				
Economic and Community Development Department - Oregon Arts Commission	-3,409	0	0	0
Economic and Community Development Department - Administration of department programs (operations)	0	-23,493	-38,737	0
Economic and Community Development Department - Arts and Cultural Trust	0	-704	0	0
Housing and Community Services Department	-1,910	-126,333	0	-16,804
Department of Veterans' Affairs	-1,543	-143,486	0	0
Employment Department	-21,340	-575,564	0	-807,258
EDUCATION				
Teacher Standards and Practices Commission	0	-7,548	0	0
Oregon Student Assistance Commission	-12,495	-21,938	0	0

**Agency Adjustments
Assessments/Charges**

**HB 5176-A
Attachment 1**

	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
Department of Higher Education - Education and general services of higher education	-105,123	19,973	0	0
Department of Higher Education - Agricultural Experiment Station and the branch experiment stations of Oregon State University	-9,398	-2,938	0	0
Department of Higher Education - Extension Service of Oregon State University	-4,720	-6,568	0	0
Department of Higher Education - Forest Research Laboratory of Oregon State	-1,089	-2,561	0	0
Department of Community Colleges and Workforce Development - Operations	-2,647	-3,199	0	-16,903
Department of Community Colleges and Workforce Development - Oregon Youth Conservation Corps	0	-1,330	0	0
Department of Education - Operations	-110,883	-42,171	0	-45,196
Department of Education - Oregon State Schools for the Deaf and for the Blind	-9,262	-6,082	0	-216
Department of Education - Youth Corrections Education Program	0	-3,227	0	-33
HUMAN SERVICES				
Long Term Care Ombudsman	0	-23,064	0	0
Commission for the Blind	-10,474	-4,685	0	-57,028
Psychiatric Security Review Board	1,043	0	0	0
Insurance Pool Governing Board	-23,495	-22,078	0	0
Department of Human Services - Department-wide Support Services	-1,752,462	-417,841	0	-1,971,902
Department of Human Services - Children, Adults and Families	-84,363	-9,770	0	-94,407
Department of Human Services - Health Services	-43,486	-5,037	0	-48,865
Department of Human Services - Seniors and People with Disabilities	-38,522	-4,462	0	-43,110
State Commission on Children and Families	-15,965	0	0	0
JUDICIAL BRANCH				
Commission of Judicial Fitness and Disability	-173	0	0	0
Judicial Department - Operations	303,580	0	0	0
Judicial Department - Mandated payments	-773	0	0	0
Judicial Department	0	-6,802	0	0
Public Defense Services Commission - Office of Public Defense Services	-7,523	0	0	0
Public Defense Services Commission - Public Defense Administration	-4,232	0	0	0
LEGISLATIVE BRANCH				
Legislative Administration Committee - General program	-30,926	-201	0	0
Legislative Assembly - Expenses of the Seventy-third Legislative Assembly	-18,069	0	0	0
Legislative Counsel Committee	2,400	-413	0	0

**Agency Adjustments
Assessments/Charges**

**HB 5176-A
Attachment 1**

	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
Legislative Fiscal Officer	1,234	0	0	0
Legislative Revenue Officer	-43	0	0	0
Commission on Indian Services	-152	0	0	0
NATURAL RESOURCES				
State Marine Board - Administration and education	0	-18,314	0	0
State Marine Board - Marine law enforcement	0	-698	0	0
State Marine Board - Facilities construction and maintenance and land acquisition	0	-1,658	0	-31
Department of Energy	0	-81,944	0	-7,464
Department of Geology and Mineral Industries	-35,217	-28,011	0	-6,798
State Parks and Recreation Department - Administration	0	-278,192	-80,841	0
State Parks and Recreation Department - Grant programs	0	-10,998	0	0
State Parks and Recreation Department - Operations	0	-679,084	0	0
State Parks and Recreation Department - Facility repair and maintenance	0	0	-27,575	0
State Parks and Recreation Department - Oregon State Fair	0	-43,616	0	0
Land Use Board of Appeals	-4,711	-17	0	0
Water Resources Department	-282,041	0	0	0
Water Resources Department - Water resources program	0	-41,319	0	0
Water Resources Department - Water Development Fund loan administration	0	17	0	0
Oregon Watershed Enhancement Board	0	0	-18,843	0
Department of State Lands - Common School Fund programs	0	-75,663	0	-946
State Department of Agriculture - Administration and Support Services	-5,891	-16,202	0	0
State Department of Agriculture - Food Safety	-36,857	-62,093	0	-1,739
State Department of Agriculture - Natural Resources	-29,968	-39,015	0	-1,528
State Department of Agriculture - Agricultural Development	-14,642	-30,417	0	0
State Department of Agriculture	0	0	-9,462	0
Department of Environmental Quality - Air quality	-16,799	-238,103	0	-59,928
Department of Environmental Quality - Water quality	-83,623	-224,934	0	-103,063
Department of Environmental Quality - Waste management and cleanup	-4,928	-238,455	0	-65,747
Department of Environmental Quality - Cross media	-8,105	-710	0	-1,473
Department of Environmental Quality - Agency management	0	35,567	0	0
Department of Environmental Quality - Parks and Natural Resources Fund	0	0	-36,219	0
State Department of Fish and Wildlife - Fish Division, Fish propagation	-30,062	-62,753	0	-196,424
State Department of Fish and Wildlife - Fish Division, Fish natural production	-3,651	-140,020	0	-463,393

**Agency Adjustments
Assessments/Charges**

HB 517
Attachment 1

	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
State Department of Fish and Wildlife - Fish Division, Fish marine resources	-8,416	-28,196	0	-48,359
State Department of Fish and Wildlife - Fish Division, Fish interjurisdictional fisheries	-4,774	-39,802	0	-76,153
State Department of Fish and Wildlife - Wildlife Division, Wildlife game	-75	-310,814	0	-18,581
State Department of Fish and Wildlife - Wildlife Division, Wildlife habitat	-405	-123,781	0	-228,926
State Department of Fish and Wildlife - Wildlife Division, Wildlife diversity	-7,981	-4,880	0	-58,678
State Department of Fish and Wildlife - Administrative Division	154,701	529,304	0	-20,645
State Department of Fish and Wildlife - Capital improvement	-843	-18,718	0	0
State Department of Fish and Wildlife	0	0	-138,289	0
State Forestry Department - Agency administration	-68,485	-50,942	0	0
State Forestry Department - Protection from fire	-9,712	-12,879	0	0
State Forestry Department - Private and Community Forests	-2,845	-3,584	0	0
State Forestry Department - State-owned forest lands	0	-16,766	0	0
State Forestry Department - Forest nursery	0	-1,416	0	0
State Forestry Department - Equipment pool		16,292		
State Forestry Department - Facilities maintenance and development	0	-111	0	0
Department of Land Conservation and Development - Planning program	-38,599	-4,191	0	-20,422
Columbia River Gorge Commission - Oregon Commission Expense	-93	0	0	0
PUBLIC SAFETY				
Board of Parole and Post-Prison Supervision	-302	0	0	0
Department of State Police - Patrol services, criminal investigations and gaming	10,331	2,526	0	0
Department of State Police - Fish and wildlife enforcement	436	1,746	703	0
Department of State Police - Forensics services and State Medical Examiner	2,737	0	0	0
Department of State Police - Administrative services and information management	4,559	1,648	0	0
Department of State Police - Office of Emergency Management, State Fire Marshal and criminal justice services	267	2,182	0	736
Department of Corrections - Operations	-1,009,818	-47,146	0	0
Department of Corrections - Administration, general services and human resources	127,845	0	0	0
Department of Corrections - Transitional services	-138,074	0	0	0
Oregon Criminal Justice Commission	-11,263	0	0	0
Department of Justice for district attorneys	4,083	0	0	0
Department of Justice	-11,836	-474,607	0	-91,545
Oregon Military Department - Administration	400,931	-269	0	0
Oregon Military Department - Operations	-1,113	-2,589	0	-37,049

**Agency Adjustments
Assessments/Charges**

**HB 5176-A
Attachment 1**

	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
Oregon Military Department - Community Support	-90	-953	0	-1,803
Department of Public Safety Standards and Training - Operations	0	-170,092	0	0
Oregon Youth Authority	-1,307,978	-10,016	0	-141,476
TRANSPORTATION				
Department of Transportation - Maintenance and emergency relief programs	0	-130,793	0	0
Department of Transportation - Preservation program	0	-32,992	0	0
Department of Transportation - Bridge program	0	-23,002	0	0
Department of Transportation - Highway safety program	0	-7,219	0	0
Department of Transportation - Operations program	0	-8,176	0	0
Department of Transportation - Modernization program	0	-29,522	0	0
Department of Transportation - Special programs	0	-170,971	0	0
Department of Transportation - Local government program	0	-5,749	0	0
Department of Transportation - Driver and motor vehicle services	0	-79,407	0	0
Department of Transportation - Motor carrier transportation	0	-182,309	0	-3,707
Department of Transportation - Transportation program development	0	-52,134	0	0
Department of Transportation - Public transit	0	-1,165	0	0
Department of Transportation - Rail	0	-28,034	0	0
Department of Transportation - Transportation safety	0	-3,980	0	0
Department of Transportation - Oregon Board of Maritime Pilots	0	-1,541	0	0
Department of Transportation - Central services	0	1,691,652	0	0
Department of Transportation - Debt Service	0	91,946	0	0
Oregon Department of Aviation, - Operations	0	-9,573	0	0
STATEWIDE TOTAL	-5,490,091	-7,374,960	-349,312	-4,764,942

Budget Report and Measure Summary – 72nd Legislative Assembly

Joint Committee on Ways and Means

Corrected Copy

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Bill Number</u>	<u>Biennium</u>
Public Employees Retirement System	I-19	—	SB 5538-A	2003-05

Senators: Carter, Devlin, Dukes, George, Gordly, Harper, Messerle, Morse, Schrader, Winters

Senator Kurt Schrader, Co-Chair

Representatives: Bates, Butler, Hansen, Johnson, Krieger, Miller Morgan, Patridge, G. Smith, T. Smith

Representative Randy Miller, Co-Chair

Prepared By: Cora Parker, Department of Administrative Services

Representative Tom Butler, General Government Subcommittee Chair

Reviewed By: Dallas Weyand, Legislative Fiscal Office

Date: May 16, 2003

	2001-03		2003-05		Percentage Committee Change from	
	After Feb. 2003 Rebalance	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Governor's Budget	After Feb. 2003 Rebalance
Budget Summary*						
Other Funds	\$ 49,663,297	\$ 48,592,291	\$ 49,989,744	\$ +1,397,453	+2.9%	+0.7%
Other Funds Nonlimited	3,623,591,048	4,209,547,757	4,209,547,757	0	0.0%	+16.2%
Other Fund Debt Service	1,422,830	1,466,552	1,466,552	0	0.0%	+3.1%
Total	\$ 3,674,677,175	\$ 4,259,606,600	\$ 4,261,004,053	\$ +1,397,453	+0.03%	+16.0%

Position Summary

Authorized Positions	250	258	259	1
Full-time Equivalent (FTE) Positions	224.97	254.00	250.24	-3.76

* Excludes Capital Construction expenditures

Summary of Revenue Changes

While no specific revenue changes were directed by the Subcommittee, the agency may need to update its revenues in the ORBITS system to reflect changes in estimates that have occurred between initial budget development and passage of the budget.

Summary of Subcommittee Action

The Subcommittee approved a budget of \$4,261,004,053 Other Funds and 262 positions (250.24 full-time equivalent) for the Public Employees Retirement System (PERS). This is an increase of \$1,397,453 from the Governor's balanced budget.

Previous expenditure limitation and position authority was approved by the Subcommittee as it related to House Bill 2004 (see separate Budget Report). The Subcommittee also noted that several other pieces of PERS legislation are in process, of which some may have additional budgetary needs attached to them. Further, it is anticipated that a bill (or bills) will be adopted near the end of Legislative Session that incorporates the impact of proposed PERS rate reductions (stemming from passage of PERS related bills) as they apply to all state agencies.

The Subcommittee also requested the Department of Administrative Services to unschedule \$29,000,000 Other Funds (approximately 60 percent of the Other Funds limited budget, exclusive of carryover funding for technology initiatives) and directed the new Public Employees Retirement System Board to request that the limitation be rescheduled after it has had the opportunity to review agency operations and priorities. It also directed the Board to report to the Legislature, via an Emergency Board meeting, on the direction it is taking with respect to oversight of agency operations.

Public Employees Retirement System Programs

PERS is responsible for administering a retirement program for public employees, including state, school, and local government workers. The agency's mission is to provide the highest quality services so each member has the opportunity for a successful retirement. In support of this mission, the agency manages a number of programs, including the primary Pension System, health insurance programs, and Social Security Administration activities.

The Subcommittee made the following adjustments related to the Base Budget and Essential Packages. These changes will be reflected in Package 094 (Legislative Fiscal Office Adjustment):

- A reduction of \$761,158 Other Funds expenditure limitation related to compensation adjustments (merit freeze and other compensation actions, etc.).
- Reduction of \$468,554 Other Funds expenditure limitation related to inflation adjustments.

- A reduction of \$25,000 Other Funds expenditure limitation to adjust the Unemployment Assessment to a more realistic level.
- An increase of \$137,727 Other Funds expenditure limitation and one permanent, full-time Internal Auditor 2 position (1.00 full-time equivalent) to strengthen the internal audit function. The increased expenditure limitation includes \$12,000 Other Funds for Services and Supplies. A related reduction of \$75,000 Other Funds expenditure limitation was made in professional services to effectively transfer a portion of audit expenditure authority to the internal audit function.
- A reduction of \$85,662 Other Funds expenditure limitation to adjust for a reduction in the Attorney General billing rate. The Subcommittee recognized that the agency would likely need additional expenditure limitation for legal expenses that it is expected to incur as a result of challenges to changes being made in its defining statutes.
- An increase of \$330,496 Other Funds expenditure limitation and addition of two limited-duration, full-time Retirement Counselor 2 positions (2.00 full-time equivalent) and one limited-duration, full-time Accountant 2 position (1.00 full-time equivalent) to finish documentation of the agency's business rules. The increased expenditure limitation includes \$33,000 Other Funds for Services and Supplies.
- An increase of \$212,756 Other Funds expenditure limitation for Facilities Maintenance to reflect additional charges expected from the Department of Administrative Services, Facilities Division.
- An increase of \$124,941 Other Funds expenditure limitation in professional services to fund a purchasing support position provided to the Department of Administrative Services in its budget. The position will work specifically to support contract and procurement activities related to Public Employees Retirement System information technology initiatives.
- An increase of \$2,886,813 Other Funds expenditure limitation for Services and Supplies and \$196,134 Other Funds expenditure limitation for Capital Outlay to reflect the anticipated carry-over of unused expenditure limitation provided during the 2001-03 biennium for information technology initiatives. This limitation is to continue work approved by the Legislature that the agency was unable to complete prior to the end of the biennium. The agency will continue to request any additional funds for its technology initiatives through the Emergency Board process. If, after the 2001-03 biennium closes, the actual carry forward amount differs from the amount anticipated herein, the agency will present a request to adjust the amount as appropriate.
- A reduction of \$39,438 Other Funds expenditure limitation for State Government Service Charges to adjust for the impact of reduced Department of Administrative Services assessments. A reduction of \$54,755 Other Funds expenditure limitation was also made in Telecommunications to reflect anticipated savings related to a three-cent reduction in toll-free and long-distance telecommunication charges.

- An increase of \$571,492 Other Funds expenditure limitation and 14 limited-duration, full-time positions (6.24 full-time equivalent) to address current workload caused by the increased number of retirements being processed. The increased expenditure limitation includes \$64,200 Other Funds for Services and Supplies. The approved positions include the following:
 - Three limited-duration, part-time Retirement Counselor 2 positions (1.26 full-time equivalent).
 - Five limited-duration, part-time Retirement Counselor 1 positions (3.84 full-time equivalent).
 - Six limited-duration, part-time Office Specialist 2 positions (1.14 full-time equivalent).

The Subcommittee approved Package 080 (June 2002 E-Board) with no revisions.

The Subcommittee increased Package 084 (November 2002 E-Board) by \$33,989 Other Funds expenditure limitation to increase position #0508401 from a Principal Executive Manager D to a Principal Executive Manager E. The latter is actually the level approved by the Emergency Board at the November 2002 meeting. The position was erroneously included at the lower level in the Governor's Balanced Budget.

The Subcommittee approved Package 101 (CSL Adjustments) with no revisions.

The Subcommittee did not approve Package 102 (Accuracy Initiatives), resulting in a reduction of \$1,288,991 Other Funds expenditure limitation and twelve positions (12.00 full-time equivalent). However, the Subcommittee did indicate that the agency could revisit this request at a future Emergency Board meeting if the newly established Public Employees Retirement System Board desires to do so.

Note: In a previous action, the Subcommittee had approved a technical adjustment that added \$104,323 Other Funds expenditure limitation and one limited-duration, part-time Principal Executive Manager A position (1.00 full-time equivalent) to this package. While the position and expenditure limitation will be added to the agency's budget, the Budget and Management division will likely request that the funds be unscheduled and the position authority frozen unless a related Emergency Board request is ultimately approved.

The Subcommittee approved Package 103 (Workload-Backlog Clearance) with no revisions.

The Subcommittee approved Package 104 (Productivity Improvements) with two minor adjustments. A reduction of \$7,493 Other Funds expenditure limitation was made to adjust for position reclassifications originally requested in this package that were, instead, permanently financed in the 2001-03 biennium. The impacted positions are #0137100 and #9100118. The Subcommittee also approved an adjustment to reclassify position no.0137180, in this package, to a Principal Executive Manager A. This will increase expenditure limitation by \$10,685 Other Fund.

The Subcommittee approved Package 105 (Workload-Ongoing Capacity) with no revisions.

The Subcommittee did not approve Package 109 (Legislative Concept: Rollover Purchases), resulting in a reduction of \$321,474 Other Funds expenditure limitation and six positions (3.00 full-time equivalent). This package was originally for a legislative concept that ultimately was not introduced.

The Subcommittee approved Package 110 (SRHIA Non-Limited Expenditure Authority) with no revisions.

Deferred Compensation Program

PERS also administers a deferred compensation program for public employees. A third party administrator provides management and administration for Oregon Savings Growth programs. PERS staff manage the administrator's contract, provide educational support, monitor participant satisfaction, and assist participants with issues that cannot be resolved by the administrator. Funding for this program comes from participant fees.

The Subcommittee made the following adjustments related to the Base Budget and Essential Packages in Package 094 – Legislative Fiscal Office Adjustments:

- A reduction of \$8,895 Other Funds expenditure limitation related to compensation adjustments (merit freeze and other compensation actions, etc.).
- A reduction of \$76,966 Other Funds expenditure limitation related to inflation adjustments.
- A reduction of \$2,642 Other Funds expenditure limitation to adjust for a reduction in the Attorney General billing rate.
- A reduction of \$3,214 Other Funds expenditure limitation for State Government Service Charges to adjust for the impact of reduced Department of Administrative Services assessments.
- An increase of \$7,329 Other Funds expenditure limitation for Facilities Maintenance to reflect additional charges expected from the Department of Administrative Services, Facilities Division.

The Subcommittee approved Package 202 (Productivity Improvements) with no revisions.

The Subcommittee approved Package 203 (Workload-Ongoing Capacity) with no revisions.

Summary of Performance Measure Action

The Subcommittee reviewed the agency's performance measures during the public hearing process. It recognized that PERS will be under significant pressure during the next biennium to comply with Legislative directives for system-wide pension reform.

DETAIL OF FUND WAYS AND MEANS COMMITTEE ACTION

SB 5538

Public Employees Retirement System
Cora Parker - 603-378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2003-05 GOVERNOR'S BUDGET *	\$0	\$0	\$50,058,843	\$4,209,547,757	\$0	\$0	\$4,259,606,600	258	254.00
SUBCOMMITTEE ADJUSTMENTS									
PERS Programs - 001									
Package 084: Nov 2002 E-Board									
Personal Services									
Position #0508401 (tech. adj.)	0	0	33,989	0	0	0	33,989	0	0.00
Package 094: LFO Adjustments									
Personal Services									
Compensation Adjustments	0	0	(747,129)	0	0	0	(747,129)	0	0.00
Compensation Adjustments (tech. adj.)	0	0	(14,029)	0	0	0	(14,029)	0	0.00
Unemployment Assessment	0	0	(25,000)	0	0	0	(25,000)	0	0.00
Additional Internal Auditor	0	0	125,737	0	0	0	125,737	1	1.00
Business Rules Team	0	0	297,496	0	0	0	297,496	3	3.00
Retirement Workload Needs	0	0	507,292	0	0	0	507,292	14	6.24
Services and Supplies									
Inflation Adjustments	0	0	(468,554)	0	0	0	(468,554)	0	0.00
Professional Services (audit related)	0	0	(75,000)	0	0	0	(75,000)	0	0.00
Attorney General (reduction of billing rate)	0	0	(85,662)	0	0	0	(85,662)	0	0.00
State Government Service Charges	0	0	(39,438)	0	0	0	(39,438)	0	0.00
Telecommunications	0	0	(54,755)	0	0	0	(54,755)	0	0.00
For Additional Internal Auditor	0	0	12,000	0	0	0	12,000	0	0.00
For Business Rules Team	0	0	33,000	0	0	0	33,000	0	0.00
Facilities Maintenance	0	0	212,756	0	0	0	212,756	0	0.00
Professional Services (DAS Purchasing for IT)	0	0	124,941	0	0	0	124,941	0	0.00
Carryover for IT projects	0	0	2,886,813	0	0	0	2,886,813	0	0.00
For Retirement Workload Needs	0	0	64,200	0	0	0	64,200	0	0.00
Capital Outlay	0	0	196,134	0	0	0	196,134	0	0.00
Carryover for IT projects	0	0	0	0	0	0	0	0	0.00
Package 102: Accuracy Initiatives									
Personal Services									
Position #0510231 (tech. adj.)	0	0	104,323	0	0	0	104,323	1	1.00
Elimination of Package	0	0	(1,069,290)	0	0	0	(1,069,290)	(12)	(12.00)
Services and Supplies									
Elimination of Package	0	0	(219,701)	0	0	0	(219,701)	0	0.00

DETAIL OF JOINT WAYS AND MEANS COMMITTEE ACTION

SB 5538

Public Employees Retirement System
Cora Parker -- 503-378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 104: Productivity Improvements									
Personal Services									
Positions #0137100 & #9100118	0	0	(7,493)	0	0	0	(7,493)	0	0.00
Position #0137180 (tech. adj.)	0	0	10,685	0	0	0	10,685	0	0.00
Package 109: LC - Rollover Purchases	0	0	(321,474)	0	0	0	(321,474)	(6)	(3.00)
Deferred Compensation - 002									
Package 094: LFO Adjustments									
Personal Services									
Compensation Adjustments	0	0	(8,895)	0	0	0	(8,895)	0	0.00
Services and Supplies									
Inflation Adjustments	0	0	(76,966)	0	0	0	(76,966)	0	0.00
Attorney General (reduction of billing rate)	0	0	(2,642)	0	0	0	(2,642)	0	0.00
State Government Service Charges	0	0	(3,214)	0	0	0	(3,214)	0	0.00
Facilities Maintenance	0	0	7,329	0	0	0	7,329	0	0.00
TOTAL ADJUSTMENTS	\$0	\$0	\$1,397,453	\$0	\$0	\$0	\$1,397,453	1	(3.76)
SUBCOMMITTEE RECOMMENDATION *	\$0	\$0	\$51,456,296	\$4,209,547,757	\$0	\$0	\$4,261,004,053	259	250.24
% Change from Governor's Budget	0.00%	0.00%	2.79%	0.00%	0.00%	0.00%	0.03%	0.39%	-1.48%

Budget Report and Measure Summary - 72nd Legislative Assembly

Joint Committee on Ways and Means

<u>Agency</u> Public Employees Retirement System	<u>Budget Page</u> --	<u>LFO Analysis Page</u> --	<u>Bill Number</u> HB 2004-C	<u>Biennium</u> 2003-05
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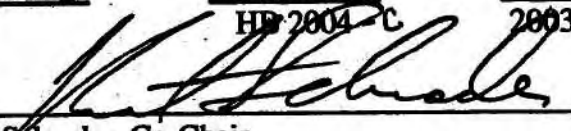
Senators: Carter, Devlin, Dukes, George, Gordly, Harper, Messerle, Morse, Schrader, Winters

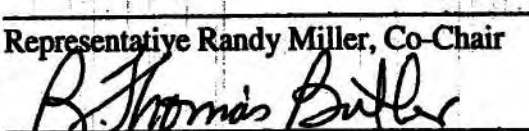
Representatives: Bates, Butler, Hansen, Johnson, Krieger, Miller, Morgan, Patridge, G. Smith, T. Smith

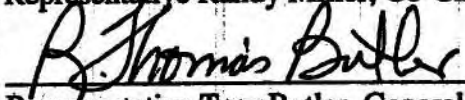
Prepared By: Cora Parker, Department of Administrative Services

Reviewed By: Dallas Weyand, Legislative Fiscal Office

Date: April 28, 2003


 Senator Kurt Schrader, Co-Chair


 Representative Randy Miller, Co-Chair


 Representative Tom Butler, General Government Subcommittee Chair

	2001-03		2003-05		Percentage Committee Change from	
	After Feb. 2003 Rebalance	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Governor's Budget	After Feb. 2003 Rebalance
<u>Budget Summary*</u>						
Other Funds	\$ 0	\$ 0	\$ 5,098,863	\$ +5,098,863	+100.0%	+100.0%
<u>Position Summary</u>						
Authorized Positions	0	0	41	41		
Full-time Equivalent (FTE) Positions	0.00	0.00	25.15	25.15		

* Excludes Capital Construction expenditures

Summary of Revenue Changes

None.

Summary of Subcommittee Action

House Bill 2004 requires the Public Employees Retirement System (PERS) to implement a change to its actuarial equivalency factor tables effective July 1, 2003. It also incorporates a "look-back" provision for future retirees to ensure that they will not receive less in benefits than they would have if they had retired as of June 30, 2003. Implementation of this bill will require PERS to devote substantial near-term operational resources to the effort, but will result in long-term savings system-wide.

The Subcommittee approved amendments to House Bill 2004 B-Engrossed, including language establishing \$5,098,863 Other Funds expenditure limitation related to implementation of the bill. This amount was predicated on information supplied to the Subcommittee (as Policy Package 112) by the agency with a minor adjustment recommended by Legislative Fiscal Office staff (reduction of \$39,050 Other Funds expenditure limitation for Communications). The expenditure limitation amounts are outlined in the attached detail spreadsheet and incorporate amounts necessary for establishment of 41 limited duration positions (25.15 full-time equivalent), including:

- ✓ Eight Office Assistant 2 positions (8.00 full-time equivalent).
- ✓ One Office Specialist 1 position (1.00 full-time equivalent).
- ✓ Four Office Specialist 2 positions (2.00 full-time equivalent).
- ✓ One Support Services Supervisor 1 position (1.00 full-time equivalent).
- ✓ Four Public Service Representative 3 positions (1.84 full-time equivalent).
- ✓ One Word Processing Technician 3 positions (0.46 full-time equivalent).
- ✓ Ten Retirement Counselor 1 positions (3.52 full-time equivalent).
- ✓ Six Retirement Counselor 2 positions (2.99 full-time equivalent).
- ✓ Two Information Systems Specialist 3 positions (2.00 full-time equivalent).
- ✓ One Information Systems Specialist 4 position (1.00 full-time equivalent).
- ✓ One Compliance Specialist 1 position (0.50 full-time equivalent).
- ✓ One Human Resource Analyst 1 position (0.38 full-time equivalent).
- ✓ One Project Coordinator position (0.46 full-time equivalent).

In addition to the direct operational costs associated with this bill, it will have the impact of reducing employer rates from levels that otherwise would have gone into effect on July 1, 2003. Any budgetary reductions that may accrue to agencies as a result of passage of this bill (and/or others relating to the Public Employees Retirement System) will be incorporated in a separate budget related bill. It is expected that the budget report for that bill would include a requirement that PERS report periodically on implementation efforts and results.

DETAIL OF COMMITTEES AND MEANS COMMITTEE ACTION

Public Employees Retirement System
Laura Parker - 503-378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
003-05 GOVERNOR'S BUDGET *	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	0.00
SUBCOMMITTEE ADJUSTMENTS									
Program Unit: 001									
Package 112							2,107,803	41	25.15
Personal Services	0	0	2,107,803	0	0	0			
Services and Supplies							155,750	0	0.00
Office Expenses	0	0	155,750	0	0	0	2,600,000	0	0.00
Data Processing	0	0	2,600,000	0	0	0	30,310	0	0.00
Training	0	0	30,310	0	0	0	205,000	0	0.00
Expendable Property	0	0	205,000	0	0	0			
TOTAL ADJUSTMENTS	\$0	\$0	\$5,098,863	\$0	\$0	\$0	\$5,098,863	41	25.15
SUBCOMMITTEE RECOMMENDATION *	\$0	\$0	\$5,098,863	\$0	\$0	\$0	\$5,098,863	41	25.15
% Change from Governor's Budget	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%

* Excludes Capital Construction expenditures

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Budget Report and Measure Summary – 72nd Legislative Assembly

Senate Special Committee on Budget

Agency

Emergency Board
Various Agencies

Budget Page

LFO Analysis Page

Bill Number

HB 5077-B

Biennium

2003-05
2001-03

Senators: Schrader, Harper, Carter, Devlin, Dukes, George,
Gordly, Messerle, Morse, Winters



Senator Kurt Schrader, Chair

Prepared By: Kelly Freels, Department of Administrative Services

Reviewed By: Sheila Baker, Legislative Fiscal Office

Date: August 23, 2003

	<u>2001-03</u>		<u>2003-05</u>		<u>Percentage Committee Change from</u>	
	<u>After Feb. 2003 Rebalance</u>	<u>Governor's Budget</u>	<u>Committee Recommendation</u>	<u>Difference from Governor's Budget</u>	<u>Governor's Budget</u>	<u>After Feb. 2003 Rebalance</u>
<u>Budget Summary*</u>						
<u>Emergency Board</u>						
General Fund-General Purpose	\$ 0	\$ 48,397,962	\$ 40,000,000	\$ -8,397,962	-17.4%	0.0%
General Fund-Special Purpose Appropriations						
Health Benefits	0	0	9,000,000	+9,000,000	0.0%	0.0%
Secretary of State Election Costs	0	0	1,500,000	+1,500,000	0.0%	0.0%
Total	\$ 0	\$ 48,397,962	\$ 50,500,000	\$ +2,102,038	+4.3%	0.0%
<u>State School Fund</u>						
General Fund	\$ 3,848,386,351	\$ 4,755,152,014	\$ 4,737,207,754	\$ -17,944,260	-0.4%	+23.1%
Lottery Funds	352,555,682	222,401,387	452,100,536	+229,699,149	+103.3%	+28.2%
Other Funds	535,927,109	73,830,569	17,191,710	-56,638,859	-76.7%	-96.8%
Total	\$ 4,736,869,142	\$ 5,051,383,970	\$ 5,206,500,000	\$ +155,116,030	+3.1%	+9.9%

Budget Summary*

	2001-03	2003-05			Percentage Committee Change from	
	After Feb. 2003 Rebalance	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Governor's Budget	After Feb. 2003 Rebalance
<u>Department of Higher Education</u>						
General Fund	\$ 717,767,514	745,494,651	659,971,516	\$ -85,523,135	-11.5%	-8.1%
General Fund Debt Service	21,547,547	21,869,520	26,406,270	+4,536,750	+20.7%	+22.5%
Lottery Funds	5,408,887	4,712,936	4,902,324	+189,388	+4.0%	-9.4%
Lottery Funds Debt Service	557,384	4,132,024	3,221,138	-910,886	-22.0%	+477.9%
Other Funds	867,440,552	906,674,094	1,056,063,323	+149,389,229	+16.5%	+21.7%
Other Funds Nonlimited	1,735,895,059	1,897,945,108	1,897,500,533	-444,575	0.0%	+9.3%
Other Funds Nonlimited Debt Service	67,907,086	87,986,605	88,757,475	+770,870	+0.9%	+30.7%
Total	\$ 3,416,524,029	\$ 3,668,814,938	\$ 3,736,822,579	\$ +68,007,641	+1.9%	+9.4%
<u>Department of Transportation</u>						
General Fund	\$ 17,324,513	\$ 12,158,487	\$ 3,914,816	\$ -8,243,671	-67.8%	-77.4%
Other Funds	1,715,580,455	1,967,131,316	1,986,497,182	+19,365,866	+1.0%	0.0%
Federal Funds	69,775,066	70,230,235	69,400,629	-829,606	-1.2%	-0.5%
Other Funds Nonlimited	49,591,508	50,729,064	49,785,946	-943,118	-1.9%	+0.4%
Lottery Funds Debt Service	10,201,991	26,527,418	21,145,902	-5,381,516	-20.3%	+107.3%
Other Funds Debt Service	8,244,504	66,576	66,576	0	0.0%	-99.2%
Other Funds Nonlimited Debt Service	112,643,335	44,194,424	44,194,424	0	0.0%	0.0%
Total	\$ 1,983,361,372	\$ 2,171,037,520	\$ 2,175,005,475	\$ +3,967,955	+0.2%	+9.7%
<u>Bureau of Labor and Industries</u>						
General Fund	\$ 11,620,433	\$ 11,672,962	\$ 11,273,864	\$ -399,098	-3.4%	-3.0%
Other Funds	4,677,997	5,093,723	5,248,146	+154,423	+3.0%	+12.2%
Federal Funds	1,253,344	1,400,120	1,361,588	-38,532	-2.8%	+8.6%
Other Funds Nonlimited	2,415,000	2,292,525	2,215,000	-77,525	-3.4%	-8.3%
Total	\$ 19,966,774	\$ 20,459,330	\$ 20,098,598	\$ -360,732	-1.8%	+0.7%
<u>Office of the Governor</u>						
General Fund	\$ 7,983,779	\$ 7,373,746	\$ 8,322,022	\$ +948,276	+12.9%	+4.2%
Other Funds	1,239,331	971,182	1,610,745	+639,563	+65.9%	+30.0%
Total	\$ 9,223,110	\$ 8,344,928	\$ 9,932,767	\$ +1,587,839	+19.0%	+7.7%

Budget Summary*

	2001-03		2003-05		Percentage Com.	Change from
	After Feb. 2003 Rebalance	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Governor's Budget	After Feb. 2003 Rebalance
<u>Legislative Assembly</u>						
General Fund	\$ 24,785,932	\$ 28,126,098	\$ 25,888,726	\$ -2,237,372	-8.0%	+4.4%
Other Funds	193,102	199,835	193,182	-6,653	-3.3%	0.0%
Other Funds Nonlimited	86,789	89,827	86,789	-3,038	-3.4%	0.0%
Total	\$ 25,065,823	\$ 28,415,760	\$ 26,168,697	\$ -2,247,063	-7.9%	+4.4%
<u>Legislative Administration</u>						
General Fund	\$ 19,118,500	\$ 11,388,102	\$ 18,988,014	\$ +7,599,912	+66.7%	-0.7%
General Fund Debt Service	28,311	2,664,028	956,700	-1,707,328	-64.1%	+3279.3%
Other Funds	2,726,698	2,086,861	1,962,529	-124,332	-6.0%	-28.0%
Other Funds Nonlimited	730,072	597,528	597,528	0	0.0%	-18.2%
Total	\$ 22,603,581	\$ 16,736,519	\$ 22,504,771	\$ +5,768,252	+34.5%	-0.4%
<u>Legislative Counsel Committee</u>						
General Fund	\$ 5,879,051	\$ 7,155,520	\$ 6,514,809	\$ -640,711	-9.0%	+10.8%
Other Funds	630,775	1,320,230	1,196,868	-123,362	-9.3%	+89.7%
Other Funds Nonlimited	1,473,881	969,357	968,396	-961	-0.1%	-34.3%
Total	\$ 7,983,707	\$ 9,445,107	\$ 8,680,073	\$ -765,034	-8.1%	+8.7%
<u>Legislative Fiscal Officer</u>						
General Fund	\$ 3,850,026	\$ 4,330,526	\$ 4,175,280	\$ -155,246	-3.6%	+8.4%
<u>Legislative Revenue Officer</u>						
General Fund	\$ 1,415,855	\$ 1,581,024	\$ 1,518,894	\$ -62,130	-3.9%	+7.3%
<u>Commission on Indian Services</u>						
General Fund	\$ 307,770	\$ 359,257	\$ 309,858	\$ -49,399	-13.8%	+0.7%
Other Funds	5,786	5,989	5,786	-203	-3.4%	0.0%
Total	\$ 313,556	\$ 365,246	\$ 315,644	\$ -49,602	-13.6%	+0.7%
<u>Secretary of State</u>						
General Fund	\$ 14,082,956	\$ 11,235,665	\$ 9,018,860	\$ -2,216,805	+19.7%	+36.0%
Other Funds	28,801,787	32,932,700	32,088,157	-844,543	+2.6%	+11.4%
Federal Funds	9,187	1	1	0	0.0%	-100.0%
Other Funds Nonlimited	166,678	172,328	172,328	0	0.0%	+3.4%
Total	\$ 43,060,608	\$ 44,340,694	\$ 41,279,346	\$ -3,061,348	+6.9%	+4.1%

Budget Summary*

	2001-03		2003-05		Percentage Committee Change from	
	After Feb. 2003 Rebalance	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Governor's Budget	After Feb. 2003 Rebalance
<u>Commission on Asian Affairs</u>						
General Fund	\$ 140,875	\$ 166,867	\$ 0	\$ -166,867	-100.0%	-100.0%
Other Funds	40,886	27,367	173,648	+146,281	+534.5%	+324.7%
Total	\$ 181,761	\$ 194,234	\$ 173,648	\$ -20,586	-10.6%	-4.5%
<u>Commission on Black Affairs</u>						
General Fund	\$ 130,815	\$ 160,194	\$ 0	\$ -160,194	-100.0%	-100.0%
Other Funds	39,354	21,449	171,969	+150,520	+701.8%	+337.0%
Total	\$ 170,169	\$ 181,643	\$ 171,969	\$ -9,674	-5.3%	1.1%
<u>Commission on Hispanic Affairs</u>						
General Fund	\$ 110,085	\$ 146,892	\$ 0	\$ -146,892	-100.0%	-100.0%
Other Funds	109,741	81,690	224,441	+142,751	+174.7%	+104.5%
Total	\$ 219,826	\$ 228,582	\$ 224,441	\$ -4,141	-1.8%	2.1%
<u>Commission for Women</u>						
General Fund	\$ 127,086	\$ 171,339	\$ 0	\$ -171,339	-100.0%	-100.0%
Other Funds	822,581	149,374	1,136,003	+986,629	+660.5%	+038.1%
Total	\$ 949,667	\$ 320,713	\$ 1,136,003	\$ +815,290	+254.2%	+019.6%
<u>Department of Education - Grant-in-Aid</u>						
General Fund	\$ 0	\$ 0	\$ 1,100,000	\$ +1,100,000	0.0%	0.0%
<u>Oregon Student Assistance Commission</u>						
General Fund	\$ 0	\$ 0	\$ 4,000,000	\$ +4,000,000	0.0%	0.0%
<u>Department of Human Services</u>						
General Fund	\$ 0	\$ 0	\$ 2,500,000	\$ +2,500,000	0.0%	0.0%
<u>Long Term Care Ombudsman</u>						
Other Funds	\$ 0	\$ 0	\$ -24,268	\$ -24,268	0.0%	0.0%
<u>Department of Veterans' Affairs</u>						
General Fund	\$ 0	\$ 0	\$ 100,000	\$ +100,000	0.0%	0.0%

9/12/7

Budget Summary*

	2001-03		2003-05			Percentage Committee Change from	
	After Feb. 2003 Rebalance		Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Governor's Budget	After Feb. 2003 Rebalance
<u>State Parks and Recreation Department</u>							
Lottery Funds	\$ 0	\$ 0	\$ 6,000,000	\$ +6,000,000		0.0%	0.0%
<u>Department of State Police</u>							
Other Funds	\$ 0	\$ 0	\$ 1,050,345	\$ +1,050,345		0.0%	0.0%
<u>Department of Justice</u>							
Other Funds	\$ 0	\$ 0	\$ 964,581	\$ +964,581		0.0%	0.0%
<u>Department of Public Safety Standards and Training</u>							
Other Funds	\$ 0	\$ 0	\$ 339,690	\$ +339,690		0.0%	0.0%
<u>Oregon Youth Authority</u>							
General Fund	\$ 0	\$ 0	\$ -600,411	\$ 0		0.0%	0.0%
Federal Funds	0	0	600,411	0		0.0%	0.0%
Total	\$ 0	\$ 0	\$ 0	\$ 0		0.0%	0.0%
<u>Public Employees Retirement System (PERS)</u>							
Other Funds	\$ 0	\$ 0	\$ 7,445,895	\$ +7,445,895		0.0%	0.0%
<u>Department of Administrative Services</u>							
General Fund	\$ 0	\$ 0	\$ 22,000	\$ +22,000		0.0%	0.0%
<u>Judicial Department</u>							
General Fund	\$ 0	\$ 0	\$ -6,600,000	\$ -6,600,000		0.0%	0.0%
Other Funds	0	0	6,600,000	6,600,000		0.0%	0.0%
Total	\$ 0	\$ 0	\$ 0	\$ 0		0.0%	0.0%

Budget Summary*	2001-03		2003-05		Percentage Committee Change from	
	After Feb. 2003 Rebalance	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Governor's Budget	After Feb. 2003 Rebalance
<u>Various Agencies: PERS Disappropriation</u>						
General Fund	\$ 0	\$ 0	\$ -85,290,156	\$ -85,290,156	0.0%	0.0%
Lottery Funds	0	0	-1,609,557	-1,609,557	0.0%	0.0%
Other Funds	0	0	-79,706,376	-79,706,376	0.0%	0.0%
Federal Funds	0	0	-32,123,142	-32,123,142	0.0%	0.0%
Total	\$ 0	\$ 0	\$ -198,729,231	\$ -198,729,231	0.0%	0.0%
<u>Various Agencies: Capitol Planning Commission and Secretary of State Disappropriation</u>						
General Fund	\$ 0	\$ 0	\$ -633,020	\$ -633,020	0.0%	0.0%
Lottery Funds	0	0	-1,400	-1,400	0.0%	0.0%
Other Funds	0	0	-29,605	-29,605	0.0%	0.0%
Total	\$ 0	\$ 0	\$ -664,025	\$ -664,025	0.0%	0.0%

2001-03 Supplemental Limitation

<u>State School Fund</u>					
Other Funds	\$ 0	\$ 0	2,014,263	\$ +2,014,263	
<u>Department of Transportation</u>					
Other Funds	\$ 0	\$ 0	0	\$ +0	

* Budget Summary excludes Capital Construction expenditures

Position Summary

	2001-03		2003-05	
	After Feb. 2003 Rebalance	Governor's Budget	Committee Recommendation	Difference from Governor's Budget
<u>Department of Higher Education</u>				
Authorized Positions	14,184	14,540	14,812	+272
Full-time Equivalent (FTE) Positions	11,566.33	11,819.50	12,092.26	+272.76
<u>Department of Transportation</u>				
Authorized Positions	4,856	4,844	4,693	-151
Full-time Equivalent (FTE) Positions	4,693.62	4,686.26	4,585.68	-100.58
<u>Bureau of Labor and Industries</u>				
Authorized Positions	116	109	110	+1
Full-time Equivalent (FTE) Positions	113.75	102.87	106.24	+3.37
<u>Office of the Governor</u>				
Authorized Positions	45	37	42	+5
Full-time Equivalent (FTE) Positions	44.00	36.50	41.50	+5.00
<u>Legislative Assembly</u>				
Authorized Positions	455	455	443	-12
Full-time Equivalent (FTE) Positions	223.62	223.62	216.31	-7.31
<u>Legislative Administration Committee</u>				
Authorized Positions	172	178	152	-26
Full-time Equivalent (FTE) Positions	117.63	122.38	107.39	-14.99
<u>Legislative Counsel Committee</u>				
Authorized Positions	72	72	62	-10
Full-time Equivalent (FTE) Positions	50.50	50.50	45.77	-4.73
<u>Legislative Fiscal Officer</u>				
Authorized Positions	17	17	17	0
Full-time Equivalent (FTE) Positions	17.00	17.00	17.00	0.00
<u>Legislative Revenue Officer</u>				
Authorized Positions	6	6	6	0
Full-time Equivalent (FTE) Positions	6.00	6.00	6.00	0.00

Position Summary

	2001-03	2003-05		
	After Feb. 2003 Rebalance	Governor's Budget	Committee Recommendation	Difference from Governor's Budget
<u>Commission on Indian Services</u>				
Authorized Positions	2	2	2	0
Full-time Equivalent (FTE) Positions	2.00	2.00	2.00	0.00
<u>Secretary of State</u>				
Authorized Positions	208	214	203	-11
Full-time Equivalent (FTE) Positions	206.67	212.67	202.50	-10.17
<u>Dispute Resolution Commission</u>				
Authorized Positions	6	7	0	-7
Full-time Equivalent (FTE) Positions	5.00	6.50	0.00	-6.50
<u>Commission on Asian Affairs</u>				
Authorized Positions	1	1	1	0
Full-time Equivalent (FTE) Positions	1.00	1.00	1.00	0.00
<u>Commission on Black Affairs</u>				
Authorized Positions	1	1	1	0
Full-time Equivalent (FTE) Positions	1.00	1.00	1.00	0.00
<u>Commission on Hispanic Affairs</u>				
Authorized Positions	1	1	1	0
Full-time Equivalent (FTE) Positions	1.00	1.00	1.00	0.00
<u>Commission for Women</u>				
Authorized Positions	3	3	3	0
Full-time Equivalent (FTE) Positions	2.80	1.26	3.00	+1.74
<u>Department of State Police</u>				
Authorized Positions	0	0	6	+6
Full-time Equivalent (FTE) Positions	0.00	0.00	5.25	+5.25
<u>Department of Justice</u>				
Authorized Positions	0	0	5	+5
Full-time Equivalent (FTE) Positions	0.00	0.00	4.38	+4.38
<u>Public Employees Retirement System</u>				
Authorized Positions	0	0	56	+56
Full-time Equivalent (FTE) Positions	0.00	0.00	48.83	+48.83

BUDGET NARRATIVE

Legislative Action

Emergency Board minutes

Minutes of the Emergency Board – November 7, 2003

42. Public Employees Retirement System

Representative Butler moved that the Emergency Board increase the Other Funds expenditure limitation established for the Public Employees Retirement System by section 29(1), chapter 710, Oregon Laws 2003, by \$16,331,522, approve the establishment of 16 permanent positions (11.48 FTE) and 15 limited duration positions (9.99 FTE), and approve the increase of one limited duration position to full-time (0.33 FTE) and the extension of one limited duration position to the end of the biennium (0.50 FTE) for the new Oregon Public Service Retirement Plan.

The following is a summary of the request and Subcommittee (General Government) action:

The new Public Employees Retirement System (PERS) Board Chair testified as to the board's activities and support of the Emergency Board request. The Board is tasked, not only with maintenance of the existing retirement program, but implementation of the new plan. The new plan will require new permanent staff as well as limited duration, start-up staff. An information system for the new plan that consists of off-the-shelf software has been acquired and is being installed. Because of timing of the passage HB 2020, placeholder limitation of \$1 was all that could be provided during the session. This request should enable PERS to implement and manage the new plan during the rest of the biennium. The Legislative Fiscal Office (LFO) recommendation was less than the PERS original request. The Board Chair concurred with the recommendation.

The request and recommendation was with the understanding that the Department of Administrative Services would unschedule \$1,919,044 Other Funds limitation previously provided for the existing retirement system programs, and transfer 10 positions (7.97 FTE) to the Oregon Public Service Retirement Plan from the existing retirement system programs, and also with the understanding that PERS will submit an implementation plan that contains definable, scheduled milestones, a detailed budget that can be tracked, and mitigations for risks identified with the project. Once the Joint Legislative Committee on Information Management and Technology is formed, it can review and monitor the PERS information system implementation.

The Subcommittee recommended approval of the expenditure limitation and the establishment of permanent and limited duration positions and changes to the status of two limited duration positions as recommended by the Legislative Fiscal Office.

____ Agency Request

____ Governor's Recommended

 X Legislatively Adopted

Budget Page 42

BUDGET NARRATIVE

The following Committee discussion occurred:

Questions were raised about the cost and number of positions requested and whether they couldn't be accommodated within the existing budget.

Senator Harper stated that the Chair of the Board testified as to the Board's intentions to better manage the agency and that the Board needs the resources to implement the new plan.

Representative Butler's motion carried with Senators Schrader and Gordly voting 'no'. Representative Miller and Senator Winters excused.

43. Public Employees Retirement System

Senator Messerle moved that the Emergency Board increase the Other Funds expenditure limitation established for the Public Employees Retirement System by section 1(3), chapter 439, Oregon Laws 2003, by \$210,828, and approve the establishment of four limited duration positions (2.0 FTE) to address the workload resulting from the record number of retirements that have occurred during the past year.

The following is a summary of the request and Subcommittee (General Government) action:

The Public Employees Retirement System (PERS) has processed more than 12,000 retirements during the past year. This is about three times its normal workload. The Legislature provided PERS with 14 limited duration positions in its 2003-05 budget to address a workload estimated between 8,000 and 10,000 retirements. PERS now requested expenditure limitation and position authority to finish the additional workload.

While most of the retirements have been processed, history has shown that about 15% of retirement benefit calculations must later be recalculated. Much of this workload is outside the control of PERS. After retirement, retirees change their retirement option selection. Estimated benefits have to be paid then recalculated due to late submission of required information from employers. In other cases, benefit computations are challenged or staff calculation errors require benefit recalculation and adjustment. The net result is a residual workload that will have to be dealt with. The workload is expected to be finished by November 2004.

The Subcommittee recommended approval of the expenditure limitation and the establishment of limited duration positions.

Senator Messerle's motion carried with no objections voiced. Representative Miller and Senator Winters excused.

BUDGET NARRATIVE

44. Public Employees Retirement System

Representative Butler moved that the Emergency Board increase the Other Funds expenditure limitation established for the Public Employees Retirement System by section 1(3), chapter 439, Oregon Laws 2003, by \$142,856, and approve the establishment of two limited duration positions (1.25 FTE) to address the workload resulting from HB 2003.

The following is a summary of the request and Subcommittee (General Government) action: House Bill 2003 was one of a number of Public Employees Retirement System (PERS) reform bills passed during the 2003 legislative session. The bill added substantially to PERS workload. Among other things, it requires PERS to recalculate the retirement benefits of Tier 1 members that retire under money match between April 2000 and April 2004 for the court-determined excessive crediting of 1999 earnings to member accounts (the Judge Lipscomb decision). To the extent that the recalculated retirement benefit is less than the benefit attributed to the excess credited earnings, PERS must suspend COLAs for those retirees until the time the recalculated retirement benefit, including COLAs, reaches the originally computed retirement benefit. More than 30,000 retirees, alternate payees, or beneficiaries are expected to be affected by the law. Most, if not all, of the recalculations must be performed manually.

PERS previously received position authority and expenditure limitation to implement the provisions of the bill. Because of time constraints, PERS noted at that time that it may return with an additional request to address workload requirements that unfolded or became clearer as implementation progressed. PERS now requested position authority and expenditure limitation for two limited duration positions to finish the biennium's HB 2003 workload.

The Subcommittee recommended approval of the expenditure limitation and the establishment of limited duration positions.

Representative Butler's motion carried with Senators Schrader and Gordly voting 'no'. Representative Miller and Senator Winters excused.

45. Public Employees Retirement System

Representative Butler moved that the Emergency Board increase the Other Funds expenditure limitation established for the Public Employees Retirement System by section 1(3), chapter 439, Oregon Laws 2003, by \$3,142,723, and approve the establishment of seven permanent positions (5.53 FTE) and one limited duration position (0.79 FTE) to continue work on the existing Retirement Information Management System and improve information technology capabilities.

The following is a summary of the request and Subcommittee (General Government) action:

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The Public Employees Retirement System (PERS) has been working on maintenance of its aging system while beefing up its staff capabilities and adopting modern IT replacement technologies. The request had three specific components:

- \$524,250 for contract project management and “refactoring” or documenting the programming code and functions that exist for two of RIMS subsystems;
- \$943,234 and authorization for seven permanent positions and one limited duration position to strengthen its information systems staff capabilities; and
- \$1,675,239 to continue implementation of document workflow and imaging systems that include the digital scanning of all incoming documents so that the staff have electronic access of documents received by PERS and documents can be tracked electronically through the system.

The Department of Administrative Services (DAS) Information Resources Management Division (IRMD) was only willing to recommend approval of the request contingent upon PERS submitting an additional planning document to IRMD within 30 days of funding approval. Given the pressing need for systems improvements, the Budget and Management Division of the Department of Administrative Services and Legislative Fiscal Office (LFO) recommended approval of the request with the understanding that the funds would be unscheduled.

The Subcommittee recommended approval of the request with the understanding that DAS will unschedule the funds. The funds will be rescheduled at the request of PERS with agreement of DAS Information Resources Management and Budget and Management Divisions.

The following Committee discussion occurred:

Senator Schrader noted that the Joint Legislative Committee on Information Management and Technology (JLCIMT) should review and make recommendation on the request before the Emergency Board takes action on it.

Discussion ensued about the need for JLCIMT review, but that the Committee had not yet been appointed.

Co-Chair Minnis stated that she and Senate President Courtney were close to making the appointments. Once appointed, the JLCIMT could then review the request.

Questions were asked about the priorities of the three components of the request and affect on PERS operations of postponing action until the JLCIMT could review them. LFO staff responded that postponing action on the \$524,250 could prove to be the most detrimental to PERS operations.

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Representative Bates moved adoption of Representative Butler's motion with the understanding that the funds would be unscheduled and position availability would be withheld as follows: expenditure limitation of \$524,250 for contract project management and "refactoring" or documenting the programming code and functions that exist for two of RIMS subsystems would be unscheduled until the DAS Information Resources Management and Budget and Management Divisions recommend they be rescheduled; expenditure limitation of \$943,234 and position availability for seven permanent positions and one limited duration position to strengthen its information systems staff capabilities be withheld until the JLCIMT has reviewed the request and recommends the funds be scheduled; and expenditure limitation of \$1,675,239 to continue implementation of document workflow and imaging systems that include the digital scanning of all incoming documents so that the staff have electronic access to documents received by PERS and documents can be tracked electronically through the system be withheld until the JLCIMT has reviewed the request and recommends the funds be scheduled.

Representative Bates' amended motion carried with Senator Schrader voting 'no'. Representative Miller and Senator Winters excused.

Minutes of the Emergency Board – April 9, 2004

33. Public Employees Retirement System

Senator Harper moved that the Emergency Board acknowledge receipt of a report from the Public Employees Retirement System on actions taken with respect to agency oversight.

The following is a summary of the request and Subcommittee (General Government) action:

The 2003-05 Public Employees Retirement System (PERS) operating budget was approved with the knowledge that Board membership would change completely in September 2003. The Legislature expected that the new PERS Board's involvement with PERS operations would be far more proactive than before. To reinforce this expectation, the PERS budget report included a budget note requesting the Department of Administrative Services (DAS) to unschedule \$29 million (approximately 60%) of the agency's Other Funds expenditure limitation with instructions that the new Board submit a report to the Emergency Board on the direction it is taking with respect to oversight of agency operations before the limitation be rescheduled. The Board is submitting its report and, after reviewing it with the Emergency Board, will ask that DAS reschedule the \$29 million.

The new PERS Board takes its responsibility for agency operations very seriously. The Board has invested a great deal of time trying to understand PERS operations and costs. It now receives monthly financial reports that compare budgeted to actual expenditures and, with new management, is developing a budgetary and accounting structure that will match operational responsibilities to the agency's 2005-07 budget. This will not only enhance the Board's ability to monitor agency operations and make informed decisions, but also benefit the Legislature as it reviews the PERS budget request.

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The new Board also functions much differently from its predecessor. For example, the Board Chair has assigned administrative rule-making responsibility to Board members based on the nature of the rule. Individual Board members thus gain expertise in their assigned area, work with staff in the rule-making process, and bring that knowledge to the Board meetings. Rather than rely solely on staff presentations, Board members have the benefit of direct involvement in issues. This approach also improves Board oversight because it gives the Board a better understanding of PERS staff and internal operations.

The Subcommittee recommended acknowledging receipt of the report.

Senator Harper's motion carried with no objections voiced.

34. Public Employees Retirement System

Senator Dukes moved that the Emergency Board increase the Other Funds expenditure limitations established for the Public Employees Retirement System by sections 29(2) and (3), chapter 710, Oregon Laws 2003, by \$201,275 and \$2,162,729, respectively, for Certificates of Participation issuance and debt service costs.

The following is a summary of the request and Subcommittee (General Government) action:

The 2003-05 Public Employee Retirement System (PERS) operating budget was approved with the expectation that a significant information systems investment would most likely be required due to pending PERS reform legislation. HB 2020 established the new Oregon Public Retirement Service Plan (OPSRP) within PERS. That legislation included a requirement that the PERS Board develop and implement an information technology system to manage the Plan. Authority to issue Certificates of Participation (COPs) to fund start-up costs was included in the bond authorization bill (HB 3446). Additionally, Other Funds expenditure limitation of \$1 each was provided for issuance costs and debt service. The exact amounts needed were to be determined once the amount and issuance date of the COPs were known.

At its November 2003 meeting, the Emergency Board increased PERS' Other Funds expenditure limitation for the new plan's start-up and administrative costs. PERS borrowed from Tier 1 and Tier 2 assets to pay for these costs. While PERS had authority to use COPs to pay for one-time costs associated with the new plan, staff was still conducting a cost-benefit analysis to determine if COPs were the appropriate funding mechanism for these items. PERS has now determined that using COPs to repay amounts borrowed is cost-beneficial to the system. PERS estimates savings to the system will amount to \$500,000 in the current biennium. Additional savings will accrue to the system in future biennia.

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PERS has identified \$9.9 million of one-time start-up costs that qualify for COP financing and is now requesting approval for Other Funds expenditure limitation sufficient to pay issuance and debt service costs. The COPs will be issued as part of a package scheduled to be sold in June and will be amortized over five years. The Department of Administrative Services has provided PERS with estimates of issuance and debt service costs for the biennium. COP issuance costs are expected to be \$201,276 and debt service costs for the biennium are expected to be \$2,162,730, for a total request of \$2,364,006. Since \$1 limitations for issuance and debt costs already exist, the actual limitation increase needed is \$2,364,004.

The Subcommittee recommended the Emergency Board approve increasing the expenditure limitation by \$2,364,004.

Senator Dukes' motion carried with no objections voiced.

35. Public Employees Retirement System

Representative Butler moved that the Emergency Board increase the Other Funds expenditure limitation established for the Public Employees Retirement System by section 29(1), chapter 710, Oregon Laws 2003, Operational and administrative expenses, by \$3,000,000 for third party administrator costs related to the Individual Account Program.

The following is a summary of the request and Subcommittee (General Government) action:

House Bill 2020 established the new Oregon Public Retirement Service Plan within the Public Employees Retirement System (PERS). That legislation established the Individual Account Program into which all active PERS members contribute six percent of their pay. Currently, there are about 170,000 active members in PERS and the number is expected to grow about 4-6% per year.

The Public Employees Retirement Board has contracted with a third party provider to handle the record keeping of the Individual Account Program. The contract provides for an annual participant fee of \$11. Based on current and projected growth in membership, PERS estimates the administrative cost for the third party administrator to be \$3 million for this biennium. The funds in the Individual Account Program are part of the Public Employees Retirement Fund and are invested by the Oregon Investment Council. Thus, the third party administrator cannot access the accounts directly and PERS must include this cost in its budget. No expenditure limitation was provided for these costs, as PERS originally thought that payment could flow directly from the individual accounts to the third party administrator. Since that is not possible, PERS is now requesting a \$3 million Other Funds expenditure limitation increase to pay third party administrator costs.

The law requires that administrative costs for the Individual Account Program be borne by the individual account holders. The annual cost of \$11 will be deducted from individual accounts and PERS will then pay the third party administrator. The additional expenditure limitation is necessary for

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PERS to do this without jeopardizing its other operations.

The Subcommittee recommended approval of the request.

Representative Butler's motion carried with no objections voiced.

36. Public Employees Retirement System

Representative Butler moved that the Emergency Board request the Department of Administrative Services to reschedule \$2,787,500 in existing Other Funds expenditure limitation for the Public Employees Retirement System for information technology issues.

The following is a summary of the request and Subcommittee (General Government) action:

The request has five separate components, three of which address replacement of the existing Retirement Information Management System (RIMS) and maintenance of efforts during that period. The other two components are for improved system security and improved telephone capabilities. The five components are discussed separately. RIMS Replacement; Phase 1 Evaluation and Planning (\$664,600): PERS now has determined that the system (jClarety) it has implemented for the Oregon Public Service Retirement Plan can be used as the basic replacement for RIMS. PERS is requesting \$664,600 additional Other Funds expenditure limitation for consultant work to (a) define which components of jClarety can be adapted to replace RIMS, (b) determine what must be custom developed in jClarety, and (c) produce a cost estimate and implementation plan to accomplish the replacement. That cost estimate and implementation plan is expected to be completed by September of this year so that PERS can then return to the Joint Legislative Committee on Information Management and Technology (JLCIMT) and Emergency Board for funding to implement the replacement.

Stabilization and Interim Business Relief (\$734,500): PERS staff have developed various “workaround” solutions or practices to compensate for RIMS deficiencies. Each workaround was developed in the various operational units to address particular processing deficiencies in those areas. Many of them are time-consuming and cumbersome to use. PERS’ plan is to improve staff effectiveness and productivity by addressing the workarounds most often used by reviewing the processes and either improving them or developing improved software to achieve the desired outcomes. These will be temporary fixes that will be used only until the RIMS replacement comes online. The \$734,500 limitation requested is for technical consultants and project oversight.

Data Management Planning and Data Conditioning (\$656,400): Historically, PERS has been plagued with poor data quality that often results in inaccurate calculations, rework, system errors, sporadic cleanup attempts, and lost productivity. Many of the data quality problems were caused

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by miscoding of key information to facilitate input of member data. The project plan is to define processes, procedures, and rules to enforce data integrity and begin the process of cleaning agency data. Data accuracy checks are already built into the new jClarety system. However, to effectively implement a replacement for RIMS, existing data needs to be accurate. The agency is requesting \$656,400 limitation for technical consultants and project management to develop a structured approach to data accuracy.

Security Systems Initial Implementation (\$267,600): PERS has contracted with a vendor to conduct a formal information security risk assessment. Although the final report has not yet been issued, the preliminary findings have identified some high priority security issues that need to be addressed immediately. PERS is requesting \$267,600 limitation for necessary security related software and hardware to address these high priority security issues. The software will be developed by consultants. PERS will work with the State Cyber Security Center to ensure that the security measures developed will meet or exceed applicable state and industry standards, policies, and practices.

Telephone Switch Acquisition and Implementation (\$464,400): PERS was provided \$250,000 limitation in its 2003-05 budget to upgrade its telephone system. The changes made to public employees pension plans during the 2003 legislative session caused an unprecedented demand for retirement services. The increase in activity has place additional stress on the phone system to the point that agency operations are impacted. PERS is now requesting an additional \$464,400 limitation that, along with the original \$250,000, will be used to upgrade or replace the current telephone switch and acquire professional services necessary to integrate the phone switch with the PERS call center processes and applications.

The Public Employees Retirement Board reviewed the components of this request at its February 13 meeting and approved it for submission to the Emergency Board. The Department of Administrative Services Information Resources Management Division (IRMD) has been heavily involved in the development of the strategy and this funding request.

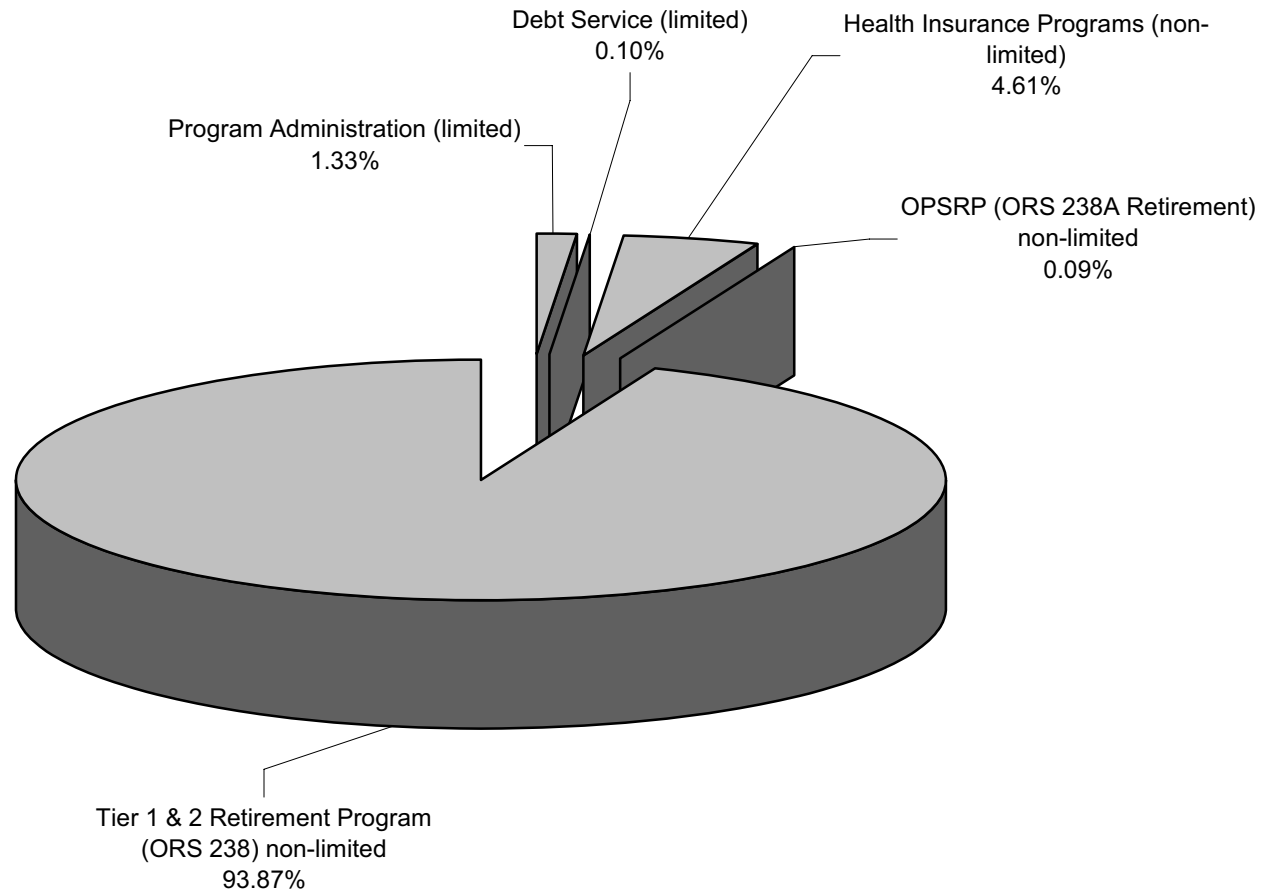
The JLCIMT reviewed this request and recommended that the Emergency Board request the Department of Administrative Services to reschedule \$2,787,500 of existing Other Funds expenditure limitation for PERS to move forward with the work identified in the request. Because of actions taken by the Emergency Board, the Department of Administrative Services has unscheduled \$5.1 million of Other Funds expenditure limitation for PERS. The JLCIMT felt that additional limitation was not necessary, and instead recommended the Emergency Board request the Department of Administrative Services to reschedule the amount requested.

The Subcommittee concurred with the JLCIMT recommendation and recommended the Emergency Board request the rescheduling of existing Other Funds expenditure limitation.

Representative Butler's motion carried with no objections voiced.

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Expenditures by Activity Agency Summary 2005-07 Legislatively Adopted Budget



____ Agency Request

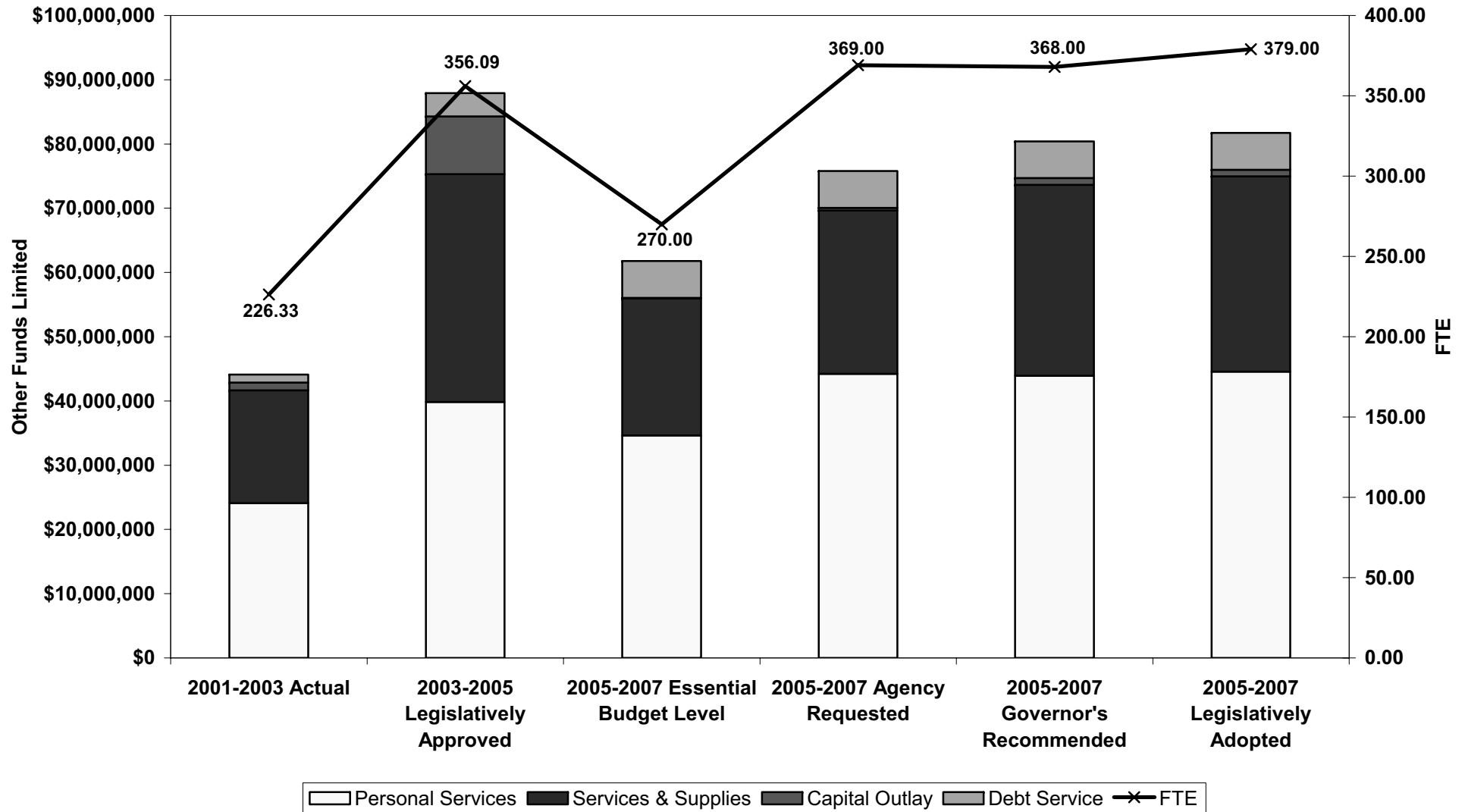
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PERS Expenditure Comparison



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Agency Summary Narrative

Agency Summary

The Public Employees Retirement System (PERS) provides a range of retirement services to public employees in the state of Oregon. These services are offered to more than 860 state and local government subdivisions across the state. The agency administers the Tier 1/Tier 2 Retirement Plan (ORS 238), the Oregon Public Service Retirement Plan (ORS 238A), Deferred Compensation plans, Public Employee Benefit Equalization Fund, Social Security Administration service, and three health insurance benefits services. PERS also administers the financing of two projects that were funded by the Certificates of Participation.

Mission Statement & Statutory Authority

Mission statement of the Public Employees Retirement System:

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

We achieve this by being:

1. **Trustworthy:** We build trust internally and with all stakeholders.
2. **Transparent:** Our work is transparent, direct and open.
3. **Member-focused:** We care about our members. We assure that members receive their legitimate benefits. We seek to understand and meet member needs.
4. **Inclusive:** We uphold our stakeholders' right to provide input into decisions that affect them.
5. **Objective:** We administer the law objectively, not subject to political pressure or improper influence.
6. **Straightforward:** We strive for simplicity. We aim to make our benefits and services easy to understand, straightforward to administer, and efficient to implement.
7. **Data-protective:** We maintain and improve the integrity of member data through our processes, business rules, decision making, and any quick fixes.
8. **Aligned:** We're focused on our objectives. We keep strategy and resources aligned, and deliver results, even as priorities change.
9. **Clear:** Our communications are clear, consistent and concise, and meet stakeholder needs.

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10. Courageous: We're willing to make hard decisions in order to implement our strategy and to deliver according to the charter of the organization.

11. Competitive: We understand the financial implications of all our decisions and aim to operate competitively.

12. Careful: We anticipate and manage risks to support financial stability for members, employers and taxpayers.

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

1. Public Employees Retirement System
ORS 237.950 to 237.980, 238.005 to 238.480, and
238.500 to 238.750
2. Oregon Public Service Retirement Plan
ORS 238A.005 to 238A.475
3. Deferred Compensation Plans
ORS 243.401 to 243.507
4. Public Employee Benefit Equalization Fund
ORS 238.485 to 238.492
5. Social Security Administration
ORS 237.410 to 237.520

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

2005-11 Six Year Agency Plan

PERS is an agency in transition. The agency faces significant challenges, arising from statutorily mandated changes to its programs, in addressing the needs of members and stakeholders. The member's response to program changes combined with an aging member base continues to accelerate demand for retirement and other member services. Simultaneously, PERS encountered difficulty implementing the mandated benefit changes in a timely manner, resulting in a further ongoing drain on the agency's limited resources and administration. These factors overwhelmed the agency's organizational structure, management resources, and information technology systems enough that member and other services have begun to suffer.

In September 2003, the new PERS Board confronted the reality of PERS' inability to address the situation with its current structure and resources. The Board and agency administration initiated several projects to assess the agency's overall mission, resources, and administrative capabilities as follows:

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- Revised the PERS mission and objectives
- Commissioned an assessment of PERS' central services
- Reviewed and revised agency performance measures
- Instituted performance measures for all management and staff
- Formed a Business Transition Team

Strategic planning activities will continue through the end of the 2003-05 biennium. PERS formed the Business Transition Team in June 2004 to produce an overall business plan covering both short and mid-term goals. The immediacy of the situation has focused attention on stabilizing the agency and its operations, while deferring development of additional long-term goals and objectives until reaching resolution of the current difficulties.

While the business plan undergoes further development and refinement, the Board issued a clear mandate: use the 2003-05 and 2005-07 biennia to assess, reorganize, and stabilize. PERS' primary objective for the 2005-07 biennium is stability by June 30, 2007. From here, the agency will focus on achieving staff efficiencies while enhancing member and stakeholder services.

The long-term business plan is part of PERS' transition to a more stable foundation, and there are several specific actions that will become part of this plan to carry out its new mission. These actions are:

1. Fully implement the new jClarety system for the Oregon Public Service Retirement Plan (OPSRP). While this will be mostly completed by the end of the 2003-05 biennium, certain aspects may continue into 2005-07 .
2. Replace the Retirement Information Management System (RIMS) legacy system. The planning stage of this project began in the 2003-05 biennium with planned development activities extending into 2007-09. The proposed approach is to integrate RIMS into jClarety.
3. Assess and restructure the PERS organization to better use the anticipated efficiencies gained from the implementation of jClarety and the replacement of RIMS. These changes will evolve as processes are converted from one system to another. One of the PERS Board's goals is to reduce the number of temporary and limited duration staff and contain overall administrative costs needed to provide PERS services.
4. Simplify agency services through operational changes, greater automation, and replacement of current systems; work with the Legislature to either simplify service delivery requirements or prevent additional complexity.

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2005-07 Two Year Agency Plan

Agency Programs:

The program operations of PERS have a significant impact on Oregon's economy, providing retirement services to roughly 10 percent of Oregon's population. The individual programs administered by the PERS agency are described as follows:

Tier One-Tier Two Plan

The Tier One-Tier Two Plan (ORS 238) is a state-mandated activity funded with Other Fund revenues that provides pension services to approximately 214,000 non-retired members and nearly 100,000 retirees and beneficiaries who became employees with a participating public employer prior to August 29, 2003. The closure to new members under this plan will allow activity to decline. However, due to the aging demographics of the Tier One-Tier Two membership, retirement workloads will likely increase over the next 10 to 15 years. The Tier One-Tier Two Plan's services include:

- Providing information to members regarding retirement, disability, and death benefits, providing benefit estimates and describing plan options for members and beneficiaries. PERS will retire a projected 12,000 members during the next biennium.
- Account maintenance for active members that includes recording changes in employment, crediting interest and purchased service time, generating annual member statements of account, and reconciling reported contributions. PERS processes over \$1.1 billion in annual contributions.
- The calculation and payment of benefits. Annually, PERS issues over \$2.0 billion in benefit payments.

Health Insurance Services

PERS acts as a group sponsor, providing health insurance services to approximately 35,400 retirees 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.

Health Insurance Services is composed of the following three state-mandated activities.

Retirement Health Insurance Account (RHIA)

This program provides a \$60 per month subsidy to offset the cost of insurance premiums with PERS-sponsored insurance carriers for participating retirees of Medicare age or older. All PERS employers fund this subsidy through contributions. Approximately 34,500 persons receive this subsidy.

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Retirement Health Insurance Premium Account (RHIPA)

This program subsidizes the cost of insurance premiums on PERS-sponsored services for those retired ex-State of Oregon employees who are not yet of Medicare age. The subsidy, which is funded by the State of Oregon through its contribution rate, is based on the number of years the retiree was employed in state service. Approximately 890 persons receive this subsidy.

Standard Retirement Health Insurance Account (SRHIA)

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

Benefit Equalization Fund

The Legislature created the Benefit Equalization Fund (BEF) in 1997 to allow a full payment of PERS pension benefits capped by Internal Revenue Code (IRC) 415, that limits benefits in excess of approximately \$111,000 per year (for general service retiree at age 58). The BEF began paying members affected by IRC 415 in 1998. The fund serves approximately 110 members, and continues to grow by 10 participants per year. Capping of member contributions to the Tier One-Tier Two Plan, combined with periodic adjustments to the IRC 415 cap, will slow and eventually shrink the BEF. Fees assessed to participating employers fund the BEF.

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 SSA has preferred to work directly with employers for the past several years, thus limiting agency activity. However, delegated responsibilities increased recently, causing increasing agency involvement in employer education, audits, SSA coverage referendums, and other ancillary duties. Annual fees assessed to participating employers fund the SSA service.

Deferred Compensation Program

Deferred Compensation (State Government)

The state's Deferred Compensation Trust (aka: Oregon Savings Growth Plan) is a voluntary plan available to state employees. This mandated activity benefits participants by providing an incentive for saving additional funds to be used at retirement while reducing taxable income. It presently serves nearly 19,500 current and ex-state employees who deferred over \$600 million in preparation for retirement. Deferred compensation participants fund all costs of plan administration.

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A third-party administrator provides the Oregon Savings Growth Plan record keeping and investment services. Agency staff manages the administrator's contract, provides educational support, monitors participant satisfaction, and assists participants with issues irresolvable by the third-party administrator. Member contributions and related earnings fund the administration of the Oregon Savings Growth Plan.

Deferred Compensation (Local Governments)

In 1997 the Legislature authorized PERS to extend deferred compensation services to local Oregon governments through its third-party agreement. PERS responsibilities are to coordinate local government applications and to provide information about the program to local public employers. Once the local employer signs onto the program, they work directly with PERS' third-party administrator and the Treasury Department.

Oregon Public Service Retirement Plan (OPSRP)

OPSRP, authorized by the 2003 Legislature (ORS 238A) and funded with Other Funds, provides both defined contribution and defined benefit pension services as follows:

Individual Account Program

The Individual Account Program (IAP) is a defined contribution pension service that requires PERS members to contribute 6% of their salary and receive a pension benefit payment upon retirement. All PERS members actively making contributions on or after January 1, 2004 participate in the IAP. A third party administrator provides record keeping services. Member contributions and earnings on those contributions fund the administrative costs related to the IAP.

Pension Program

The OPSRP Pension Program is a defined benefit pension service solely funded by employer contributions and their earnings. Most employees who start work with a participating public employer on or after August 29, 2003 participate in the Pension Program.

Debt Service

Certificates of Participation

Certificates of Participation (COPs) were issued to finance two PERS projects. Although PERS has significant resources available, the capital markets, through the usage of COPs, were utilized due to lower interest costs or higher lost opportunity costs related to alternative financing methods. The revenue source that services the COPs is Other Funds. These two projects are described as follows:

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PERS Headquarters Building

In the mid-1990's PERS recognized that the former headquarters location in Portland could not serve the long-term needs of the agency. As a result PERS, cooperating with DAS State Facilities, built a headquarters in Tigard in 1997 with land and construction costs financed through the issuance of a COP. The original \$8.6 million COP was partially refinanced in March of 2002 through the issuance of a second, lower rate COP. Earnings on the PERS fund will pay the remaining balance for the first COP (\$1.1 million as of 06-30-04) in May 2006, and the second COP (\$5.86 million as of 06-30-04) in May 2017.

Oregon Public Service Retirement Plan Information Technology Project

The Legislature recognized that revenues from the IAP and Pension Program would not suffice to cover the initial start-up activity expenses. As a result, the Legislature authorized PERS to borrow funds from the Tier One-Tier Two plan assets and to issue a COP. After a cost benefit analysis, PERS requested the issuance of a five-year COP for \$9,865,000 to cover the capital costs of purchasing and installing IT systems to support the OPSRP programs. OPSRP contributions and earnings primarily service the COP debt.

Environmental Factors:

The primary environmental factors affecting the PERS plan can be summarized into three specific issue areas:

1. Retirement program changes and an aging member population had significantly increased the demand for PERS services;
2. PERS' guiding statutes and regulatory requirements have undergone significant changes, resulting in more complex and expanded service delivery expectations to be managed within a limited organizational and resource structure; and,
3. The continued deterioration of PERS' outdated information technology systems has caused sliding service levels, growing backlogs, declining accuracy, and poor utilization of agency resources.

These combined factors present a significant challenge that cannot be resolved during the 2003–05 biennium, and PERS must take significant action to stabilize operations, clear-up unaddressed accumulated workloads, and fully implement 2003 legislation in the 2005-07 Biennium.

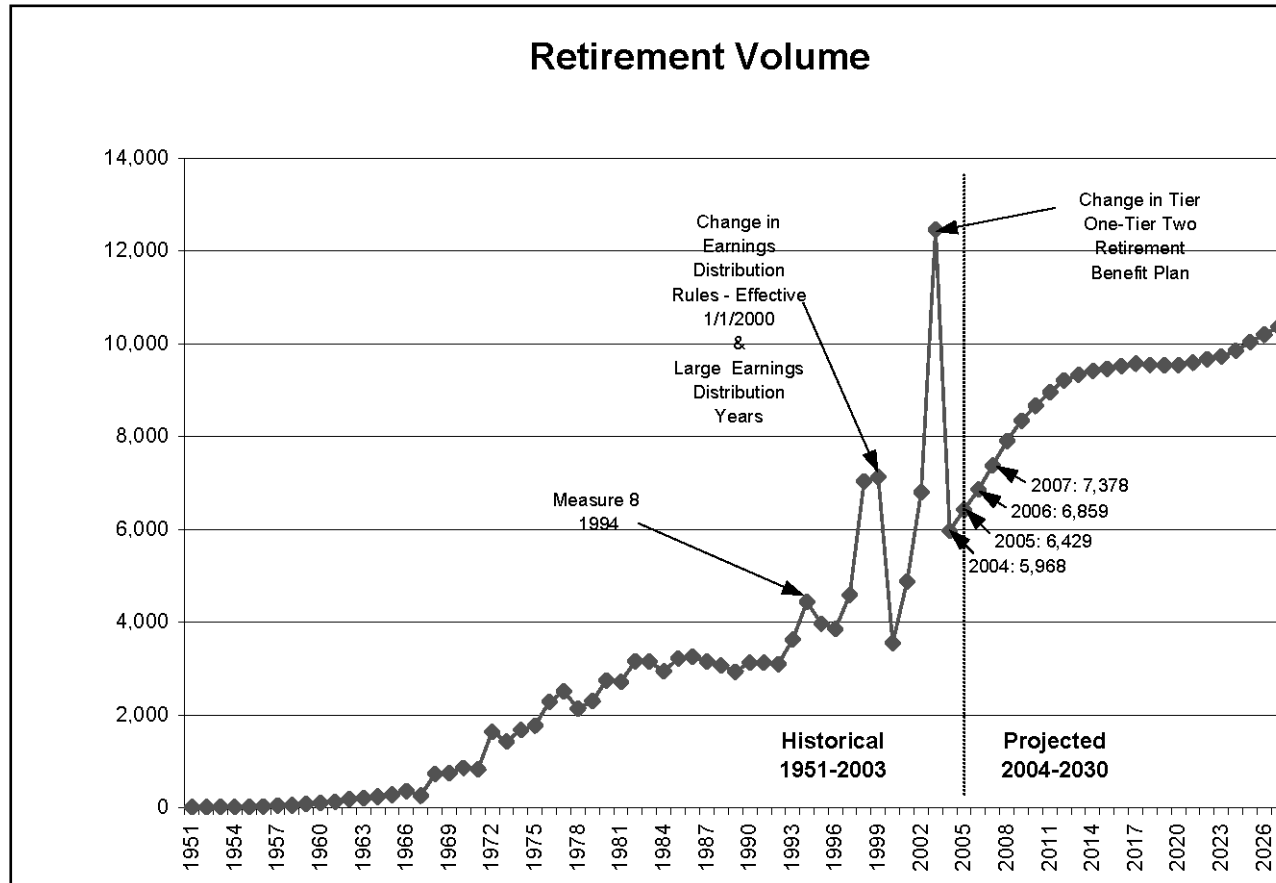
BUDGET NARRATIVE

Aging of PERS Membership and Participants

Membership and participant demographics indicate the demand for PERS services will continue to increase. When the PERS membership is spread by age, the progression of members approaching retirement age can easily be seen. As of June 30, 2002, approximately 40,000 members were eligible for immediate retirement. Although over 12,000 members retired during 2003, this demographic wave continues to indicate increasing numbers of retirements through 2013 before leveling out. The previous baseline of 4,000 expected retirements per year is no longer valid and a higher baseline of at least 6,000 retirements per year (a 50 percent increase) is expected for the 2005-07 biennium.

Member retirement typically impacts other activities and services. As a member approaches retirement, requests for estimates and retirement information increase significantly. At retirement, many members choose to participate in PERS' Health Insurance Program. Finally, the replacement employee is soon established on PERS database. All of these activities are volume driven and compose a major part of PERS' services and related operational demands.

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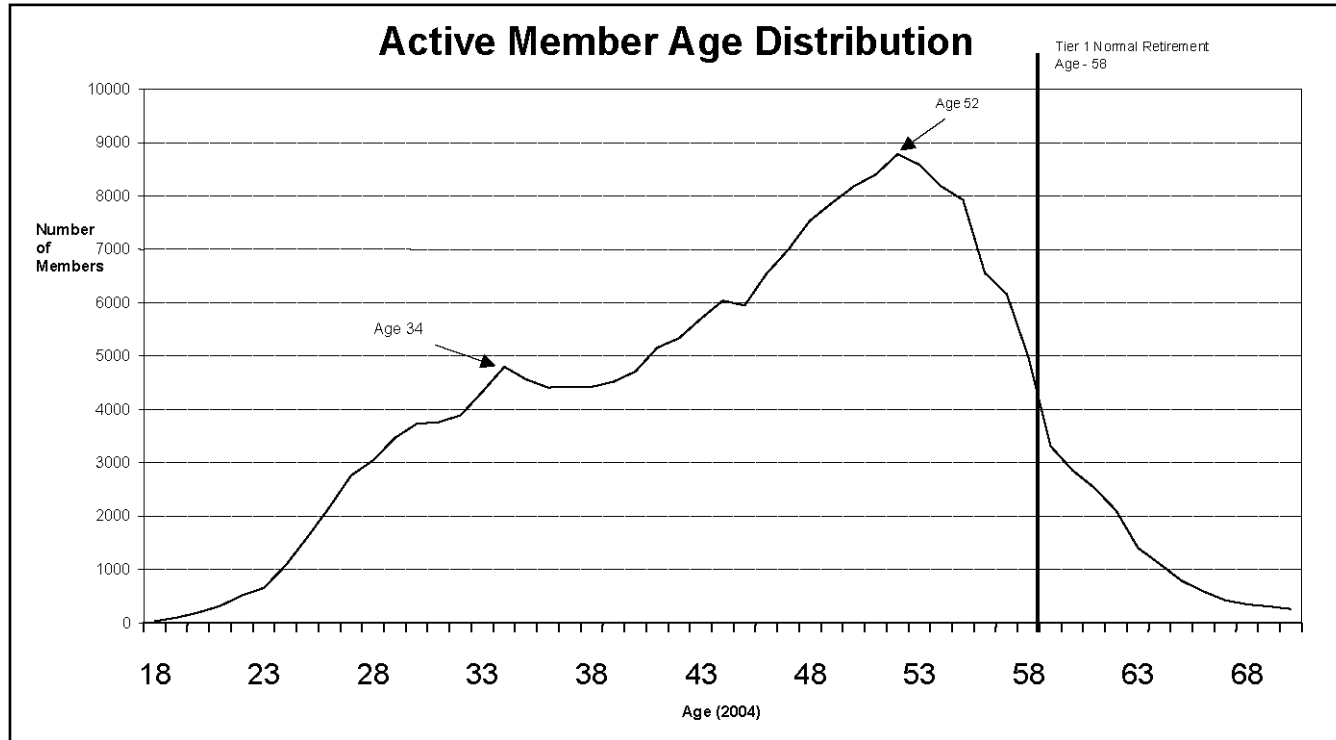
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Complex, Changing Service Delivery Requirements

PERS statutes evolved over 58 years and now encompass 108 pages. The context, terms, and relationships between statutes have become much more complex. Compounding this, new layers of statutes continue to be added at a rapid pace. 18 separate bills brought more than 100 modifications to the body of PERS statutes in the 1999 and 2001 legislative sessions alone. In 2003, the Legislature made broad, sweeping changes to the current PERS pension system by adding a new pension plan. Although some changes were minor, the sum of the changes mandated in 2003 had a major effect on PERS programs and benefit structures and created multiple one-time projects. PERS found both its administration and infrastructure wholly inadequate to meet the expectations of stakeholders. The complexity, opaqueness, and volume of changes to PERS' statutes have also led to significant 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 uniqueness of the PERS pension benefit structures causes difficulties in direct application of Internal Revenue Code (IRC) requirements in several critical areas. A primary issue is the application of defined benefit regulations to aspects of the PERS plan similar to a defined-contribution plan (Money Match). This does not always allow for direct correlation of IRC rules to PERS' specific needs, nor can PERS easily utilize the interpretations provided other public pension systems by the IRS.

In 2003, the Oregon Circuit Court ruled in the *City of Eugene v PERS* case that PERS' interpretation of several parts of its statute was incorrect. Compliance with the settlement has forced further system and operational changes.

The Legislature, federal agencies, and courts continue to reshape the agency's ground rules. New legislation, legal interpretations, and regulatory changes require increased flexibility and adaptability from PERS at the administrative level within its own systems.

Deteriorating/Inflexible Information Technology Base

With 270 permanent staff in the base budget, PERS provides a variety of retirement services to over 305,000 Oregonians and 860 public employers. The agency augments staff provided services through the use of various information technology platforms and, in the case of its Retiree Health Insurance, Individual Account, and Deferred Compensation Programs, third-party administrators. The agency's primary technology system is the Retirement Information Management System (RIMS), designed in the mid-1980s for the pension benefit structure in place at that time. Although RIMS performed adequately through the mid-1990s, its operation has become increasingly inflexible and resource intensive. The system's inadequacy has been greatly accelerated by the rapid rise in retirement and membership volumes and revisions to the PERS Tier One-Tier Two plan in 2003.

BUDGET NARRATIVE

RIMS is processing a shrinking number of transaction types while the agency has expended more and more resources to moderate the system's decline. When new, RIMS processed approximately 80 percent of all retirement calculations. Now, the percentage has declined to under 50 percent; manual computations cover the gap. The increase in manual activity coupled with growing demand has stretched staff and other resources where both service and accuracy levels are declining. Rising error rates contribute to accumulated workload and other adjustments, further straining resources.

Beginning in 1997, PERS proposed a number of initiatives to arrest RIMS' decline and to install new technologies to eventually supplant RIMS with more efficient and accurate systems. However, the agency was unable to present a general technology strategy acceptable to the Legislature, leaving PERS continuing to provide services to its members with the outmoded RIMS system.

With Legislative approval of the Oregon Public Service Retirement Plan (OPSRP), PERS acquired a new pension management system, jClarety. PERS intends to leverage the abilities of jClarety to serve both the OPSRP Pension and the Tier One-Tier Two Program. In addition, PERS is exploring the feasibility of using jClarety to replace part or all of RIMS. This study will be concluded by the end of the 2003-05 biennium.

Agency Initiatives:

The core of PERS' two-year plan is to address current structural and operational challenges with the goal of transitioning the agency to a stable foundation by the end of the 2005-07 biennium. To accomplish this goal, PERS must:

- 1) Become more flexible in its ability to accommodate change to its services and programs,
- 2) Be able to address increasing workload volumes in nearly every area,
- 3) Reverse the decline in member services, and
- 4) Fully implement plan changes mandated by the 2003 Legislature.

The strategy to attain these objectives involves reviewing and restructuring of PERS operational structures and processes. This work began in 2003-05 within the limits of the agency's existing resources allowing the agency to reorganize and redeploy resources to move the agency part way in attaining its stated objectives. PERS proposes several initiatives for 2005-07 to complete this process.

Parallel, but interconnected with these initiatives, will be PERS long-term initiative to upgrade or replace outdated and declining Information Technology legacy systems. Proposed initiatives are described as follows:

BUDGET NARRATIVE

PERS Restructure and Support

PERS proposes to stabilize and strengthen the core agency infrastructure to ensure best practices are in place to increase overall efficiency and effectiveness. The proposal includes improvements in agency budgeting, procurement and contracting, human resources, agency documentation, technology support, management support and workload balancing.

Expenditure limitation and position authority are requested to implement administrative changes to the core infrastructure of the PERS agency. Changes include short-term assistance in human resources and development of technical documentation. Long-term solutions include establishing a budget section, establishing a procurement and contracting section, and improving core training for retirement counselors.

Expected Outcome

If implemented, PERS anticipates meeting current work load volumes and keeping additional backlogs from occurring.

Request Reference

Policy Package #101 PERS Restructure and Support

Policy Package #102 Legal Services

Resolution of Accumulated Workload

In order for PERS to meet the challenge of increasing service volumes, massive changes to its pension plans and compensating for degrading automated systems, PERS reallocated its limited resources to ensure that the agency's most critical activities were given priority. This reallocation of resources away from other, less time-sensitive activities resulted in the accumulation of unaddressed work. Even so, this accumulated work is having a negative effect on the agency's overall efficiency and ability to provide adequate service to its members.

To ensure that PERS is in a stable position moving into the 2007-09 biennium, the accumulated work must be eliminated. The accumulated work that is the focus of this initiative meets the following criteria:

1. Erodes operational efficiency due to the incomplete work creating roadblocks to the completion of a critical task or a process
2. Violates or threatens to violate state or federal law or federal regulation
3. Creates a potential financial loss or hardship to a member or group of members.

Expected Outcome

Resources requested within this initiative focus efforts to resolve accumulated workloads by the end of the 2005-07. The result is enhanced operational efficiency, more accurate and timely benefit payments, and ensuring compliance with state and federal laws and regulations.

____ Agency Request

____ Governor's Recommended

 X Legislatively Adopted

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BUDGET NARRATIVE

Request Reference

Policy Package #103 Resolve Accumulated Workload

PERS Reform Legislation Implementation

The 2003 Legislature approved extensive changes and additions to PERS pension plans. PERS proposes to continue and complete these activities in the 2005-07 biennium. It is also PERS' plan to apply the new systems and processes, related to the legislative implementation, to PERS current operations to gain greater efficiency and accuracy whenever possible. With the full implementation of 2003 legislation, combined with "spin-off" efficiencies gained in current operations, PERS will be able to focus on prospective issues as it moves into 2007-09.

Expected Outcome

PERS will complete implementation of 2003 legislation by the end of the 2005-07 biennium.

Request Reference

Policy Package #104 PERS Reform Legislation Implementation

PERS Information Technology Initiatives

Five initiatives are proposed to strengthen services provided by the Information Services Division. The first is to reduce the number of days it takes to retrieve microfilmed documents when providing customer service to members by providing microfilmed member records in an electronic format to PERS staff for immediate access at their desktop. The second initiative improves the knowledge base of IS staff by hiring staff with a foundation in programming languages new technology is written in. The third initiative enhances specialized training for new technology support. The fourth initiative enables maintenance of the existing IT infrastructure. The fifth initiative creates a team to address the growing backlog of data base fixes.

Expected Outcome

The microfilm improvements will lead to more efficient customer service through lessening time spent retrieving records. IT knowledge base improvement will aid in efficient jClarety implementation, support, and maintenance. Improved IT support levels will enable smooth and uninterrupted operations. The Data Quality Assurance Section will ensure the integrity and accuracy of member data.

Request Reference

Policy Package #105 Information Technology Initiatives

BUDGET NARRATIVE

RIMS Replacement

RIMS contains only 50-60 percent of the required functionality for PERS. Manual processes and off-line systems have taken its place, leading to broken processes, multiple data sources, inefficient work flows, inaccurate benefit calculations and inadequate customer/member service. PERS proposes to migrate RIMS functionality into jClarety, thus simplifying the technical and administrative environment at PERS by providing one integrated system for all plans and options.

Expected Outcome

PERS benefit payments and calculation will be more efficient and simplified. Agency customers and other stakeholders will have immediate access to benefit plan data and other administrative features rather than rely on PERS staff to provide this information.

Request Reference

Policy Package #107 RIMS Replacement

Criteria for 2005-07 Budget Development

The core of PERS' 2005-07 budget is to address structural and operational challenges and transitioning the agency to a stable foundation by the end of the 2005-07 biennium. Agency initiatives (packages) were crafted to increase accountability and responsiveness to employers, members and other major stakeholders. Each proposed initiative shares the following goals:

1. Become a more flexible agency by strengthening and stabilizing the agency's core infrastructure,
2. Be able to address increasing workload volumes in nearly every area and take actions to catch up accumulated workloads,
3. Reverse the decline in member services,
4. Fully implement retirement plan changes mandated by the 2003 Legislature.

The strategy to attain these objectives involves reviewing and restructuring PERS operational structures and processes. This work began in 2003-05 within the limits of the agency's existing resources allowing the agency to reorganize and redeploy resources to move the agency part way in attaining its stated objectives. PERS will go through a "lessons learned" exercise by the end of the 2005-07 biennium to evaluate whether agency goals have been accomplished.

BUDGET NARRATIVE

Key Performance Measure Criteria

Overview: Benchmarking PERS Administration

PERS does not have a direct tie to any of the Oregon Benchmarks, but rather, looks to statutorily mandated services and its mission as a basis for measuring administrative performance. While PERS uses a wide range of tools to assess its administrative performance, there are two primary sources that the agency has traditionally employed to conduct this assessment. The first is an annual peer group comparison with other public pension systems using various operational performance and cost criteria (Cost Effectiveness Measure survey). The second is a set of performance measures which are reviewed and approved by the Oregon Progress Board.

Need to Significantly Alter PERS Key Performance Measures:

A review of PERS' Key Performance Measures by PERS internal audit staff showed significant deficiencies in the data and efficacy of the majority of the measures. Upon closer inspection, the majority of PERS Key Performance Measures had the following weaknesses:

- a. Effectiveness of Key Performance Measures: PERS has grown significantly over the past 10 years in both size of operations and the number of services it provides. PERS Key Performance Measures have not been adjusted since the 95-97 Biennium to reflect these changes. As a result, many of the measures have become ineffective in communicating the agency's performance.
- b. Accuracy of Data: PERS internal audit staff were unable to verify the data which formed the basis for several of PERS' Key Performance Measures. In addition, the data underlying some of the measures provided deceptive results.

For these reasons, PERS cannot continue with its current set of Key Performance Measures as they do not accurately or fully represent a reasonable assessment of PERS overall administrative operations. The continued use of PERS performance measures, without alteration, would result in misleading information being communicated not only to PERS staff and management, but to its external stakeholders as well.

Recommended Solution:

PERS is pursuing a two stage plan to resolve its Key Performance Measure issue: first, develop an interim set of measures for the 05-07 biennium that will provide PERS management, the Legislature and other stakeholders with a representative view of PERS administrative performance and second, develop a permanent set of performance measures that will become effective in the 07-09 Biennium.

BUDGET NARRATIVE

Summary of Performance Measure Action:

The Joint Subcommittee did not approve Performance Measure Number 1 and Numbers 3-8 per PERS' recommendation. PERS was directed to modify Performance Measure Number 2 (revised Number 1) "Percentage of Service Retirements Paid Within 1.5 Months From Retirement Date." The Joint Subcommittee approved the Measure Numbers 9-13 (revised Numbers 2-6) as interim measures to be reviewed again in 2007. The Joint Subcommittee directed PERS to add two new standard customer satisfaction measures under Numbers 14 and 15 (revised Numbers 7 and 8).

The Joint Subcommittee also directed PERS to report on PERS retirement income replacement ratio for members that reach normal retirement age. This report will not be a formal Key Performance Measure; however, PERS is asked to include this information in a report during the interim and/or to reflect it in its next budget request document.

Interim Key Performance Measures (05-07 Biennium)

PERS objectives in developing an interim set of Key Performance Measures are as follows:

- a. Performance measures must be comparable to at least one previous year's data so that a trend can be established.
- b. Whenever possible the performance measures can be measured against a peer group.
- c. Underlying data must be reasonably accurate.
- d. Performance measures represent an efficiency, effectiveness or results oriented measure.
- e. If possible, continue to use current performance measures that have sufficient data accuracy and efficacy to be valid and meaningful.

Based on this criteria, PERS has selected the following measures to serve its needs during the 05-07 Biennium:

1. Retirement Program: Percent of Retirements Paid Within 15 Days (Renamed beginning in 05-07: Percentage of Service Retirements Paid within 1.5 Months From Retirement Date) This measure is the only viable carryover from the previous set of performance measures. This measure monitors the percentage of retirees who receive their initial retirement check within 15 days of the date in which they are to receive their first benefit payment (or 1.5 months from date of retirement). This measure is important as it assesses the effectiveness of a wide range of coordinated activities that must come together in order to calculate, set-up and pay a benefit. Delays in completing a process or obtaining needed information as well as a sudden surge in retirements can cause a delay in a member receiving their initial benefit payment. As a result, this measure is a good measure of PERS' overall pension inception abilities which is of critical importance to PERS members when they retire. PERS goal is to issue 80% of all initial benefit payments within 15 days of the date of a retiree's first benefit payment (or within 1.5 months of a members date of retirement).

BUDGET NARRATIVE

2. Retirement Program: Total Benefit Administration Costs Per Active Member and Annuitant (Retiree) (Excluding Special Projects) This is a cost effectiveness measure that is calculated as a part of the annual Cost Effectiveness Measurement (CEM) survey. This measure shows the per member/retiree cost of PERS' administration which is also compared to a peer group of similar North American public pension systems. The underlying costs are adjusted so that they exclude special project costs such as information technology project expenses which can fluctuate significantly from year to year and mask the underlying costs of the pension system's general operations. This measure is important because PERS, as a fiduciary of the retirement trust for over 300,000 members and retirees, has a responsibility to provide its pension services at a reasonable cost. By measuring PERS administrative costs in this manner, and comparing them to other pension system costs, PERS management and stakeholders can assess the reasonableness of administrative costs that are funded by the PERS trust. PERS' long-term goal is to be below the median cost of peer public pension systems.
3. Retirement Program: Total Benefit Administration Costs Per Active Member and Annuitant (Including special projects) This is a cost effectiveness measure that is calculated as a part of the annual CEM survey. This measure shows the total per member/retiree cost of PERS' administration which is also compared to a peer group of similar North American public pension systems. The costs in this measure include all expenses related to the Retirement Program, both general operations and special projects. By measuring total PERS administrative costs and comparing them to other pension system costs, PERS management and stakeholders can assess the reasonableness of the overall expenses funded by the PERS trust. PERS' long-term goal is to be below the median cost of peer public pension systems, even when special projects (such as I.T. development) are included.
4. Retirement Program: Member to Staff Ratio This efficiency measure is calculated as part of the annual CEM survey and shows the ratio of PERS retirement service staff to the number of members and retirees to whom PERS provides services. This measure reflects how efficiently PERS utilizes its staff in providing retirement services. This number is also compared to a peer group of similar North American public pension systems. PERS' long-term goal is to be at least equal to the member to staff ratio among its peers.
5. Deferred Compensation Program: Average Dollars Deferred by Participant This measure reflects the amount of dollars, on average that participants in the Deferred Compensation Program are deferring per month. Because the Deferred Compensation Program is voluntary, the level of dollars deferred reflects the success of the information that PERS provides to potential participants (so that they want to contribute more) and the value of the Deferred Compensation Program as perceived by the participants (the higher the value, the more dollars will be deferred). The amount a participant can defer is capped by the Internal Revenue Service at \$13,000 per year (2004) or \$1,083 per month. PERS' goal is to encourage program participants to defer at least \$25 per month in every year.

BUDGET NARRATIVE

6. Deferred Compensation Program: Level of Participation This measure shows the level of participation among employers of the State of Oregon in the Deferred Compensation Program. Because the Deferred Compensation Program is voluntary, the level of participation is important as it measures the level of usage, and therefore, perceived value, that participants and potential participants view the Deferred Compensation Program. It is PERS' goal to increase the participation level among employees that work for the State of Oregon by 1% per year.

Results: Retirement Program

PERS Administration is reasonably cost

PERS per member/retiree costs are currently well above the peer median cost of other similar size pension systems. In 2003, PERS' costs were 22% above the peer median. The reason for PERS' operations being more expensive than other pension systems is due to PERS having the twin challenges of being both a highly complex system and having an outmoded and failing IT infrastructure which requires PERS to hire more staff to compensate with manual systems. The following is a breakdown by year of PERS' costs compared to the 2003 peer median as reported in the Cost Effectiveness Measurement survey:

Year	PERS	Peer Median
2001	\$55/member	\$54/member
2002	\$64/member	\$53/member
2003	\$56/member	\$46/member

PERS, when compared to similar size pension systems, was shown to be the third most complex among 20 other similar sized public pension systems as identified in the Cost Effectiveness Measurement survey. This complexity is driven by PERS' service to multiple classes of public employees, the large number of retirement options, multiple retirement calculations, and a number of other benefit add-ons. This complexity compounds the difficulty in PERS' current IT platforms to provide an automated solution to the full range of PERS' administrative needs while trying to accommodate numerous and continuing mandated changes to the benefits it offers. As a result, PERS must hire staff to compensate for this IT shortfall. This is borne-out in a second Key Performance Measure that focuses on PERS' staff to member/retiree ratio. This measure shows that the median of similar sized public pension systems serve approximately 37% more members with each staff member compared to PERS as follows:

Year	PERS	Peer Median
2002	1/1,315 members/ret.	
2003	1/1,218 members/ret.	1/1,940 members/ret.

The latest staffing level count used in this measure was as of June 30, 2003, and does not include the large staffing increase needed to implement 2003 legislation and address agency backlogs. In addition, the surging number of members retiring or approaching retirement has since cause PERS

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 X Legislatively Adopted

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BUDGET NARRATIVE

to hire additional staff to address these challenges. While the rising volume of retirements is an issue facing most public pension systems, PERS deteriorating IT systems is unique and the principle cause for PERS' disproportionately higher staffing need to meet the challenge of the increasing retirement volumes. This trend is expected to continue until the older IT systems can be replaced and the operational disruptions caused by recent legislative changes are accommodated. Even prospectively, PERS staffing levels and therefore administrative costs will likely be higher than the majority of its peer group due to the overall complexity of the system and the services it is asked to provide.

PERS Customer Service is Declining

As recently as three years ago, 80% of new retirees received their initial benefit payment within 15 days of the date in which their first payment was due. By the end of 2003, this percentage has declined to 1%. This is a direct result of the large number of changes that were made to the PERS Tier One-Tier Two plan by the 2003 Legislature combined with the inability of PERS' IT systems to accommodate those changes and a significant increase in retirements in 2003 (over 12,000 compared to an average of 4,000). As a result, PERS has had to turn to more manual and time consuming processes in order to calculate member benefits while simultaneously facing a tripling of its workload.

Deferred Compensation Program is Well Utilized by Participants

Fully 43% of state employees defer an average of \$333 per month. Because the Deferred Compensation Program is voluntary for State employees, to have such a high rate of penetration and a high average monthly deferral rate reflects that the Deferred Compensation program is both well known and represents an important savings tool for many state employees. With an industry average monthly savings rate of \$284 for 401k plans, state employees are deferring fully 17% more per month than the general U. S. public. This success reflects a number of factors including, but not limited to: low administrative program costs, wide range of investment options, ongoing educational programs, and an aging demographic.

While the performance measures for the Deferred Compensation Program measures the state employee program only, PERS has seen growing interest among its Local Government Deferred Compensation Program as well. Since 2000, the local government program has gone from approximately 200 participants to nearly 1,300.

Conclusion

The PERS Retirement Program delivery is becoming increasingly inefficient as shown by the need for more and more staff while simultaneously delivering rapidly declining service levels. This reflects a number of factors such as an aging population which has a sharply increasing need for PERS services, a highly complex system that has become more complex as a result of recent legislation, and inflexible and outmoded IT systems that are increasingly incapable of processing needed calculations and other operations. While PERS service and efficiency levels have most likely reached their lowest point, additional action will need to be taken to ensure that the deterioration has been halted and a foundation for future improvements is set in place.

BUDGET NARRATIVE

The Deferred Compensation Program is a highly successful program among state employees in terms of both usage by its targeted population and the level by which participants are deferring. With Deferred Compensation Program now being offered to local governments, its usage is now expanding state-wide.

Expected Results

Retirement System Program

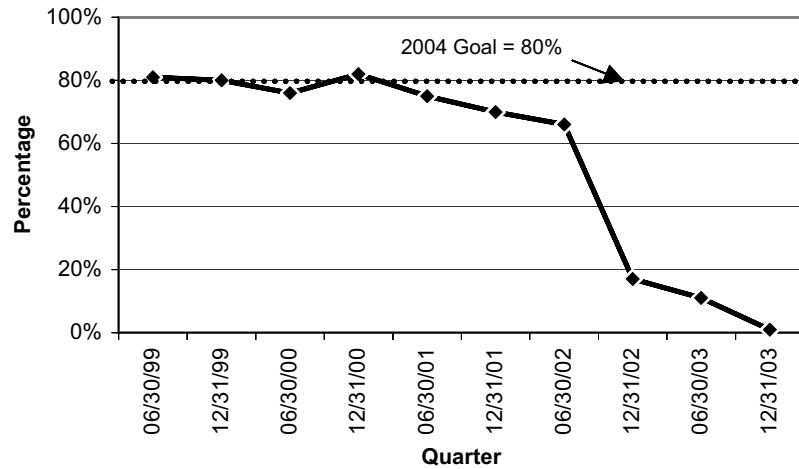
PERS has recently shown a rapid decline in its ability to provide adequate customer service to its members and retirees. This also is occurring while PERS is facing higher staffing levels and administrative costs. With the triple challenge of increased complexity to its benefit plans, deteriorating IT systems and swelling retirement volumes, PERS does not expect this situation to change in the near term. Even so, during the 05-07 Biennium, PERS' objective is to stabilize the agency by acquiring needed resources, improving its IT systems and eliminating backlogs. With this new foundation, by the end of the 05-07 Biennium, PERS expects to see increased efficiency as reflected by fewer staff serving more members/retirees. With the need for fewer staff, PERS' administrative cost per member/retiree should also decline. In addition, with new systems coming on line and the elimination of backlogs, PERS expects its customer service to improve significantly even before the end of the 05-07 Biennium. Although PERS anticipates it will be difficult to attain the "80% of retirements paid within 15 days" goal by the end of 05-07, it does expect to see significant improvement from the current 1% level.

Deferred Compensation Program

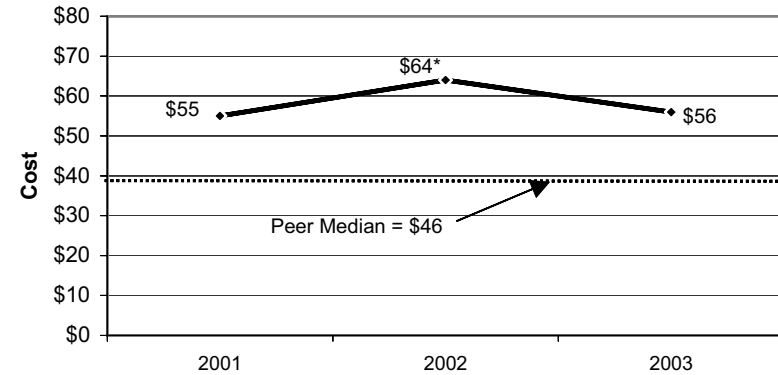
PERS anticipates continued success with its Deferred Compensation Program in the 05-07 Biennium. Since PERS has already attained high penetration and deferral levels among State of Oregon employees, it plans to refocus its efforts on increasing participation and deferrals among local governments during the 05-07 Biennium. While PERS will expand its number of local governments participating in the program from the current 119, its energies will be primarily targeted on raising the participation rates of local government staffs from the current 1,300 participants to at least twice that number. Even though growth in the Deferred Compensation Program participation rate among local government employees has been relatively slow during the past few years due to negative market and economic factors, these factors have either reversed or moderated creating a fertile climate within which participation can be encouraged. In addition, there are also several factors that will aid in the doubling of participation among local government employees such as the need of an aging population to prepare for retirement, a program with very competitive services and administrative costs, and a stable, knowledgeable staff.

BUDGET NARRATIVE

% of Retirements Paid Within 15 Days

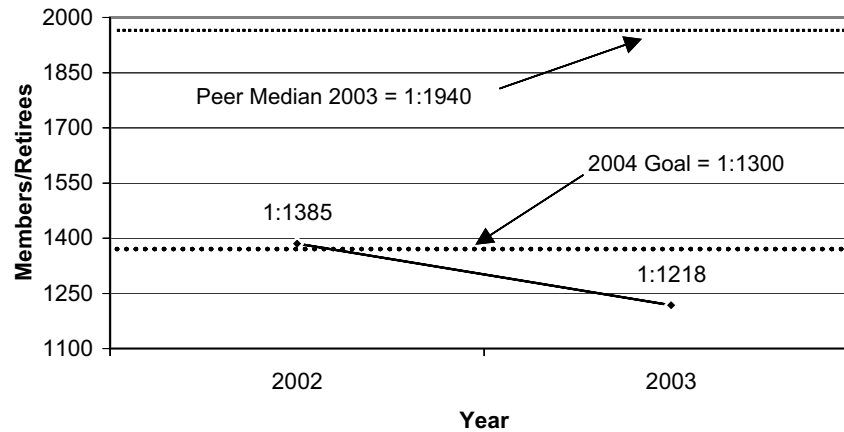


Total Benefit Administrative Costs Per Active Member and Annuitant (Adjusted for Special Projects)



*Cost inconsistent with other years due to allocation issues between special projects and operating expenses.

Number of Members/Retirees to One Staff



____ Agency Request

____ Governor's Recommended

X Legislatively Adopted

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LINKS TO OREGON BENCHMARKS, 2005-07

Please read the instructions for this form before completing. Instructions can be found in Appendix C of the 2005-07 Budget Instructions and online at www.oregon.gov/DAS/OPB.

Agency Name: PUBLIC EMPLOYEES RETIREMENT SYSTEM	Version #: _____	Date Submitted: 09-29-04
Contact Person: Dale S. Orr, Actuarial Services Manager	Phone: (503) 603-7704 x _____	
Alternate Contact: Matthew Rickard, Budget Analyst	Phone: (503) 603-7570 x _____	
Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health decisions and delivering retirement and health benefits, effectively and efficiently. Related Oregon Benchmarks (OBMs) or High-Level Outcomes (HLOs): None		

Agency Name: Public Employees Retirement System			Agency No.: 459				Budget Form # 107BF04a		
Col-1	Col-2	Col-3	Col-4	Col-5	Col-6	Col-7	Col-8	Col-9	Col-10
Agency Goal	OBM# HLO#	Key Performance Measure (KPM)	PM No.	2002 Value	2007 Target	Est. Cost (optional)	Lead Unit or Division	Status of KPM	Request No.
Achieve dramatic savings.	Mission	Service Retirements Established PER FTE	01	2.24	n/a	n/a	BPD	Deleted Since: 2004	
Benefits access and other core processes are streamlined and consistant, for members and staff	Mission	Percentage of Service Retirements Paid Within 1.5 Months From Retirement Date	02	47%	80%	n/a	BPD	Modified Since: 2004	
Achieve dramatic savings	Mission	Direct Cost Per Retirement Established	03	\$47	n/a	n/a	BPD	Deleted Since: 2004	
Key Stakeholders think we're doing a great job.	Mission	Customer Satisfaction Rating With Service Retirements Established	04	90%	n/a	n/a	BPD	Deleted Since: 2004	
Key Stakeholders think we're doing a great job	Mission	Percentage of Annual Increase in Deferred Compensation Participants	05	6%	n/a	n/a	CSD	Deleted Since: 2004	
Key Stakeholders think we're doing a great job	Mission	Percentage of Increase in Deferred Compensation Dollars Deferred Annually	06	2.8%	n/a	n/a	CSD	Deleted Since: 2004	
Achieve dramatic savings	Mission	Cost Per Deferred Compensaiton Participant for Meetings and Counseling	07	.74%	n/a	n/a	CSD	Deleted Since: 2004	

Agency Name: Oregon Public Employees Retirement System

Agency Name: Public Employees Retirement System				Agency No.: 459			Budget Form # 107BF04a		
Col-1	Col-2	Col-3	Col-4	Col-5	Col-6	Col-7	Col-8	Col-9	Col-10
Agency Goal	OBM# HLO#	Key Performance Measure (KPM)	PM No.	2002 Value	2007 Target	Est. Cost (optional)	Lead Unit or Division	Status of KPM	Request No.
Key Stakeholders think we're doing a great job	Mission	Deferred Compensation Customer Satisfaction Rating	08	99%	n/a	n/a	CSD	Deleted Since: 2004	
Achieve dramatic savings	Mission	Total Benefit Administration Costs Per Active Member and Annuitant (excluding special projects)	09	\$64	\$52	n/a	Director	Added Since: 2004	
Achieve dramatic savings	Mission	Total Benefit Administrative Costs Per Active Member and Annuitant (including special projects)	10	\$88	\$65	n/a	Director	Added Since: 2004	
Achieve dramatic savings	Mission	Member to Staff Ratio	11	1:1,315	1:1,400	n/a	Director	Added Since: 2004	
Key Stakeholders think we're doing a great job	Mission	Average Dollars Deferred By Participant	12	\$317	\$425	n/a	CSD	Added Since: 2004	
Key Stakeholders think we're doing a great job	Mission	Level of Participation	13	41%	46%	n/a	CSD	Status: Since: 2004	

REQUEST TO MODIFY 2003-05 AGENCY PERFORMANCE MEASURES FOR THE 2005-07 BIENNIUM

Please read the instructions for this form before completing. Instructions can be found in Appendix C of the 2005-07 Budget Instructions and online at

www.oregon.gov/DAS/OPB.

Agency Name:	PUBLIC EMPLOYEES RETIREMENT SYSTEM	Date Submitted: 09/29/04	Version #:
Contact Person:	Dale S. Orr, Actuarial Services Manager	Phone: (503) 603-7704 x	
Alternate Contact:	Matthew Rickard, Budget Analyst	Phone: (503) 603-7570 x	

Agency Name: Public Employees Retirement System

Agency No.: 459

Budget Form # 107BF04b

Col-1	Col-2	Col-3	Col-4	Col-5	Col-6	Col-7
Request	Key Performance Measure (KPM)	PM No.	Rationale for Change	Analyst Comment	DAS Rec'n	Leg Action
1	Currently Approved Delete Service Retirements Established PER FTE (Leave blank if this is a request to add.) (Leave blank if this is a request to delete.)	01	Underlying data cannot be verified by auditors and may lead to wrong conclusion. Measure too narrowly focused to be a Key Performance Measure for PERS		Rec'n:	Action:
2	Currently Approved Modify Percentage of Service Retirements Paid in 1-15 Days (Leave blank if this is a request to add.) Percentage of Service Retirements Paid Within 1.5 Months From Retirement Date (Leave blank if this is a request to delete.)	02	Revised title of performance measure to provide greater clarity		Rec'n:	Action:
3	Currently Approved Delete Direct Cost Per Retirement Established (Leave blank if this is a request to add.) (Leave blank if this is a request to delete.)	03	Underlying data cannot be verified by auditors and may lead to wrong conclusion. Measure too narrowly focused to be a Key Performance Measure for PERS		Rec'n:	Action:
4	Currently Approved Delete Customer Satisfaction Rating With Service Retirements Established (Leave blank if this is a request to add.) (Leave blank if this is a request to delete.)	04	Underlying data cannot be verified by auditors and may lead to wrong conclusion.		Rec'n:	Action:
5	Currently Approved Delete Percentage of Annual Increase in Deferred Compensation Participants (Leave blank if this is a request to add.) (Leave blank if this is a request to delete.)	05	Due to a limited customer base, percentage increase in participation will decline as penetration increases. As such, measure is unstable and over time will provide misleading results		Rec'n:	Action:
6	Currently Approved Delete Percentage of Increase in Deferred Compensation Dollars Deferred Annually (Leave blank if this is a request to add.) (Leave blank if this is a request to delete.)	06	Measure is greatly affected by external dynamics not controlled by PERS. Although the measure does provide some information,		Rec'n:	Action:

Agency Name: Oregon Public Employees Retirement System

Agency Name: Public Employees Retirement System

Agency No.: 459

Budget Form # 107BF04b

Col-1		Col-2	Col-3	Col-4	Col-5	Col-6	Col-7
Request		Key Performance Measure (KPM)	PM No.	Rationale for Change	Analyst Comment	DAS Rec'n	Leg Action
	Delete	<i>(Leave blank if this is a request to delete.)</i>		it does not sufficiently communicate the effectiveness of the Def. Comp. program.			
7	Currently Approved	Cost Per Deferred Compensation Participant for Meetings and Counseling <i>(Leave blank if this is a request to add.)</i>	07	Measure is too narrowly focused to serve as a Key Performance Measure for the Def. Comp. Program. It measures the cost of only one activity. May be used for an internal measure, but not one to communicate the performance of the Def. Comp. program.		Rec'n:	Action:
	Delete	<i>(Leave blank if this is a request to delete.)</i>					
8	Currently Approved	Deferred Compensation Customer Satisfaction Rating <i>(Leave blank if this is a request to add.)</i>	08	Data source is group counseling attendees. Customer survey too narrowly focused to communicate performance of the Def. Comp. Program.		Rec'n:	Action:
	Delete	<i>(Leave blank if this is a request to delete.)</i>					
9	Currently Approved	<i>(Leave blank if this is a request to add.)</i>	09	Measure reflects ongoing administrative, operational overall Retirement Program costs on a per member/retiree basis. Costs can be compared to peer public pension costs for reporting purposes		Rec'n:	Action:
	Add	Total Benefit Administration Costs Per Active Member and Annuitant (excluding special projects) <i>(Leave blank if this is a request to delete.)</i>					
10	Currently Approved	<i>(Leave blank if this is a request to add.)</i>	10	Measure reflects overall Retirement Program costs on a per member/retiree basis. Costs can be compared to peer public pension costs for reporting purposes		Rec'n:	Action:
	Add	Total Benefit Administration Costs Per Active Member and Annuitant (including special projects) <i>(Leave blank if this is a request to delete.)</i>					
11	Currently Approved	<i>(Leave blank if this is a request to add.)</i>	11	Measure reflects Retirement Program staffing in relation to members/retirees served. Ratio can be compared to peer public pension systems to determine efficiency of staff utilization.		Rec'n:	Action:
	Add	Member to Staff Ratio <i>(Leave blank if this is a request to delete.)</i>					
12	Currently Approved	<i>(Leave blank if this is a request to add.)</i>	12	This measure reflects the level of usage of the Deferred Compensation program by its participants by measuring the average amount that is being saved. The level of savings shows participant's perception of PERS' effectiveness in providing information to participants, variety of investment options, design of the program and administrative costs.		Rec'n:	Action:
	Add	Average Dollars Deferred by Participant <i>(Leave blank if this is a request to delete.)</i>					

Agency Name: Oregon Public Employees Retirement System

Agency Name: Public Employees Retirement System

Agency No.: 459

Budget Form # 107BF04b

Col-1	Col-2	Col-3	Col-4	Col-5	Col-6	Col-7
Request	Key Performance Measure (KPM)	PM No.	Rationale for Change	Analyst Comment	DAS Rec'n	Leg Action
13	<div>Currently Approved</div> <div>Add</div>	13	This measure reflects PERS effectiveness of making the Def. Comp. program available to participants and the ability of the program to attract and retain participants.		Rec'n:	Action:
	<div>(Leave blank if this is a request to add.)</div> <div>Level of Participation</div> <div>(Leave blank if this is a request to delete.)</div>					

Review of Requests to Modify Performance Measures

FINAL

Agency: Public Employees Retirement System (PERS)

Date: 10/21/2004

Reviewer: George Dunford

Approved: Rita Conrad

Agency Mission: We are a well respected organization that serves our members by enabling informed retirement and health decisions and delivering retirement and health benefits, effectively and efficiently.

Summary: The agency's requested changes delete seven of its eight existing measures, modify the remaining measure (PM #2) and add five new interim performance measures (effective only during the 2005-2007 biennium according to the agency). PERS is in the process of reorganizing. During the 2004 calendar year, a number of changes were made at the executive staff level, including a new agency director. The agency's requested changes are justified in part by the inability of PERS internal audit staff to verify the data which formed the basis for several of its existing key performance measures. It is unclear how the five new interim measures will differ from those that will be used on a permanent basis beginning with the 2007-2009 biennium. The requested changes meet all criteria.

Comments and recommendations specific to basic criteria

1. Gauge progress towards goals and pertinent benchmarks

Meets criteria. The changes to existing measures should aid decision makers in gauging the agency's progress in achieving its mission.

2. A few key measures

Meets criteria. The agency will have one permanent and five interim performance measures.

3. Conforms to standard concepts and definitions

Meets criteria. The agency conforms to the required concepts and standard definitions.

4. Targets

Meets criteria. The agency has set targets for the permanent and all interim measures for the 2005-2007 biennium.

5. Accurate and reliable data

No tests were performed to determine accuracy or reliability of data. An agency internal audit found that performance data were not reliable for many of the agency's previous externally reported performance measures.

6. Link to specific organizational units.

Meets criteria. The agency has linked their interim performance measures to organizational units.

7. Include customer satisfaction measures.

Meets criteria. There is a placeholder for a performance measures gauging customer satisfaction pending DAS guidance.

PERFORMANCE MEASURE DATA SOURCES

Agency Name: PUBLIC EMPLOYEES RETIREMENT SYSTEM	Date Submitted: September 29, 2004
Contact Person: Dale S. Orr, Actuarial Services Manager	Phone: (503) 603-7704 x
Alternate Contact: Matthew Rickard, Budget Analyst	Phone: (503) 603-7570 x

Repeat Agency Name: Public Employees Retirement System

Agency No.: 459

Budget Form # 107BF04c

Key Performance Measure (KPM)	PM No.	Data Source
Service Retirements Established PER FTE	01	Retirement Services statistics and personnel information
Percentage of Service Retirements Paid Within 1.5 Months From Retirement Date	02	Retirement Services statistics
Direct Cost Per Retirement Established	03	Retirement Services statistics and budget information
Customer Satisfaction Rating With Service Retirements Established	04	Survey of Retirees and other beneficiaries
Percentage of Annual Increase in Deferred Compensation Participants	05	Deferred Compensation statistics/third party administrator
Percentage of Increase in Deferred Compensation Dollars Deferred Annually	06	Deferred Compensation statistics/third party administrator
Cost Per Deferred Compensation Participant for Meetings and Counseling	07	Deferred Compensation statistics and budget information
Deferred Compensation Customer Satisfaction Rating	08	Survey of Def. Comp. meeting attendees
Total Benefit Administration Costs Per Active Member and Annuitant (excluding special projects)	09	Budget information/personnel information/CEM Survey
Total Benefit Administration Costs Per Active Member and Annuitant (including special projects)	10	Budget information/personnel information/CEM Survey
Member to Staff Ratio	11	Member and personnel statistics/CEM Survey
Average Dollars Deferred by Participant	12	Deferred Compensation statistics/third party administrator
Level of Participation	13	Deferred Compensation statistics/third party administrator

PERFORMANCE MEASURE DATA SUMMARY

Please read the instructions for this form before completing. Instructions can be found in Appendix C of the 2005-07 Budget Instructions and online at www.oregon.gov/DAS/OPB.

Agency Name:	Public Employees Retirement System	Last Updated: September 29, 2004
Contact Person:	Dale S. Orr, Actuarial Services Manager	Phone: 503-603-7704
Alternate Contact:	Matthew Rickard, Budget Analyst	Phone: 503-603-7570

Agency Name: Public Employees Retirement System

Agency No.: 459

Budget Form # 107BF04d

Col-1	Col-2	Col-3	Col-4	Col-5	Col-6	Col-7	Col-8	Col-9	Col-10	Col-11	Col-12
PM No.	Key Performance Measure		1999	2000	2001	2002	2003	2004	2005	2006	2007
01	Service Retirements Established PER FTE Note: This measure is to be deleted for 2004	Target			2.2	2.2	2.25				
		Data	2.95	2.18	1.74	2.24	3.51				
02	Percentage of Service Retirements Paid within 1.5 Months From Retirement Date Note: This PM was retitled in 2004	Target			80%	80%	80%	80%	80%	80%	80%
		Data	81%	79%	70%	47%	11%				
03	Direct Cost Per Retirement Established Note: This measure is to be deleted for 2004	Target			\$130	\$130	\$130				
		Data	\$155	\$156	\$86	\$47	\$61				
04	Customer Satisfaction Rating With Service Retirements Established Note: This measure is to be deleted for 2004	Target			90%	90%	90%				
		Data	88.75%	89.00%	89.75%	90.00%	85.00%				
05	Percentage of Annual Increase in Deferred Compensation Participants Note: This measure is to be deleted for 2004	Target			5%	5%	5%				
		Data	5%	3%	7%	6%	1%				
06	Percentage of Increase in Deferred Compensation Dollars Deferred Annually Note: This measure is to be deleted for 2004	Target			5%	5%	6%				
		Data	9.5%	5.9%	6.2%	2.8%	3.9%				
07	Cost Per Deferred Compensation Participant for Meetings and Counseling Note: This measure is to be deleted for 2004	Target				\$.75	\$1.35				
		Data	\$2.64	\$1.98	\$1.38	\$.74	.92				
08	Deferred Compensation Customer Satisfaction Rating Note: This measure is to be deleted for 2004	Target			99%	99%	99%				
		Data	100%	97%	99%	99%	99%				
09	Total Benefit Administration Costs Per Active Member and Annuitant (excluding special projects) Note: Benchmark based on peer average New Performance Measure	Target						\$55	\$54	\$53	\$52
		Data			\$55	\$64	\$56				

Agency Name: Oregon Public Employees Retirement System

Agency Name: Public Employees Retirement System

Agency No.: 459

Budget Form # 107BF04d

Col-1	Col-2	Col-3	Col-4	Col-5	Col-6	Col-7	Col-8	Col-9	Col-10	Col-11	Col-12
PM No.	Key Performance Measure		1999	2000	2001	2002	2003	2004	2005	2006	2007
10	Total Benefit Administration Costs Per Active Member and Annuitant (including special projects) Note: Benchmark based on peer average New Performance Measure	Target						\$75	\$80	\$80	\$65
		Data			\$102	\$88	\$75				
11	Member to Staff Ratio Note: Benchmark based on peer average New Performance Measure	Target						1:1,300	1:1,350	1:1,350	1:1,400
		Data				1:1,315	1:1,218				
12	Average Dollars Deferred by Participant (per month) New Performance Measure	Target						\$350	\$375	\$400	\$425
		Data		\$291	\$297	\$317	\$333				
13	Level of Participation New Performance Measure	Target						43%	44%	45%	46%
		Data		42%	41%	41%	42%				

BUDGET NARRATIVE

Annual Performance Progress Report - Executive Summary

Time Period: Fiscal Year 2003 – 2004

Executive Summary:

Need to Significantly Alter PERS Key Performance Measures:

A review of PERS' Key Performance Measures (KPMs) by PERS internal audit staff showed significant deficiencies in the data and efficacy of the majority of the agency's measures. Upon closer inspection, the majority of PERS KPMs had the following weaknesses:

- a. Effectiveness of Key Performance Measures: PERS has grown significantly over the past 10 years in both size of operations and the number of services it provides. PERS Key Performance Measures have not been adjusted since the 95-97 Biennium to reflect these changes. As a result, many of the measures have become ineffective in communicating the agency's performance.
- b. Accuracy of Data: PERS internal audit staff were unable to verify the data which formed the basis for several of PERS' Key Performance Measures. In addition, the data underlying some of the measures provided deceptive results.

For these reasons, PERS cannot continue with its current set of KPMs (all but one will be suspended) as they do not accurately or fully represent a reasonable assessment of PERS overall administrative operations. The continued use of these performance measures, without alteration, would result in misleading information being communicated not only to PERS staff and management, but to its external stakeholders as well.

Solution:

PERS is pursuing a two stage plan to resolve its Key Performance Measure issue: first, develop an interim set of measures for the 05-07 biennium that will provide PERS management, the Legislature and other stakeholders with a representative view of PERS administrative performance and second, develop a permanent set of performance measures that will become effective in the 07-09 Biennium.

Interim Key Performance Measures (05-07 Biennium)

PERS objectives in developing an interim set of Key Performance Measures are as follows:

- a. Performance measures must be comparable to at least one previous year's data so that a trend can be established
- b. Whenever possible the performance measures can be measured against a peer group
- c. Underlying data must be reasonably accurate

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- d. Performance measures represent an efficiency, effectiveness or results oriented measure
- e. If possible, continue to use current performance measures that have sufficient data accuracy and efficacy to be valid and meaningful.

Based on this criteria, PERS has determined that only one of the current measures should be continued: “Percent of Retirements Paid Within 15 Days.” As a result, PERS has requested permission to delete all of the other 03-05 performance measures as these measures were deemed either misleading or inaccurate.

The following is a summary of the six interim 05-07 Key Performance Measures:

1. Retirement Program: Percent of Retirements Paid Within 15 Days (Renamed beginning in 05-07: Percentage of Service Retirements Paid within 1.5 Months From Retirement Date) This measure is the only viable carryover from the previous set of performance measures. This measure monitors the percentage of retirees who receive their initial retirement check within 15 days of the date in which they are to receive their first benefit payment (or 1.5 months from date of retirement). This measure is important as it assesses the effectiveness of a wide range of coordinated activities that must come together in order to calculate, set-up and pay a benefit. Delays in completing a process or obtaining needed information as well as a sudden surge in retirements can cause a delay in a member receiving their initial benefit payment. As a result, this measure is a good measure of PERS’ overall pension inception abilities which is of critical importance to PERS members when they retire. PERS goal is to issue 80% of all initial benefit payments within 15 days of the date of a retiree’s first benefit payment (or within 1.5 months of a members date of retirement).
2. Retirement Program: Total Benefit Administration Costs Per Active Member and Annuitant (Excluding special projects) This is a cost effectiveness measure that is calculated as a part of the annual Cost Effectiveness Management (CEM) survey. This measure shows the per member/retiree cost of PERS’ administration which is also compared to a peer group of similar North American public pension systems. The underlying costs are adjusted so that they exclude special project costs such as information technology project expenses which can fluctuate significantly from year to year and mask the underlying costs of the pension system’s general operations. By measuring PERS administrative costs in this manner, and comparing them to other pension system costs, PERS management and stakeholders can assess the reasonableness of administrative costs that are funded by the PERS trust. PERS’ long-term goal is to be below the median cost of peer public pension systems. (Note: This measure, combined with #3 replaces the 03-05 Key Performance Measure: “Direct Cost Per Retirement Established”)
3. Retirement Program: Total Benefit Administration Costs Per Active Member and Annuitant (Including special projects) This is a cost effectiveness measure that is calculated as a part of the annual Cost Effectiveness Management (CEM) survey. This measure shows the total per

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member/retiree cost of PERS' administration which is also compared to a peer group of similar North American public pension systems. The costs in this measure include all expenses related to the Retirement Program, both general operations and special projects. By measuring total PERS administrative costs and comparing them to other pension system costs, PERS management and stakeholders can assess the reasonableness of the overall expenses funded by the PERS trust. PERS' long-term goal is to be below the median cost of peer public pension systems, even when special projects (such as I.T. development) are included. (Note: This measure, combined with #2 replaces the 03-05 Key Performance Measure: "Direct Cost Per Retirement Established")

4. Retirement Program: Member to Staff Ratio This efficiency measure is calculated as part of the annual CEM survey and shows the ratio of PERS retirement service staff to the number of members and retirees to whom PERS provides services. This measure reflects how efficiently PERS unitizes its staff in providing retirement services. This number is also compared to a peer group of similar North American public pension systems. PERS' long-term goal is to be at least equal to the member to staff ratio among its peers (Note: This measure replaces the 03-05 Key Performance Measure: "Service Retirements Established PER FTE").
5. Deferred Compensation Program: Average Dollars Deferred by Participant This measure reflects the amount of dollars, on average that participants in the Deferred Compensation Program are deferring per month. Because the Deferred Compensation Program is voluntary, the level of dollars deferred reflects the success of the information that PERS provides to potential participants (so that they want to contribute more) and the value of the Deferred Compensation Program as perceived by the participants (the higher the value, the more dollars will be deferred). The amount as participant can defer is capped by the Internal Revenue Service at \$13,000 per year (2004) or \$1,083 per month. PERS goal is to encourage program participants to defer at least \$25 per month in every year. (Note: This measure replaces the 03-05 Key Performance Measure: "Percentage of Increase in Deferred Compensation Dollars Deferred Annually")
6. Deferred Compensation Program: Level of Participation This measure shows the level of participation among employers of the State of Oregon in the Deferred Compensation Program. Because the Deferred Compensation Program is voluntary, the level of participation is important as it measures the level of usage, and therefore, perceived value, that participants and potential participants view the Deferred Compensation Program. It is PERS' goal to increase the participation level among employees that work for the State of Oregon by 1% per year. (Note: This measure replaces the 03-05 Key Performance Measure: "Percentage of Increase in Deferred Compensation Participants")

Note: The following is for the 03-05 Key Performance Measures only:

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PERFORMANCE TARGET ACHIEVEMENT	
Total number of key performance measures	8
Number of KPMs at target for most current reporting period	4
Number of KPMs not at target for most current reporting period	4

Degree and type of agency influence on agency's chosen benchmarks and high-level outcomes:

PERS has limited influence on the outcome of its key performance measures. While the KPMs are tied to PERS operations or costs (which are directly within the agency's scope of management), outside influences can dramatically impact PERS' ability to meet targeted outcomes. During the 2004 FY, PERS experienced significant negative impacts to its operations as a result of legislative changes to member pension benefits and the agency's governing statutes. These changes rendered PERS' already decrepit systems ineffective while simultaneously causing an upsurge in demand for services at the very time the agency's systems were least able to provide support. As a result, PERS' KPMs though generally influenced by agency strategies, can be dramatically affected by unusual and unforeseen events that can greatly impact the agency's ability to meet its planned targets.

Summary of the year's successes and barriers to achieving performance measure targets

As stated before, there are two issues or barriers that that prevented PERS from meeting its KPM targets:

1. the original design of the KPMs no longer provide a good representation of PERS' performance due to the changing nature of the agency's business or the underlying data provides misleading results; and
2. dramatic events during FY 2004 tied to significant legislative changes rendered critical systems obsolete while simultaneously raising the demand for the same services that depended on those systems.

Future Challenges:

PERS' primary challenge is to develop a set of comprehensive and meaningful KPMs for the future. As stated before, PERS' strategy is to provide an interim, representative set of KPMs for the 05-07 Biennium while compiling a permanent set of KPMs. It is PERS' plan, if possible, to merge the interim 03-05 KPMs with the permanent KPMs in the interest of continuity and consistency.

ANNUAL PERFORMANCE PROGRESS REPORT - PART I, MANAGING FOR RESULTS

TIME PERIOD: FISCAL YEAR 2003 – 2004

Agency: Oregon Public Employees Retirement System	Date Submitted: October 22, 2004	Version No.:
Contact: Dale S. Orr, Actuarial Analysis Manager	Phone: (503) 603-7704	
Alternate: Matthew Rickard, Budget Analyst	Phone: (503) 603-7576	

Agency Name: Oregon Public Employees Retirement System		Agency No.: 45900
The following questions shed light on how well performance measures and performance data are leveraged within your agency for process improvement and results-based management.		
1	How were staff and stakeholders involved in the development of the agency's performance measures?	PERS performance measures were developed years ago, based on stakeholder and staff input, and updated as needed. In the past, the performance measures were developed through review and analysis of pertinent statutory requirements and management measures. Staff and management worked together to build the current performance measure curriculum. However the growth and changes seen by PERS during recent years has rendered the current set of performance measures obsolete. As a result, PERS is undertaking an initiative to develop a new set of measures that will better reflect PERS performance in its new configuration.
2	How are performance measures used for management of the agency?	The PERS performance measures stressed financial, production, and customer satisfaction outcomes. Because the current set of performance measures are obsolete or misleading, with the exception of one measure, management no longer uses the current set of approved measures. Historically, these measures were assessed on a quarterly basis and reviewed by agency management. The measures were also used to construct the biennial agency budget.
3	What training has staff had in the use performance measurement?	Given significant turnover in critical positions, staff and managers have had to undergo a general re-education regarding performance measures. During the summer of 2004, PERS undertook a comprehensive evaluation of its current performance measures and during this process, agency management and senior staff were provided with a broad education on the nature, types and importance of performance measures. In addition, staff is being closely involved in the development of the new set of measures to ensure that the measures will have multiple uses at both the state and agency levels. Training will continue, particularly for PERS budget staff that will assume the responsibility for coordinating and maintaining the agency's performance measures.

4 How does the agency communicate performance results and for what purpose?	<p>PERS performance measures have and will again be used in two areas: 1) management tool and 2) budget development. In both instances the performance measures will be compiled in hard copy. These reports will be provided to management and senior staff as needed.</p> <p>URL for performance measures and this Annual Report: www.pers.state.or.us</p>
5 What important performance management changes have occurred in the past year?	<p>As stated before, all but one of the current set of performance measures have been suspended and PERS is in the process of developing a comprehensive set of meaningful measures for the future.</p>

BUDGET NARRATIVE

Annual Performance Progress Report

Part II, Key Measure Analysis of Progress

Performance Measure:

459-01 Service Retirements Established per FTE

Data					Targets				
1999	2000	2001	2002	2003	2001	2002	2003	2004	2005
2.95	2.18	1.74	2.24	3.51	2.2	2.2	2.25	2.25	2.25

Note: Agency has requested to delete this measure beginning in 2005

To what goal or goals is this performance measure linked?

Goal 1: Provide high quality service efficiently to members.

What does the performance measure demonstrate about the goal?

This was to be an efficiency measure that reflected service level volumes in relation to dedicated staffing levels.

(i.e.: difficulty of providing the high level of service efficiently)

What does the data reveal?

Due to the changing nature of PERS operations this measure was suspended. PERS refrains from drawing conclusions based on this information to avoid misrepresenting PERS performance.

What is an example of a department activity related to the measure?

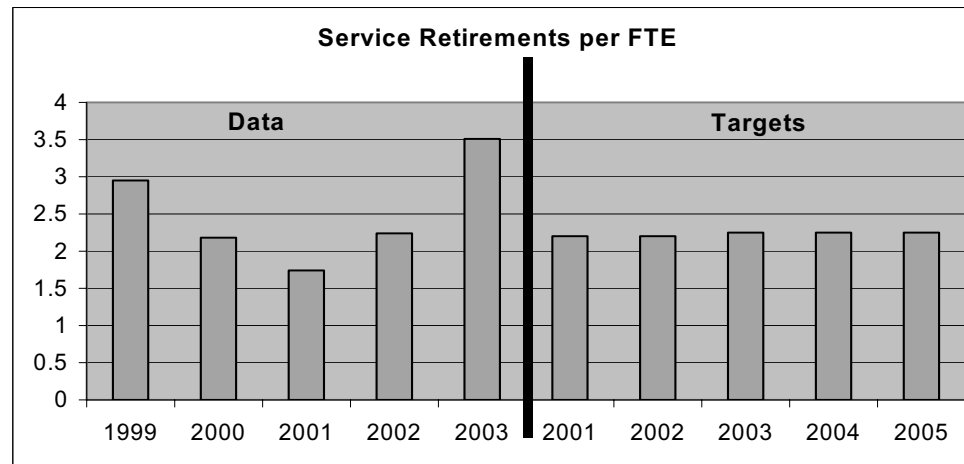
Activities related to this measure include Pension Estimates and Pension Inceptions.

What needs to be done as a result of your analysis?

Suspend the measure

What is the data source?

PERS New Retiree surveys.



____ Agency Request

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X Legislatively Adopted

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Annual Performance Progress Report

Part II, Key Measure Analysis of Progress

Performance Measure:

459-02 Percentage of service retirements paid in 1-15 days

(Renamed for 05-07: Percentage of Service Retirements Paid Within 1.5 Months From Retirement Date)

Data					Targets				
2000	2001	2002	2003	2004	2002	2003	2004	2005	2006
79%	70%	47%	11%	6%	80%	80%	80%	80%	80%

To what goal or goals is this performance measure linked?

Goal 1: Provide high quality service effectively to members.

What does the performance measure demonstrate about the goal?

It demonstrates our effectiveness in one component of quality service (swiftness).

What does the data reveal?

-Performance has been declining over the last couple years.

-This decline is attributed to increasing retirements which has exceeded the ability of available resources (both staffing and systems) to handle.

-Although we have not met our targets, we have still paid retirements within Oregon Statutory requirements and initiatives are underway in management of both human and system resources to address this performance deficiency.

What is an example of a department activity related to the measure?

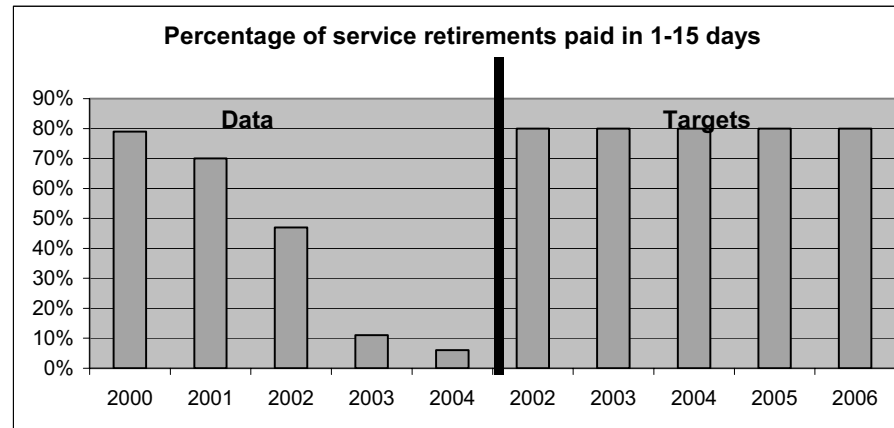
Activities related to this measure include Pension Inceptions and Paying Pensions.

What needs to be done as a result of your analysis?

Both systems and allocation of staffing resources need to be (and are being) reassessed. IT systems are being augmented or being replaced and staffing resources are being reallocated or added as needed.

What is the data source?

PERS Retirement Services Section statistical data.



____ Agency Request

____ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

Annual Performance Progress Report

Part II, Key Measure Analysis of Progress

Performance Measure:

459-03 Direct cost per retirement established

Data					Targets				
1999	2000	2001	2002	2003	2001	2002	2003	2004	2005
\$155	\$156	\$86	\$47	\$61	\$130	\$130	\$130	\$130	\$130

Note: Agency has requested to delete this measure beginning in 2005

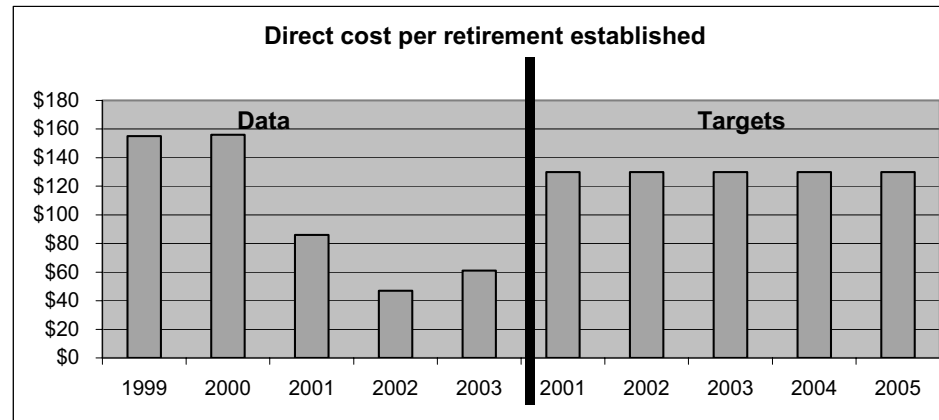
To what goal or goals is this performance measure linked?

Goal 1: Provide high quality service efficiently to members.

What does the performance measure demonstrate about the goal?

This was an efficiency measure that reflected the direct costs to establish a member's retirement.

(i.e.: difficulty of providing the high level of service efficiently)



What does the data reveal?

Due to the changing nature of PERS operations this measure was suspended. PERS

PERS refrains from drawing conclusions based on this information to avoid misrepresenting PERS performance.

What is an example of a department activity related to the measure?

Activities related to this measure include Pension Inceptions.

What needs to be done as a result of your analysis?

Suspend the measure

What is the data source?

PERS Retirement Services Section statistical data.

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BUDGET NARRATIVE

Annual Performance Progress Report

Part II, Key Measure Analysis of Progress

Performance Measure:

459-04 Customer satisfaction rating with service retirements established

Data					Targets				
1999	2000	2001	2002	2003	2001	2002	2003	2004	2005
88.75%	89%	89.75%	90%	85%	90%	90%	90%	90%	90%

Note: Agency has requested to delete this measure beginning in 2005

To what goal or goals is this performance measure linked?

Goal 1: Provide high quality service to members.

What does the performance measure demonstrate about the goal?

It was to demonstrate how our newly retired members feel about the service we are providing them.

What does the data reveal?

Due to the changing nature of PERS operations this measure was suspended. PERS refrains from drawing conclusions based on this information to avoid misrepresenting PERS performance.

What is an example of a department activity related to the measure?

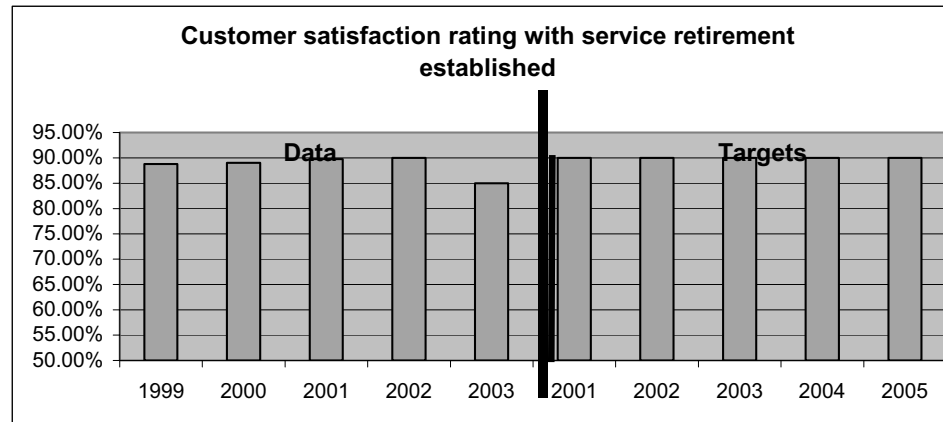
Activities related to this measure include Pension Estimates and Pension Inceptions.

What needs to be done as a result of your analysis?

Suspend the measure

What is the data source?

PERS Retirement Services Section statistical data.



____ Agency Request

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BUDGET NARRATIVE

Annual Performance Progress Report

Part II, Key Measure Analysis of Progress

Performance Measure:

459-05 Percentage of annual increase in Deferred Comp participants

Data					Targets				
1999	2000	2001	2002	2003	2001	2002	2003	2004	2005
5%	3%	7%	6%	1%	5%	5%	5%	5%	5%

Note: Agency has requested to delete this measure beginning in 2005

To what goal or goals is this performance measure linked?

Goal 2: Encourage participation in Deferred Comp among eligible members

What does the performance measure demonstrate about the goal?

It was to demonstrate how effective we have been in encouraging increased participation.

What does the data reveal?

Due to the changing nature of PERS operations this measure was suspended. PERS refrains from drawing conclusions based on this information to avoid misrepresenting PERS performance.

What is an example of a department activity related to the measure?

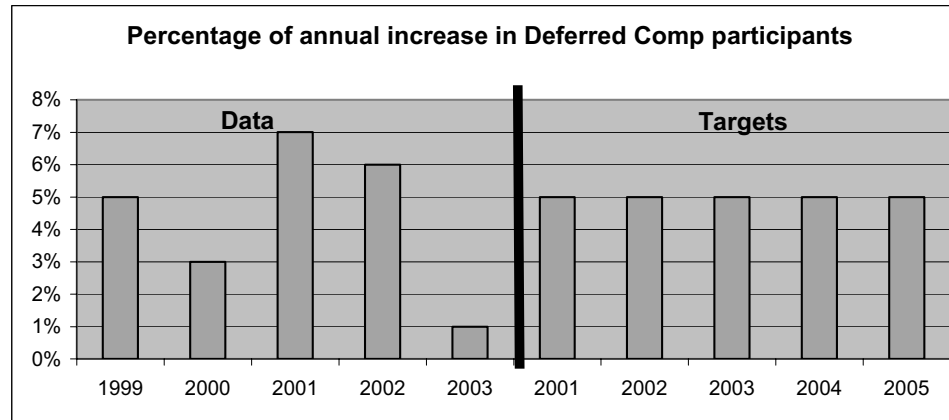
Activities related to this measure include Local Government Def Comp solicitation and Def Comp plan administration.

What needs to be done as a result of your analysis?

Suspend the measure

What is the data source?

Oregon Savings Growth Plan (Def Comp) statistical Data.



____ Agency Request

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BUDGET NARRATIVE

Annual Performance Progress Report

Part II, Key Measure Analysis of Progress

Performance Measure:

459-06 Percentage of increase in Deferred Comp dollars deferred annually

Data					Targets				
1999	2000	2001	2002	2003	2001	2002	2003	2004	2005
9.5%	5.9%	6.2%	2.8%	3.9%	5.0%	5.0%	6.0%	7.0%	7.5%

Note: Agency has requested to delete this measure beginning in 2005

To what goal or goals is this performance measure linked?

Goal 3: Encourage maximum retirement savings by Def Comp participants.

What does the performance measure demonstrate about the goal?

It was to demonstrate how much deferrals are increasing amongst participants.

What does the data reveal?

Due to the changing nature of PERS operations this measure was suspended. PERS refrains from drawing conclusions based on this information to avoid misrepresenting PERS performance.

What is an example of a department activity related to the measure?

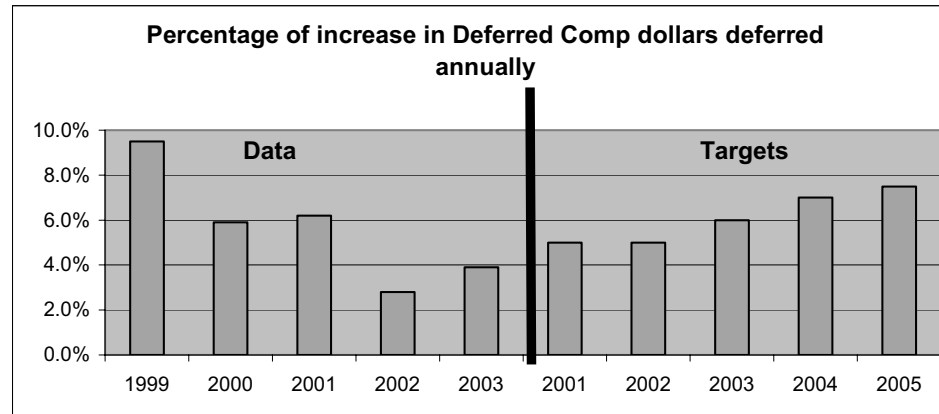
Activities related to this measure include Def Comp plan administration, and communication to members.

What needs to be done as a result of your analysis?

Suspend the measure

What is the data source?

Oregon Savings Growth Plan (Def Comp) statistical Data.



BUDGET NARRATIVE

Annual Performance Progress Report

Part II, Key Measure Analysis of Progress

Performance Measure:

459-07 Cost per Deferred Comp participant for meetings and counseling

Data *					Targets				
1997	1998	1999	2002	2003	2001	2002	2003	2004	2005
\$2.64	\$1.98	\$1.38	\$0.74	\$0.92	N/A	\$0.75	\$1.35	\$1.30	\$1.25

* Data was not available for 2000-2001 due to legislative and budgetary changes, as well as methodological changes. Because of this, 2002 was a transition year, and the lower costs reflect the changes.

Note: Agency has requested to delete this measure beginning in 2005

To what goal or goals is this performance measure linked?

Goal 4: Provide high quality service to Deferred Comp participants.

What does the performance measure demonstrate about the goal?

It was to demonstrate the cost-effectiveness of the service we provide.

What does the data reveal?

Due to the changing nature of PERS operations this measure was suspended. PERS refrains from drawing conclusions based on this information to avoid misrepresenting PERS performance.

What is an example of a department activity related to the measure?

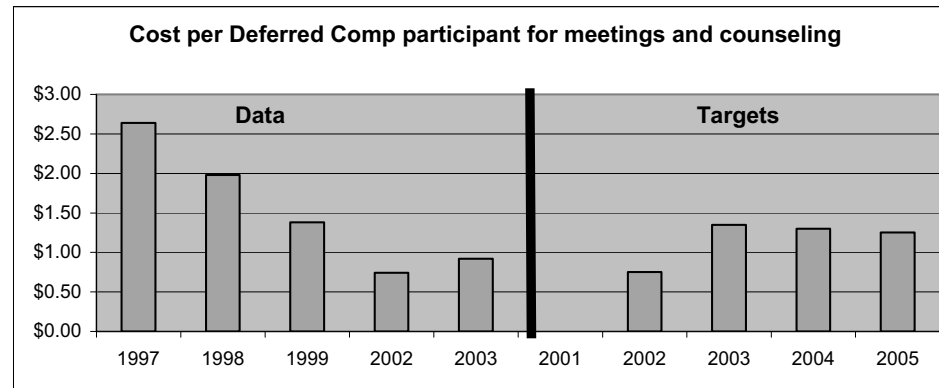
Activities related to this measure include Def Comp plan administration, and communication to members.

What needs to be done as a result of your analysis?

Suspend the measure

What is the data source?

Oregon Savings Growth Plan (Def Comp) statistical Data.



____ Agency Request

____ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

Annual Performance Progress Report

Part II, Key Measure Analysis of Progress

Performance Measure:

459-08 Deferred Comp customer satisfaction rating

Data					Targets				
1999	2000	2001	2002	2003	2001	2002	2003	2004	2005
100%	97%	99%	99%	99%	99%	99%	99%	99%	98%

Note: Agency has requested to delete this measure beginning in 2005

To what goal or goals is this performance measure linked?

Goal 4: Provide high quality service to Deferred Comp participants.

What does the performance measure demonstrate about the goal?

It demonstrates how well our Deferred Comp participants rate our service to them.

What does the data reveal?

Due to the changing nature of PERS operations this measure was suspended. PERS refrains from drawing conclusions based on this information to avoid misrepresenting PERS performance.

What is an example of a department activity related to the measure?

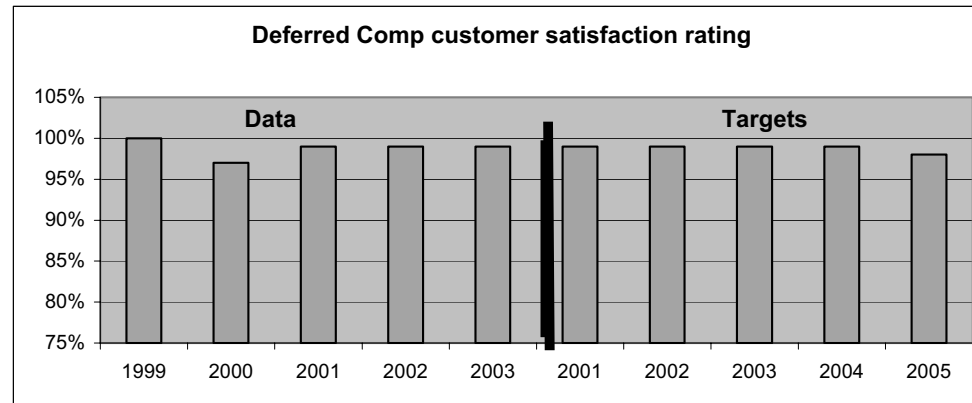
Activities related to this measure include Def Comp plan administration, and communication to members.

What needs to be done as a result of your analysis?

Suspend the measure

What is the data source?

Oregon Savings Growth Plan (Def Comp) participant surveys.



____ Agency Request

____ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE

Major Information Technology Projects \$500,000+

There are no projects within the base budget of PERS that exceed \$500,000. PERS proposes the RIMS Replacement Project in Policy Package 107. This 44 month project is expected to span the 2003-05, 2005-07, and 2007-09 bienniums and will exceed \$500,000 in biennial expenditures.

Information Technology Projects over \$75,000

PERS does not anticipate initiating any new technology related projects over the \$75,000 threshold within its base budget. The information technology budget within the agency's base budget funds routine maintenance, replacement and modification of business critical hardware, software and information network. These activities are described in more detail in the Lifecycle Replacement Plan.

Lifecycle Replacement Plan

Strategic Summary

The strategic directions to be actively pursued during the 2005-07 biennium, as part of the Information Technology Replacement Plan are discussed in the following sections.

Lifecycle Management

Lifecycle Management is the process by which the life of information technology assets are determined and managed. The recommended lifecycle management for the '05-07' Information Technology Replacement Plan is presented below.

- **Desktops** – Our current practice is a four-year replacement cycle. There is no change from the practice originally established in the 2003-05 biennium.
- **Laptops** – Our current practice is a four-year replacement cycle. There is no change from the practice originally established in the 2003-05 biennium. A number of laptops are kept under lock and key and are used on an as-needed basis and checked out. Others are assigned permanently to employees who have a work need for them. This process keeps the inventory to a minimum and under control.
- **Monitors** – Since 2000, the agency standard has been 17" CRT monitors. During the 2003-05 biennium, the agency saw a doubling of its staff to deal with mandated legislative changes and the increasing backlog of work generated by an aging legacy system and the addition of a new retirement program. To accommodate the increased staff, the agency reconfigured employee workspace into smaller cubicles and has leased

BUDGET NARRATIVE

an additional building. Also during this time period, the use of electronic documents was introduced to the agency requiring larger monitors to enable the business users to view multiple windows simultaneously. The agency standard is now 19" LCD monitors. Our current practice is to bring all monitors to the 19" LCD standard. The current replacement lifecycle is a six years.

- **Printers** – Wherever possible, all black and white laser printers have a six year replacement lifecycle. During the 2003-05 biennium the agency leased a number of multifunction devices for a three year period to pilot the feasibility of gaining productivity improvements compared to individual functioning devices. These multifunction devices may be replaced at the end of their lease period with other like models or replaced with separate functioning units depending on the productivity gains materialized through the pilot. That would include printers, faxes, copiers, and scanners.
- **Servers** – Our replacement lifecycle for servers varies depending upon type of server and its usage. Generally, file and print, Web, and database servers are replaced on four year replacement lifecycle. Enterprise mission critical servers are not on a specific replacement lifecycle but rather are evaluated on an “as needed” basis. All other servers do not yet have a defined replacement lifecycle and will be handled on a case by case basis, not to exceed five years. PERS has four logically separated environments to facilitate application development, user acceptance testing, technical testing, and production to minimize potential disruption to employees during the system development lifecycle. It is envisioned that the technical test and production environments would be upgraded first and those servers would then migrate to the user acceptance and developer environments prolonging the useful life of the servers approximately six to eight years. The Agency standard for Intel based servers is the IBM xSeries ranging from the rack mountable x305 through the x455. There are nine older servers that have reached their end-of-life and are not compliant with the existing server standard.
- **Software** – Our replacement lifecycle for Operating System software and backend desktop applications are generally three years and not more than four years. This lifecycle prevents the Agency from getting too far behind its business partners and other stakeholders when sharing information and avoids the risk of unsupported or incompatible software and helps maintain a secure operating system. Mission critical applications and software are generally kept under maintenance agreements so that we can keep those applications up-to-date and avoid loss of vendor support.
- **Projectors** – Our replacement lifecycle for projectors is six years. The agency typically keeps projectors under lock and key and checks them out to employees for use during the day and must be returned within the same day. This process keeps the inventory to a minimum and under control.

BUDGET NARRATIVE

Deployment Schedules

Our current strategy is to replace inventory on a 50% rotation cycle. This ensures that we have a predictable expenditure every biennium and helps reduce the potential disruption to employees. Because of recent purchases this strategy will be slowly implemented and isn't expected to be fully effective until the 2007-09 biennium. Implementing this strategy will require some assets be kept beyond their standard replacement lifecycle.

Warranties

All servers, desktops, and laptops are purchased with a three year manufactures warranty. Past experience has indicated that if the asset is going to fail, it will do so most of the time within this timeframe. The Agency assumes the risk if an asset fails between the warranty end date and its replacement schedule. This risk is mitigated by a small reserve inventory.

Maintenance

All mission critical hardware and software is covered under maintenance agreements with each vendor or equivalent resource. The type of maintenance agreement varies with the usage of the asset and its defined criticality. For hardware, this varies from 8x5 next business day to 24x365 four hour replacement. Software maintenance allows us to keep the asset up-to-date and mitigates the risk of no vendor support for a mission critical application should an application fail or doesn't behave as expected.

Summary of 2005-07 Budget

Public Employees Retirement System, Oregon (PERS)

	TOTALS			FUND TYPE					
	POS	FTE	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other	Federal
2003-05 LEGISLATIVELY ADOPTED BUDGET	356	324.22	4,272,271,230			62,723,473		4,209,547,757	
Emergency Board Actions (through 4/2004)	45	31.87	1,525,191,933			25,191,933		1,500,000,000	
2003-05 Legislatively Approved Budget	401	356.09	5,797,463,163			87,915,406		5,709,547,757	
Base Budget Adjustments:									
Net Cost of 2003-05 Position Actions:									
Administrative, Biennialized E-Board, Phase-Out	(130)	(86.09)	(7,347,742)			(7,347,742)			
Estimated Cost of 2005-07 Merit Increase			770,844			770,844			
Base Debt Service Adjustment			2,091,668			2,091,668			
Base Nonlimited Adjustment			(71,439,920)					(71,439,920)	
Capital Construction Adjustment									
Subtotal: 2005-07 Base Budget	271	270.00	5,721,538,013			83,430,176		5,638,107,837	
Essential Packages:									
Package No. 010									
Vacancy Factor Increase/(Decrease)			(18,848)			(18,848)			
Non-PICS Personal Service Increase/(Decrease)			1,369,877			1,369,877			
Subtotal			1,351,029			1,351,029			
Package No. 021/022									
021 - Phased-In Programs Excl. One-Time Costs			1,024,000			1,024,000			
022 - Phase-Out Programs and One-Time Costs			(24,120,428)			(24,120,428)			
Subtotal			(23,096,428)			(23,096,428)			
Package No. 030									
Cost of Goods & Services Increase/(Decrease)			570,048			570,048			
State Govt Service Charges Increase/(Decrease)			(487,490)			(487,490)			
Subtotal			82,558			82,558			
Package No. 040									
Mandated Caseload Increase/(Decrease)									
Package No. 050									
Fund Shift									
Package No. 060									
Technical Adjustments									
Subtotal 2005-07 Essential Budget Level	271	270.00	5,699,875,172			61,767,335		5,638,107,837	

	TOTALS			FUND TYPE					
	POS	FTE	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other	Federal
2005-07 Essential Budget Level – Page 1 Subtotal	271	270.00	5,699,875,172			61,767,335		5,638,107,837	
Package No. 070									
Revenue Reductions									
Subtotal: 2005-07 Modified Essential Budget Level	271	270.00	5,699,875,172			61,767,335		5,638,107,837	
Emergency Board Packages:									
(List ORBITS Package number and title)									
Subtotal Emergency Board Packages									
Policy Packages:									
(List ORBITS Package number and title)									
Pkg: 090 Analyst Adjustments	(7)	(7.00)	(1,239,848)			(9,897,085)		8,657,237	
Pkg: 101 PERS Restructure and Support	22	22.0	2,519,691			2,519,691			
Pkg: 102 Legal Services			1,000,000			1,000,000			
Pkg: 103 Resolve Accumulated Workload	26	26.00	2,841,307			2,841,307			
Pkg: 104 PERS Reform Legislation Implementation	12	12.00	1,851,623			1,851,623			
Pkg: 105 Information Technology Initiatives	17	17.00	3,011,210			3,011,210			
Pkg: 106 Ratification of Fee Revenue									
Pkg: 107 RIMS Replacement	6	6.00	15,117,125			15,117,125			
Pkg: 801 LFO Analyst Adjustments			(321,632)			(321,632)			
Pkg: 804 Assessment Rate Adjustments			(115,529)			(115,529)			
Pkg: 810 Additional Ways and Means Adjustments	33	33.00	3,929,664			3,929,664			
Subtotal Policy Packages	109	109.00	28,593,611			19,936,374		8,657,237	
Total: 2005-07 Budget (SB 5558-A & HB 5176-A)	380	379.00	5,728,468,783			81,703,709		5,646,765,074	
Percent Change From 2003-05 Leg. Approved	-5.2%	6.4%	-1.2%	0.0%	0.0%	-7.1%	0.0%	-1.1%	0.0%
Percent Change From Essential Budget Level	40.2%	40.4%	0.5%	0.0%	0.0%	32.3%	0.0%	0.2%	0.0%

HOUSE BILL 3182 REDUCTIONS

Reduction Options

Overview

Agencies are required to provide a reduction plan that would reduce, if adopted, agency limited expenditures by at least 10 percent of the Essential Budget Level. For the 2005-07 biennium, that equates to \$5,604,820 for the Administration program. PERS reduction options total \$5,611,933 with most reductions focused on customer service and communication activities. Also included are options to reduce centrally provided support services designed to allow program managers and staff to focus on providing mandated services to members and employers. Most customer service activities, though considered vital to the agency and its members, are not mandated by statute. This report lists reduction options in priority of elimination.

Revenues to fund administrative expenditures are obtained from the various PERS trusts and activities in accordance with statute and administrative rules. Costs are assigned to these trusts and activities through the PERS cost allocation system. Adoption of reduction options reduces the fiscal impact to the various trusts.

Activity or Program	Describe Reduction	Amount and Fund Type	Rank and Justification
1. Reduce Deferred Compensation Program and close Salem office	Reduces staff availability to train state employees or employers on the deferred compensation program; eliminates form drop off services available to the Salem area. (2 positions, 2.50 FTE)	\$398,992 Other Funds	A full line of services is still offered by PERS. A reduction results in increased inconvenience for members that utilize the Salem Office. Increased risk of inconsistent explanation of deferred compensation program services due to reduced training.
2. Eliminate toll-free telephone line	Requires members and employers outside of the Portland area to incur long-distance charges to contact PERS by telephone.	\$96,000 Other Funds	Shifts cost of long-distance communication from PERS agency to employers, members & retirees when they are located outside of the Portland Metro area. Does not impact services provided.
3. Reduce internal audits	Eliminates one Internal Auditor position, 1.00 FTE.	\$165,735 Other Funds	Reduces internal audit staff to pre-2003 PERS Reform status of two internal auditors. Limits capability to perform investigations and internal audit studies.

____ Agency Request

____ Governor's Recommended

 X Legislatively Adopted

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HOUSE BILL 3182 REDUCTIONS

Activity or Program	Describe Reduction	Amount and Fund Type	Rank and Justification
4. Reduce printed publications and materials	Eliminates distribution of quarterly information publications and specialty information such as judge member handbooks and beneficiary Q & A's. Slows maintenance of policy and procedure documentation by reducing a full-time position to part-time (0 positions, .50 FTE)	\$134,869 Other Funds	While quarterly mail publications cease, PERS website continues to provide information to those with internet access. Reduced policy and procedure maintenance may lead to inconsistent or out-of-date practices.
5. Reduce group counseling	Reduces staff available to present group counseling by 2 positions, 2.00 FTE.	\$269,102 Other Funds	Restricts group counseling to only those members within 1 year of retirement, reducing the ability of non-qualifying members to receive information.
6. Eliminate centrally coordinated supply ordering and contracting temporary services	Eliminates 1 position, 1.00 FTE, which is responsible for coordinating supply ordering, production printing and communications with temporary employment agencies (QRF's).	\$106,940 Other Funds	Disperses supply ordering and contracting with temporary agencies, increases chance of inconsistent ordering practices. Shifts production printing responsibilities to manager or other mail room staff.
7. Eliminate Training Coordinator	Eliminates the position, 1.00 FTE, responsible for ensuring coordination of training materials and training plans.	\$135,431 Other Funds	Hinders ability to ensure staff receive consistent and up-to-date training. Increases likelihood of inconsistent retirement application processing.
8. Reduce Social Security Program	Eliminates a position, 1.00 FTE, responsible for the Social Security program	\$124,080 Other Funds	Reduces services to employers regarding Social Security program updates, changes in regulations and new rules.
9. Eliminate 'frozen' positions	Eliminates 7.00 FTE positions in the Information Services Division. The project related positions were not utilized during 2003-05 reorganization efforts.	\$1,002,884 Other Funds	Eliminates 'frozen' positions originally approved but not yet utilized by the agency. Reorganization efforts and requested policy packages do not depend on use of these positions.

____ Agency Request

____ Governor's Recommended

 X Legislatively Adopted

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HOUSE BILL 3182 REDUCTIONS

Activity or Program	Describe Reduction	Amount and Fund Type	Rank and Justification
10. Reduce Financial Reporting capabilities	Reduces the Financial Reporting Section by 2 positions, 2.00 FTE.	\$211,221 Other Funds	Eliminates management support position and reduces ability to make withholding deposits and reconcile/adjust members' tax records in a timely manner.
11. Reduce legal services.	Reduces budget available for services provided by the Department of Justice.	\$103,834 Other Funds	Requires in-house staff to absorb extra workload and the agency to reduce reliance on outside legal counsel.
12. Independent Medical Exams (IME)	Eliminates professional services contract budget available for expert witness & physicians	\$249,000 Other Funds	Eliminates IME's for denied claims or pre-hearing claims.
13. Reduce Procurement & Contracting services	Reduce procurement staff by 1 position, 1.00 FTE that reconciles contract invoices and maintains interagency agreement files.	\$106,940 Other Funds	Limits ability of staff to reconcile contract invoices and maintain proper contract files. Shifts duties to other section and program positions.
14. Eliminate Work-in-Progress desk functions	Eliminates the Work-in-Progress desk (7.00 FTE positions). Functions include return mail and form fulfillment.	\$632,595 Other Funds	Eliminates return mail and forms fulfillment functions and reassigns other duties, such as services desk, workshop scheduling and packet making. Also reassigns refund processing.
15. Reduce Information Technology support	Eliminate network consulting services and reduce system modifications consulting work by 50%. Reduce and delay scheduled replacement of hardware, software and ancillary equipment.	\$260,370 Other Funds	Reduces the agency's ability to respond quickly to legislative changes that require IT modifications; increased risk of failed desktop equipment possibly leading to service delays.
16. Reduce Actuarial Services	Eliminate the actuarial valuation for 2004 calendar year end and defer the actuarial audit scheduled for 2005 valuation	\$235,000 Other Funds	Increases difficulty in gauging system's costs, funding status, methods, and assumptions. Increases period between actuarial audit from 6 years (standard) to 8 years.

____ Agency Request

____ Governor's Recommended

 X Legislatively Adopted

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HOUSE BILL 3182 REDUCTIONS

Activity or Program	Describe Reduction	Amount and Fund Type	Rank and Justification
17. Reduce or eliminate office support for multiple sections	Eliminates 7 FTE office support for Health Insurance, PPLAD, MERS, ISD.	\$678,166 Other Funds	Reduces office and management support positions. Reassigns duties to remaining staff increasing workloads of managers and retirement counselors. Reduction in quality assurance function in Information Systems Division.
18. Eliminate review of disability claims	End contract with Physician to review disability claims for adequacy and accuracy.	\$50,000 Other Funds	Eliminates review of disability claims for adequacy and confirmation that the diagnosis matches the claims of incapacitation. Eliminates independent medical exams for denied claims or denied claims that are moving toward a hearing.
19. Reduce Correspondence/Call Center	Eliminate all member written correspondence and reduce telephone services by 50%.	\$205,190 Other Funds	Requires members to communicate through written correspondence or via telephone. Anticipate increased number of phone calls and increased wait/hold times.

____ Agency Request

____ Governor's Recommended

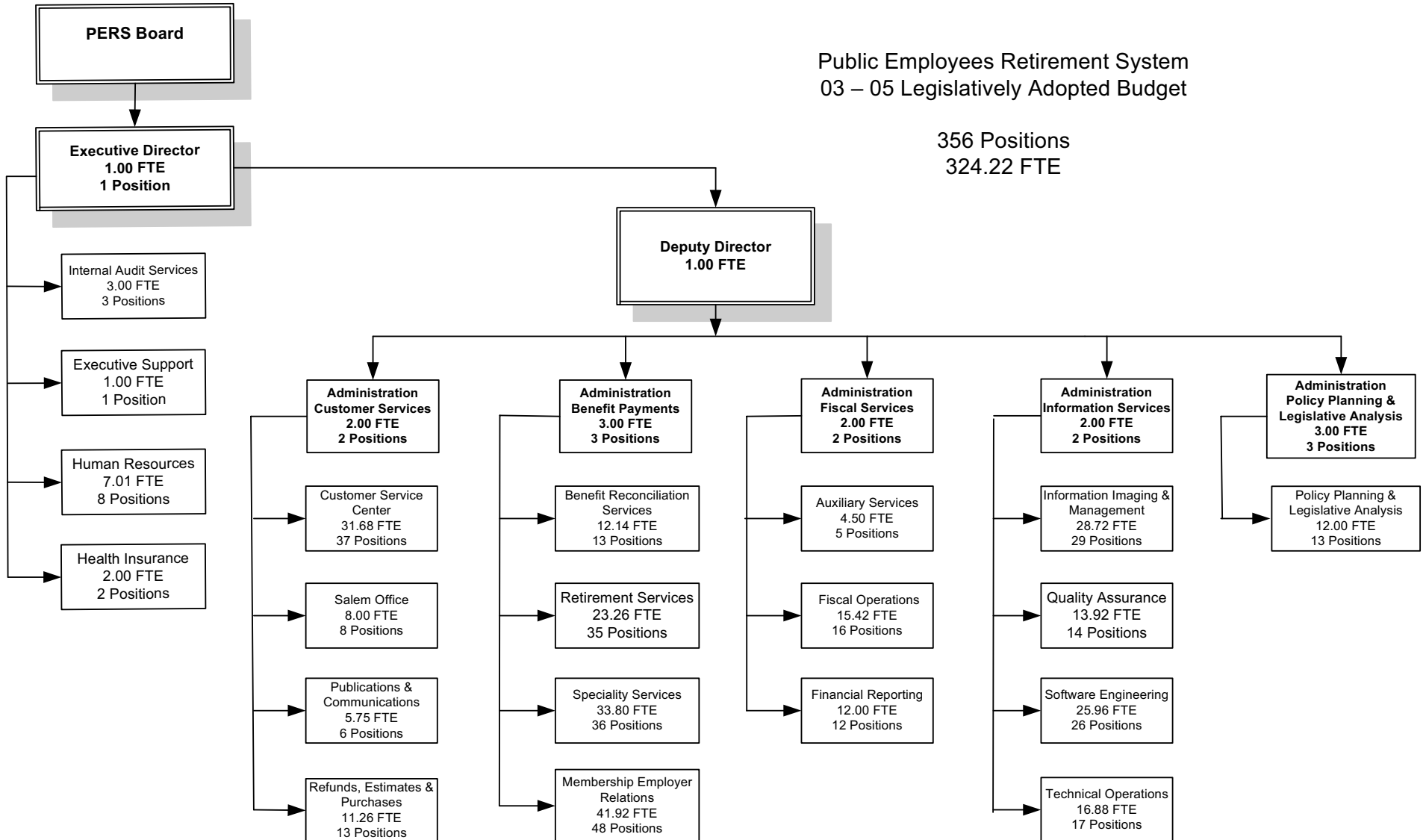
 X Legislatively Adopted

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BUDGET NARRATIVE

Public Employees Retirement System 03 – 05 Legislatively Adopted Budget

356 Positions
324.22 FTE



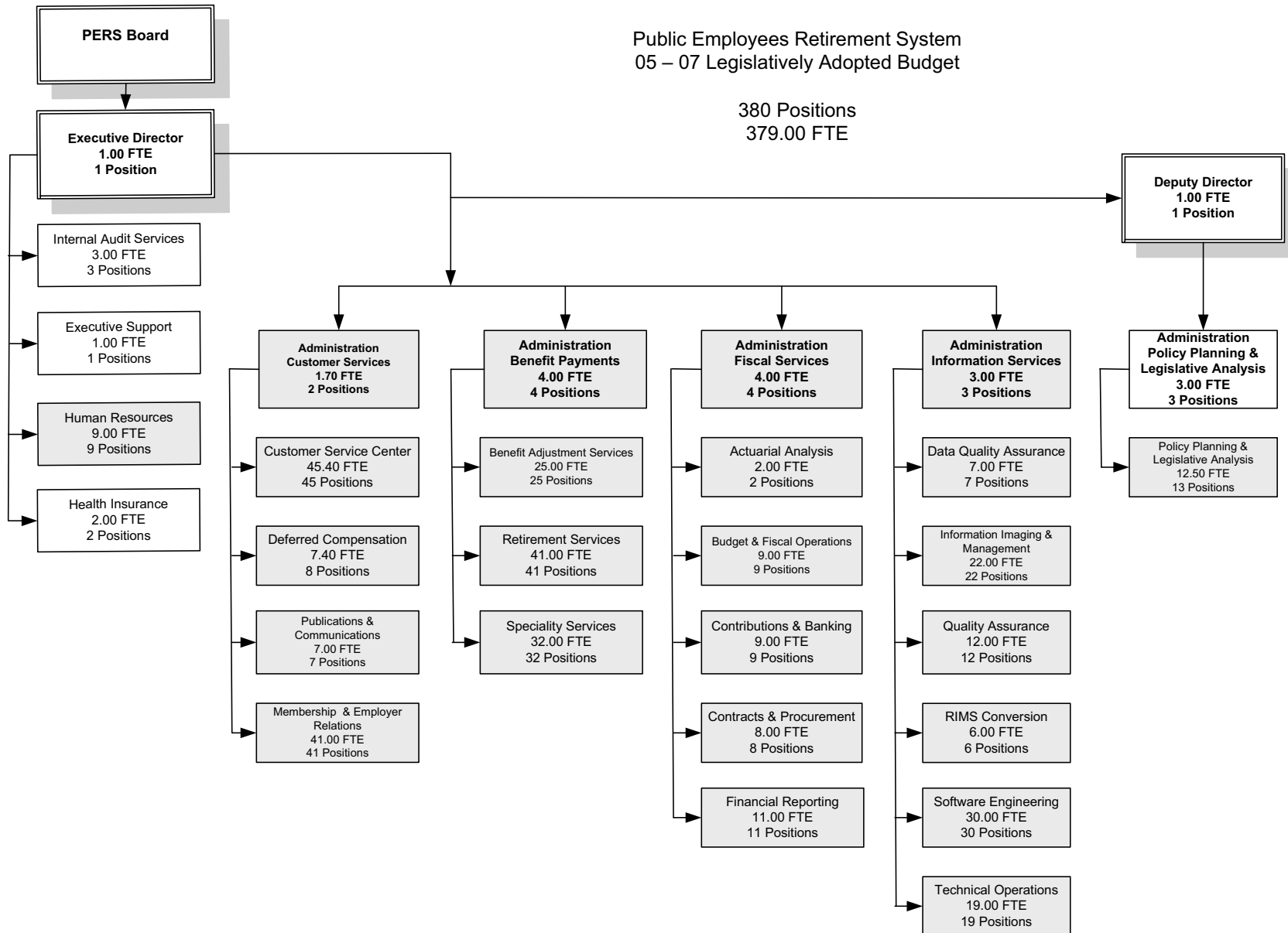
____ Agency Request

____ Governor's Recommended

X Legislatively Adopted

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BUDGET NARRATIVE



____ Agency Request

____ Governor's Recommended

X Legislatively Adopted

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Public Employees Retirement System, Oregon
Agency Number: 45900
**Agencywide Appropriated Fund Group
2005-07 Biennium**
Version: Z - 01 - Leg. Adopted Budget

Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
LIMITED BUDGET (Excluding Packages)						
Other Funds	42,858,915	61,256,920	81,166,873	77,711,042	77,709,226	77,495,001
AUTHORIZED POSITIONS	273	356	408	271	271	271
AUTHORIZED FTE	226.33	324.22	362.01	270.00	270.00	270.00
LIMITED BUDGET (Essential Packages)						
010-NON-PICS PSNL SVC / VACANCY FACTOR						
Other Funds	-	-	-	1,351,029	1,351,029	1,350,869
021-PHASE-IN						
Other Funds	-	-	-	1,024,000	1,024,000	1,024,000
022-PHASE-OUT PGM & ONE-TIME COSTS						
Other Funds	-	-	-	(24,120,428)	(24,120,428)	(24,120,428)
030-INFLATION & PRICE LIST ADJUSTMENTS						
Other Funds	-	-	-	82,558	82,558	82,558
TOTAL LIMITED BUDGET (Essential Packages)						
Other Funds	-	-	-	(21,662,841)	(21,662,841)	(21,663,001)
LIMITED BUDGET (Essential Budget Level)						
Other Funds	42,858,915	61,256,920	81,166,873	56,048,201	56,046,385	55,832,000
AUTHORIZED POSITIONS	273	356	408	271	271	271
AUTHORIZED FTE	226.33	324.22	362.01	270.00	270.00	270.00
LIMITED BUDGET (Policy Packages)						
090-ANALYST ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(9,897,085)	(9,890,850)
Authorized Positions	-	-	-	-	(7)	(7)
Authorized FTE	-	-	-	-	(7.00)	(7.00)

Public Employees Retirement System, Oregon
Agency Number: 45900
**Agencywide Appropriated Fund Group
2005-07 Biennium**
Version: Z - 01 - Leg. Adopted Budget

Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
801-LFO ANALYST ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(66,509)
804-ASSESSMENT AND RATE ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(97,913)
810-ADDITIONAL WAYS AND MEANS ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	3,929,664
Authorized Positions	-	-	-	-	-	33
Authorized FTE	-	-	-	-	-	33.00
101-PERS RESTRUCTURE AND SUPPORT- RANK 1 - 300-00-00-00000						
Other Funds	-	-	-	4,160,585	2,519,691	2,505,748
Authorized Positions	-	-	-	22	22	22
Authorized FTE	-	-	-	22.00	22.00	22.00
102-LEGAL SERVICES- RANK 2 - 300-00-00-00000						
Other Funds	-	-	-	1,000,000	1,000,000	1,000,000
103-RESOLVE ACCUMULATED WORKLOAD- RANK 3 - 300-00-00-00000						
Other Funds	-	-	-	3,536,876	2,841,307	2,826,215
Authorized Positions	-	-	-	33	26	26
Authorized FTE	-	-	-	33.00	26.00	26.00
104-PERS REFORM LEGISLATION IMPLEMENTATION- RANK 4 - 300-00-00-00000						
Other Funds	-	-	-	4,148,260	4,042,282	1,831,166
Authorized Positions	-	-	-	34	34	12
Authorized FTE	-	-	-	34.00	34.00	12.00
105-INFORMATION TECHNOLOGY INITIATIVES- RANK 5 - 300-00-00-00000						
Other Funds	-	-	-	1,161,738	3,011,210	3,000,995

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Appropriated Fund Group
2005-07 Biennium

Version: Z - 01 - Leg. Adopted Budget

Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
Authorized Positions	-	-	-	10	17	17
Authorized FTE	-	-	-	10.00	17.00	17.00
107-RIMS REPLACEMENT- RANK 7 - 300-00-00-00000						
Other Funds	-	-	-	1	15,117,125	15,112,243
Authorized Positions	-	-	-	-	6	6
Authorized FTE	-	-	-	-	6.00	6.00
TOTAL LIMITED BUDGET (Policy Packages)						
Other Funds	-	-	-	14,007,460	18,634,530	20,150,759
AUTHORIZED POSITIONS	-	-	-	99	98	109
AUTHORIZED FTE	-	-	-	99.00	98.00	109.00
TOTAL LIMITED BUDGET (Including Packages)						
Other Funds	42,858,915	61,256,920	81,166,873	70,055,661	74,680,915	75,982,759
AUTHORIZED POSITIONS	273	356	408	370	369	380
AUTHORIZED FTE	226.33	324.22	362.01	369.00	368.00	379.00
NON-LIMITED BUDGET (Excluding Packages)						
Other Funds	3,877,977,560	4,209,547,757	5,701,357,812	5,638,107,837	5,638,107,837	5,638,107,837
NON-LIMITED BUDGET (Essential Budget Level)						
Other Funds	3,877,977,560	4,209,547,757	5,701,357,812	5,638,107,837	5,638,107,837	5,638,107,837
NON-LIMITED BUDGET (Policy Packages)						
090-ANALYST ADJUSTMENTS- RANK 0 - 100-00-00-00000						
Other Funds	-	-	-	-	4,561,237	4,561,237
090-ANALYST ADJUSTMENTS- RANK 0 - 200-00-00-00000						
Other Funds	-	-	-	-	4,096,000	4,096,000
TOTAL NON-LIMITED BUDGET (Policy Packages)						

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Agencywide Appropriated Fund Group - BPR001

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Appropriated Fund Group
2005-07 Biennium

Version: Z - 01 - Leg. Adopted Budget

Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
Other Funds	-	-	-	-	8,657,237	8,657,237
TOTAL NON-LIMITED BUDGET (Including Packages)						
Other Funds	3,877,977,560	4,209,547,757	5,701,357,812	5,638,107,837	5,646,765,074	5,646,765,074
OPERATING BUDGET (Excluding Packages)						
Other Funds	3,920,836,475	4,270,804,677	5,782,524,685	5,715,818,879	5,715,817,063	5,715,602,838
AUTHORIZED POSITIONS	273	356	408	271	271	271
AUTHORIZED FTE	226.33	324.22	362.01	270.00	270.00	270.00
OPERATING BUDGET (Essential Packages)						
010-NON-PICS PSNL SVC / VACANCY FACTOR						
Other Funds	-	-	-	1,351,029	1,351,029	1,350,869
021-PHASE-IN						
Other Funds	-	-	-	1,024,000	1,024,000	1,024,000
022-PHASE-OUT PGM & ONE-TIME COSTS						
Other Funds	-	-	-	(24,120,428)	(24,120,428)	(24,120,428)
030-INFLATION & PRICE LIST ADJUSTMENTS						
Other Funds	-	-	-	82,558	82,558	82,558
TOTAL OPERATING BUDGET (Essential Packages)						
Other Funds	-	-	-	(21,662,841)	(21,662,841)	(21,663,001)
OPERATING BUDGET (Essential Budget Level)						
Other Funds	3,920,836,475	4,270,804,677	5,782,524,685	5,694,156,038	5,694,154,222	5,693,939,837
AUTHORIZED POSITIONS	273	356	408	271	271	271
AUTHORIZED FTE	226.33	324.22	362.01	270.00	270.00	270.00
OPERATING BUDGET (Policy Packages)						
090-ANALYST ADJUSTMENTS- RANK 0 - 100-00-00-00000						

Public Employees Retirement System, Oregon
Agency Number: 45900
**Agencywide Appropriated Fund Group
2005-07 Biennium**
Version: Z - 01 - Leg. Adopted Budget

Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
Other Funds	-	-	-	-	4,561,237	4,561,237
090-ANALYST ADJUSTMENTS- RANK 0 - 200-00-00-00000						
Other Funds	-	-	-	-	4,096,000	4,096,000
090-ANALYST ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(9,897,085)	(9,890,850)
Authorized Positions	-	-	-	-	(7)	(7)
Authorized FTE	-	-	-	-	(7.00)	(7.00)
801-LFO ANALYST ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(66,509)
804-ASSESSMENT AND RATE ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(97,913)
810-ADDITIONAL WAYS AND MEANS ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	3,929,664
Authorized Positions	-	-	-	-	-	33
Authorized FTE	-	-	-	-	-	33.00
101-PERS RESTRUCTURE AND SUPPORT- RANK 1 - 300-00-00-00000						
Other Funds	-	-	-	4,160,585	2,519,691	2,505,748
Authorized Positions	-	-	-	22	22	22
Authorized FTE	-	-	-	22.00	22.00	22.00
102-LEGAL SERVICES- RANK 2 - 300-00-00-00000						
Other Funds	-	-	-	1,000,000	1,000,000	1,000,000
103-RESOLVE ACCUMULATED WORKLOAD- RANK 3 - 300-00-00-00000						
Other Funds	-	-	-	3,536,876	2,841,307	2,826,215
Authorized Positions	-	-	-	33	26	26

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Agencywide Appropriated Fund Group - BPR001**

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Appropriated Fund Group
2005-07 Biennium

Version: Z - 01 - Leg. Adopted Budget

Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
Authorized FTE	-	-	-	33.00	26.00	26.00
104-PERS REFORM LEGISLATION IMPLEMENTATION- RANK 4 - 300-00-00-00000						
Other Funds	-	-	-	4,148,260	4,042,282	1,831,166
Authorized Positions	-	-	-	34	34	12
Authorized FTE	-	-	-	34.00	34.00	12.00
105-INFORMATION TECHNOLOGY INITIATIVES- RANK 5 - 300-00-00-00000						
Other Funds	-	-	-	1,161,738	3,011,210	3,000,995
Authorized Positions	-	-	-	10	17	17
Authorized FTE	-	-	-	10.00	17.00	17.00
107-RIMS REPLACEMENT- RANK 7 - 300-00-00-00000						
Other Funds	-	-	-	1	15,117,125	15,112,243
Authorized Positions	-	-	-	-	6	6
Authorized FTE	-	-	-	-	6.00	6.00
TOTAL OPERATING BUDGET (Policy Packages)						
Other Funds	-	-	-	14,007,460	27,291,767	28,807,996
AUTHORIZED POSITIONS	-	-	-	99	98	109
AUTHORIZED FTE	-	-	-	99.00	98.00	109.00
TOTAL OPERATING BUDGET (Including Packages)						
Other Funds	3,920,836,475	4,270,804,677	5,782,524,685	5,708,163,498	5,721,445,989	5,722,747,833
AUTHORIZED POSITIONS	273	356	408	370	369	380
AUTHORIZED FTE	226.33	324.22	362.01	369.00	368.00	379.00
DEBT SERVICE (Excluding Packages)						
Other Funds	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
DEBT SERVICE (Essential Budget Level)						

Public Employees Retirement System, Oregon
Agency Number: 45900
**Agencywide Appropriated Fund Group
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Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
Other Funds	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
TOTAL DEBT SERVICE (Including Packages)						
Other Funds	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
TOTAL BUDGET (Excluding Packages)						
Other Funds	3,922,102,375	4,272,271,230	5,786,088,174	5,721,539,829	5,721,538,013	5,721,323,788
AUTHORIZED POSITIONS	273	356	408	271	271	271
AUTHORIZED FTE	226.33	324.22	362.01	270.00	270.00	270.00
TOTAL BUDGET (Essential Packages)						
010-NON-PICS PSNL SVC / VACANCY FACTOR						
Other Funds	-	-	-	1,351,029	1,351,029	1,350,869
021-PHASE-IN						
Other Funds	-	-	-	1,024,000	1,024,000	1,024,000
022-PHASE-OUT PGM & ONE-TIME COSTS						
Other Funds	-	-	-	(24,120,428)	(24,120,428)	(24,120,428)
030-INFLATION & PRICE LIST ADJUSTMENTS						
Other Funds	-	-	-	82,558	82,558	82,558
TOTAL BUDGET (Essential Packages)						
Other Funds	-	-	-	(21,662,841)	(21,662,841)	(21,663,001)
TOTAL BUDGET (Essential Budget Level)						
Other Funds	3,922,102,375	4,272,271,230	5,786,088,174	5,699,876,988	5,699,875,172	5,699,660,787
AUTHORIZED POSITIONS	273	356	408	271	271	271
AUTHORIZED FTE	226.33	324.22	362.01	270.00	270.00	270.00
TOTAL BUDGET (Policy Packages)						
090-ANALYST ADJUSTMENTS- RANK 0 - 100-00-00-00000						

Public Employees Retirement System, Oregon
Agency Number: 45900
**Agencywide Appropriated Fund Group
2005-07 Biennium**
Version: Z - 01 - Leg. Adopted Budget

Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
Other Funds	-	-	-	-	4,561,237	4,561,237
090-ANALYST ADJUSTMENTS- RANK 0 - 200-00-00-00000						
Other Funds	-	-	-	-	4,096,000	4,096,000
090-ANALYST ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(9,897,085)	(9,890,850)
Authorized Positions	-	-	-	-	(7)	(7)
Authorized FTE	-	-	-	-	(7.00)	(7.00)
801-LFO ANALYST ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(66,509)
804-ASSESSMENT AND RATE ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(97,913)
810-ADDITIONAL WAYS AND MEANS ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	3,929,664
Authorized Positions	-	-	-	-	-	33
Authorized FTE	-	-	-	-	-	33.00
101-PERS RESTRUCTURE AND SUPPORT- RANK 1 - 300-00-00-00000						
Other Funds	-	-	-	4,160,585	2,519,691	2,505,748
Authorized Positions	-	-	-	22	22	22
Authorized FTE	-	-	-	22.00	22.00	22.00
102-LEGAL SERVICES- RANK 2 - 300-00-00-00000						
Other Funds	-	-	-	1,000,000	1,000,000	1,000,000
103-RESOLVE ACCUMULATED WORKLOAD- RANK 3 - 300-00-00-00000						
Other Funds	-	-	-	3,536,876	2,841,307	2,826,215
Authorized Positions	-	-	-	33	26	26

Public Employees Retirement System, Oregon
Agency Number: 45900
**Agencywide Appropriated Fund Group
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Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
Authorized FTE	-	-	-	33.00	26.00	26.00
104-PERS REFORM LEGISLATION IMPLEMENTATION- RANK 4 - 300-00-00-00000						
Other Funds	-	-	-	4,148,260	4,042,282	1,831,166
Authorized Positions	-	-	-	34	34	12
Authorized FTE	-	-	-	34.00	34.00	12.00
105-INFORMATION TECHNOLOGY INITIATIVES- RANK 5 - 300-00-00-00000						
Other Funds	-	-	-	1,161,738	3,011,210	3,000,995
Authorized Positions	-	-	-	10	17	17
Authorized FTE	-	-	-	10.00	17.00	17.00
107-RIMS REPLACEMENT- RANK 7 - 300-00-00-00000						
Other Funds	-	-	-	1	15,117,125	15,112,243
Authorized Positions	-	-	-	-	6	6
Authorized FTE	-	-	-	-	6.00	6.00
TOTAL BUDGET (Policy Packages)						
Other Funds	-	-	-	14,007,460	27,291,767	28,807,996
AUTHORIZED POSITIONS	-	-	-	99	98	109
AUTHORIZED FTE	-	-	-	99.00	98.00	109.00
TOTAL BUDGET (Including Packages)						
Other Funds	3,922,102,375	4,272,271,230	5,786,088,174	5,713,884,448	5,727,166,939	5,728,468,783
AUTHORIZED POSITIONS	273	356	408	370	369	380
AUTHORIZED FTE	226.33	324.22	362.01	369.00	368.00	379.00

Public Employees Retirement System, Oregon**Agency Number: 45900**Agencywide Program Unit Summary
2005-07 Biennium

Version: Z - 01 - Leg. Adopted Budget

Summary Cross Reference Number	Cross Reference Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
100-00-00-00000	Tier One and Tier Two Plan						
	Other Funds	3,877,977,560	4,209,547,757	5,701,357,812	5,637,107,837	5,641,669,074	5,641,669,074
200-00-00-00000	Oregon Public Service Retirement Plan						
	Other Funds	-	-	-	1,000,000	5,096,000	5,096,000
300-00-00-00000	Operations						
	Other Funds	42,858,915	61,256,920	81,166,873	70,055,661	74,680,915	75,982,759
400-00-00-00000	Debt Service						
	Other Funds	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
TOTAL AGENCY							
	Other Funds	3,922,102,375	4,272,271,230	5,786,088,174	5,713,884,448	5,727,166,939	5,728,468,783

BUDGET NARRATIVE

Revenue Discussion

PERS provides administrative support to a number of trusts and related retirement activities. Every trust and activity has dedicated revenue sources authorized by statute. Revenue streams for several of the trusts 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 Trust (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 Trust (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 trusts and activities during the 2005-07 biennium.

Source of Funds

Primary revenue sources for the PERF, OPSRP, RHIA, RHIPA and BEF consist of investment earnings, contributions, and fees from employers and employees. Primary revenue sources for SRHIA are investment earnings and contributions from retirees or a spouse or dependent of a deceased retired member. PERS derives revenues to fund administrative activities for the State of Oregon's Deferred Compensation Trust primarily through a participant fee. All revenue is Other Funds and no matching funds are required.

Pension System (PERF) Revenue, RHIA and RHIPA:

Revenues for the Pension System, which currently makes up the vast majority of PERS revenues, are to be used solely for the benefit of the PERS members as described in ORS 238.660 (2).

Investment Earnings:

Historically, investment earnings have provided the largest source of system revenues. If investment earnings less administrative expenses are below the assumed interest rate at the end of the calendar year, those who established membership in the system before January 1, 1996 and alternate payees of those members will be credited and a deficit is charged to a special reserve account in the fund. In subsequent years, any earnings in excess of the assumed interest rate shall first be applied against the deficit reserve until the reserve is fully funded with amounts determined by the Board. Both earnings and losses are distributed to members' accounts who have variable annuity accounts (ORS 238.260) and/or members' regular accounts for those who became members and alternate payees on or after January 1, 1996. Members may not contribute to the Variable Annuity Account after December 31, 2003. 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).

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BUDGET NARRATIVE

Employee/Employer Contributions:

Employee contributions before January 1, 2004 were credited to members' accounts as directed by ORS 238.250. Employer contributions are credited to the individual employer's accounts or to the account of the pool in which the employer participates. However, a portion of employer contributions is credited to the Retirement Health Insurance Premium Account in accordance with ORS 238.415.

The employee contribution rate for PERS is 6 percent of PERS-covered salary (Judiciary is 7 percent); in most cases, it is picked-up by the employer. Employer rates, as a percent of PERS-covered salary, effective July 1, 2001 and 2003 are:

	July 2001	July 2003
State agencies and Community Colleges	9.49%	11.31%
Schools	12.73%	11.11%
Political Subdivisions (general – avg.)	9.09%	9.08%
Political Subdivisions (police & fire)	12.19%	15.75%
Judiciary	10.79%	19.39%

Oregon Public Service Retirement Plan Revenue

The Oregon Public Service Retirement Plan is established and maintained as two tax-qualified governmental plans: a defined benefit pension program, and a defined contribution individual account program. The assets of each program must be held in a separate trust for the exclusive benefit of the participants and beneficiaries in each program (ORS 238A.025).

Investment Earnings:

Each member's Individual Account as described in ORS 238A.350, is adjusted annually in accordance with rules adopted by the board to reflect any net earnings or losses less reasonable administrative costs of maintaining the program.

Employee/Employer Contributions:

Employees contribute six percent of the member's salary to members' Individual Account as directed by ORS 238A.330 & ORS 238A.335. Employer contributions are credited to the individual employer's accounts or to the account of the pool in which the employer participates per ORS 238A.340.

BUDGET NARRATIVE

Benefit Equalization Fund and Social Security Program

The revenues for the administration of the Benefit Equalization Fund (trust) and the Social Security Program are derived primarily 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.

SRHIA Revenue

Revenues for the Standard Retiree Health Insurance Account (SRHIA) are 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). The plan participants are the source of all revenue received, less the amount subsidized by the RHIA and RHIPA health insurance trust benefits, for health insurance benefits.

The PERS Health Insurance Plan 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. The non-Medicare plans are approximately three times the cost of the Medicare plans. However, the option costs for both types of plans are increasing. Participants in some plans benefit from a subsidy. Due to past over-funding of the program, the subsidy will only be available until the account funds are totally spent.

Deferred Compensation Program Revenue

The annual participant fee is currently .08 percent (.0008) of participant assets held in the trust. At this time PERS does not anticipate an increase in 2005-07 biennium. All 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 Trust.

Basis for 2005-07 Revenue Estimates

Projected investment income was based on an assumed future earnings rate based on the Consumer Price Index published by the Oregon Economic & Community Development Department. The percent increase used was 1.6% in fiscal year ended (FYE) 2005, 1.9% in FYE 2006, and 2.2% in FYE 2007. Using trend analysis of pension contributions, and separately analyzing those employer contribution prepayments funding the Unfunded

BUDGET NARRATIVE

Actuarial Liability (UAL), PERS projected future total contributions based on an average increase. PERS separated the 6% contribution into the OPSRP Individual Account from these total projected contributions beginning January 2004. An 8% turnover rate, one of the 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 provided by the PERS Health Insurance Program Manager, assisted by outside health insurance consultants.

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 \$1.50 per employee per year. A total of \$229,832 is projected for the 2005-07 biennium.

Employers are invoiced annually a fee consisting of \$1,000 initial set-up charge and a \$100 monthly ongoing administrative fee per participant to fund the administrative costs of the Benefit Equalization Fund. A total of \$199,800 is projected for the 2005-07 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 \$147,687 in the 2005-07 biennium.

OAR 459-060-0010 was established in fiscal year ending 2002. This fee is for providing public records documents. PERS estimates a total of \$3,640 in the 2005-07 biennium.

By rule, OAR 459-005-0250, 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 \$480,000 of service charges in the 2005-07 biennium.

Projected revenue for the Deferred Compensation Program in the 2005-07 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 \$1,136,457.

BUDGET NARRATIVE

Public Employees Retirement System Revenues by Source (in millions)					
Fiscal Year	Employee and Member Contributions	Employer Contributions	Contributions from Other Sources	Net Investment Income and Other Income	Total
1994	264.5	417.5	17.9	878.9	1,578.8
1995	277.6	438.9	15.3	2,428.2	3,160.0
1996	289.7	445.6	16.8	3,968.2	4,720.3
1997	303.7	461.8	17.1	4,830.0	5,612.6
1998	322.4	492.0	18.0	4,847.5	5,679.9
1999	338.9	510.4	17.5	3,473.1	4,339.9
2000	385.1	1,063.9 *	19.1	6,676.1	8,144.2
2001	415.7	682.5 *	20.3	(3,468.4)	(2,349.9)
2002	443.8	1,030.7 *	20.9	(2,425.6)	(930.2)
2003	467.4	2,621.8 *	21.4	1,469.5	4,580.1

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

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DETAIL OF FEE, LICENSE, OR ASSESSMENT REVENUE INCREASE

PROPOSED FOR INCREASE

Purpose or Type of Fee, License or Assessment	Who Pays?	2003-05 Estimated Revenue	2005-07 Agency Request	2005-07 Governor's Recommended Budget	2005-07 Legislatively Adopted	Explanations
To charge for each retirement benefit estimate after the two allowed at no cost. Fee covers actual costs.	Member	\$360,000	\$480,000	\$480,000		OAR 459-005-0250 was adopted on December 12, 2003. Enrolled HB2401(5) provided statutory authority for this fee of \$60 per additional retirement benefit estimate. The fee schedule became effective January 1, 2004.

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

Public Employees Retirement System, Oregon
2005-07 Biennium

Agency Number: 45900

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

<i>Source</i>	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
Other Funds						
Charges for Services	1,173,004	2,203,638	2,081,953	2,197,416	2,197,416	2,197,416
Interest Income	31,542	135,000	23,400	-	-	-
Other Revenues	588,720	-	30,196	32,847	32,847	32,847
Transfer In - Intrafund	43,631,434	62,786,617	83,111,480	72,831,881	77,457,135	79,248,124
Transfer Out - Intrafund	(661,160)	(41,582)	-	-	-	-
Total Other Funds	\$44,763,540	\$65,083,673	\$85,247,029	\$75,062,144	\$79,687,398	\$81,478,387
Non-Limited Other Funds						
Interest Income	18,055,310	6,152,122,484	4,168,854,175	4,328,611,411	4,328,611,411	4,328,611,411
Retirement System Contribution	4,606,056,701	3,006,554,021	5,586,887,817	2,676,451,597	2,676,451,597	2,676,451,597
Other Revenues	15,000	343,548	300,000	300,000	300,000	300,000
Transfer In - Intrafund	-	4,053,689,680	-	-	-	-
Transfer Out - Intrafund	(42,970,274)	(4,116,434,715)	(83,111,480)	(72,831,881)	(77,457,135)	(79,248,124)
Total Non-Limited Other Funds	\$4,581,156,737	\$9,096,275,018	\$9,672,930,512	\$6,932,531,127	\$6,927,905,873	\$6,926,114,884

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

Public Employees Retirement System, Oregon
2005-07 Biennium

Agency Number: 45900

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

<i>Source</i>	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
Other Funds						
Transfer Out - Intrafund	(661,160)	-	-	-	-	-
Total Other Funds	(\$661,160)	-	-	-	-	-
Non-Limited Other Funds						
Interest Income	18,055,310	6,152,122,484	4,148,763,737	4,307,844,007	4,307,844,007	4,307,844,007
Retirement System Contribution	4,606,056,701	3,006,554,021	4,331,235,391	1,378,488,842	1,378,488,842	1,378,488,842
Other Revenues	15,000	343,548	300,000	300,000	300,000	300,000
Transfer In - Intrafund	-	4,053,689,680	-	-	-	-
Transfer Out - Intrafund	(42,970,274)	(4,116,434,715)	(80,963,471)	(62,411,495)	(71,320,421)	(74,650,601)
Total Non-Limited Other Funds	\$4,581,156,737	\$9,096,275,018	\$8,399,335,657	\$5,624,221,354	\$5,615,312,428	\$5,611,982,248

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

Public Employees Retirement System, Oregon
2005-07 Biennium

Agency Number: 45900

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

<i>Source</i>	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
Non-Limited Other Funds						
Interest Income	-	-	20,090,438	20,767,404	20,767,404	20,767,404
Retirement System Contribution	-	-	1,255,652,426	1,297,962,755	1,297,962,755	1,297,962,755
Transfer Out - Intrafund	-	-	(2,148,009)	(10,420,386)	(6,136,714)	(4,597,523)
Total Non-Limited Other Funds	-	-	\$1,273,594,855	\$1,308,309,773	\$1,312,593,445	\$1,314,132,636

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

Public Employees Retirement System, Oregon
2005-07 Biennium

Agency Number: 45900

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

Source	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
Other Funds						
Charges for Services	1,173,004	2,203,638	2,081,953	2,197,416	2,197,416	2,197,416
Interest Income	31,542	135,000	23,400	-	-	-
Other Revenues	588,720	-	30,196	32,847	32,847	32,847
Transfer In - Intrafund	42,365,534	61,320,064	79,547,991	67,110,931	71,736,185	73,527,174
Transfer Out - Intrafund	-	(41,582)	-	-	-	-
Total Other Funds	\$44,158,800	\$63,617,120	\$81,683,540	\$69,341,194	\$73,966,448	\$75,757,437

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

Public Employees Retirement System, Oregon
2005-07 Biennium

Agency Number: 45900

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

<i>Source</i>	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
Other Funds						
Transfer In - Intrafund	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
Total Other Funds	\$1,265,900	\$1,466,553	\$3,563,489	\$5,720,950	\$5,720,950	\$5,720,950

Public Employees Retirement System, Oregon
Agency Number: 45900
**Agencywide Revenues and Disbursements Summary
2005-07 Biennium**
Version: Z-01-Leg. Adopted Budget

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
BEGINNING BALANCE						
0025 Beginning Balance						
Other Funds	32,207,172,612	36,224,805,909	32,910,990,514	42,491,549,614	42,491,549,614	42,491,549,614
0030 Beginning Balance Adjustment						
Other Funds	-	51,414,688	5,608,469,733	-	-	-
TOTAL BEGINNING BALANCE						
Other Funds	32,207,172,612	36,276,220,597	38,519,460,247	42,491,549,614	42,491,549,614	42,491,549,614
REVENUE CATEGORIES						
CHARGES FOR SERVICES						
0410 Charges for Services						
Other Funds	1,173,004	2,203,638	2,081,953	2,197,416	2,197,416	2,197,416
INTEREST EARNINGS						
0605 Interest Income						
Other Funds	18,086,852	6,152,257,484	4,168,877,575	4,328,611,411	4,328,611,411	4,328,611,411
DONATIONS AND CONTRIBUTIONS						
0915 Retirement System Contribution						
Other Funds	4,606,056,701	3,006,554,021	5,586,887,817	2,676,451,597	2,676,451,597	2,676,451,597
OTHER						
0975 Other Revenues						
Other Funds	603,720	343,548	330,196	332,847	332,847	332,847
TRANSFERS IN						

Public Employees Retirement System, Oregon**Agency Number: 45900****Agencywide Revenues and Disbursements Summary
2005-07 Biennium****Version: Z-01-Leg. Adopted Budget**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
1010 Transfer In - Intrafund						
Other Funds	43,631,434	4,116,476,297	83,111,480	72,831,881	77,457,135	79,248,124
TOTAL REVENUES						
Other Funds	4,669,551,711	13,277,834,988	9,841,289,021	7,080,425,152	7,085,050,406	7,086,841,395
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
Other Funds	(43,631,434)	(4,116,476,297)	(83,111,480)	(72,831,881)	(77,457,135)	(79,248,124)
AVAILABLE REVENUES						
Other Funds	36,833,092,889	45,437,579,288	48,277,637,788	49,499,142,885	49,499,142,885	49,499,142,885
EXPENDITURES						
Other Funds	3,922,102,375	4,272,271,230	5,786,088,174	5,713,884,448	5,727,166,939	5,728,468,783
ENDING BALANCE						
Other Funds	32,910,990,514	41,165,308,058	42,491,549,614	43,785,258,437	43,771,975,946	43,770,674,102

BUDGET NARRATIVE

Tier One and Tier Two Plan (ORS Chapter 238)

Overview

Over 860 public employers in Oregon participate in the retirement and health care benefit plans administered by PERS. This includes all state agencies, all public school districts, and the majority of local government entities – making PERS the provider of retirement programs for the vast majority of public employees in the state. Active Tier One-Tier Two membership totals approximately 214,000 non-retired members and nearly 100,000 retirees and beneficiaries receiving monthly retirement benefits. This plan was closed to new members August 29, 2003, corresponding to the passage of House Bill 2020 (Chapter 733, Oregon Laws 2003). That legislation created a new pension plan for members hired after that date.

The Tier One-Tier Two program accounts for employee and employer contributions and investment earnings related to PERS Tier One-Tier Two plans and reflects the retirement payments made to Tier One-Tier Two retirees. In the 2005-07 biennium and beyond, this program unit will no longer reflect employee contributions, as those will be directed to the OPSRP IAP. Employer contributions continue to come into Tier One-Tier Two.

This program unit is made up entirely of Other Funds nonlimited.

Base Budget Adjustments

In its agency request budget, PERS made changes to both revenues and expenditures to reflect updated projections. The non-limited adjustment reflects an anticipated short-term reduction in the number of retirements when compared to the 2003-05 biennium which experienced over 12,000 retirements in a one year period.

BUDGET NARRATIVE

Tier One and Tier Two Plan (ORS Chapter 238)

090 Analyst Adjustments

The Governor's Recommended Budget increases the Tier One-Tier Two program unit by \$4,561,237 Other Funds nonlimited for third-party administration costs associated with Health Insurance. This program is currently administered in the Operations program unit as limited other funds. Program costs for the Health Insurance programs offered by PERS are driven by the number of retirees that elect to participate in the Health Insurance programs. A corresponding reduction in limited Other Funds limited offsets this movement within package 090 in the Operations program unit.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Tier One and Tier Two Plan
Cross Reference Number: 45900-100-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Services & Supplies							
Professional Services	-	-	-	-	4,561,237	-	4,561,237
Total Services & Supplies	-	-	-	-	\$4,561,237	-	\$4,561,237
Total Expenditures							
Total Expenditures	-	-	-	-	4,561,237	-	4,561,237
Total Expenditures	-	-	-	-	\$4,561,237	-	\$4,561,237
Ending Balance							
Ending Balance	-	-	-	-	(4,561,237)	-	(4,561,237)
Total Ending Balance	-	-	-	-	(\$4,561,237)	-	(\$4,561,237)

BUDGET NARRATIVE

Oregon Public Service Retirement Plan (ORS Chapter 238A)

Overview

The 2003 Legislature created the OPSRP program via passage of House Bill 2020 (2003). OPSRP is a hybrid retirement plan with two components: the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan) and the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

A defined benefit plan is benefit-based and uses predictable criteria such as a pension determined by salary multiplied by length of service multiplied by a factor. The defined benefit component is funded solely by employer contributions and investment earnings. Generally, the plan is designed to provide a benefit that approximates 45% of a member's final average salary.

A defined contribution plan has no guarantee. Members make contributions; employers may or may not also make contributions. When a member retires, he or she receives the contributions plus any earnings (or losses) that have accrued. The defined contribution component 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, either as a lump-sum or in equal installments over a specified period.

Employers participating in PERS as of August 28, 2003, must participate in the 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. Non-participating employers for PERS may choose to enter OPSRP offering only the pension program, only the IAP, or both.

Beginning January 1, 2004, Tier One-Tier Two plan member contributions go into the Individual Account Program (IAP) portion of OPSRP. Tier One-Tier Two plan members retain their existing PERS accounts, but any future member contributions will be deposited in the member's IAP, not into the member's Tier One-Tier Two account. A PERS member who has a qualifying break in service becomes a member of OPSRP for any subsequent employment upon returning to service.

This program accounts for employee contributions into the IAP, the OPSRP plan. While this program unit will account for retirement payments and IAP account payments for OPSRP retirees, this activity is expected to be minimal for the 2005-07 biennium. The program unit also outlines the transfer from plan assets to the Operations program unit to pay for administrative activities.

This program unit is made up entirely of Other Funds nonlimited.

BUDGET NARRATIVE

Oregon Public Service Retirement Plan (ORS Chapter 238A)

090 Analyst Adjustments

The Governor's Recommended Budget moves third party administration costs associated with the OPSRP IAP into the nonlimited budget. Those costs are funded entirely by IAP participants through an annual charge. These costs were added to the Operations program unit, Other Funds limited portion of the agency's budget following approval of an Emergency Board request in April 2004. Program costs are driven by the number of eligible participants in the IAP program and these costs are more appropriately contained in the Nonlimited portion of the agency's budget. The total increase is \$4,096,000 nonlimited. A corresponding reduction offsets this increase in limited Other Funds within package 090 in the Operations program unit.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Oregon Public Service Retirement Plan
Cross Reference Number: 45900-200-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Services & Supplies							
Professional Services	-	-	-	-	4,096,000	-	4,096,000
Total Services & Supplies	-	-	-	-	\$4,096,000	-	\$4,096,000
Total Expenditures							
Total Expenditures	-	-	-	-	4,096,000	-	4,096,000
Total Expenditures	-	-	-	-	\$4,096,000	-	\$4,096,000
Ending Balance							
Ending Balance	-	-	-	-	(4,096,000)	-	(4,096,000)
Total Ending Balance	-	-	-	-	(\$4,096,000)	-	(\$4,096,000)

BUDGET NARRATIVE

Operations

Overview

As previously stated, PERS administers a number of retirement related programs for over 860 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 administrative oversight for all PERS' programs.

PERS operations employs a common pyramid-style organizational structure. The agency is functionally separated into six self-contained divisions to reduce overlap and clearly delegate responsibilities. Sections exist within the divisions that focus upon specific activities involved in agency and program support. The major areas of activity are retirement benefits, disability retirement benefits, sponsorship of group health insurance plans, Deferred Compensation (OSGP), and Social Security coverage.

PERS orders its divisions as follows: Central Administration; Benefit Payments Division (BPD); Fiscal Services (FSD); Information Systems (ISD); Customer Services Division (CSD); and, Policy Planning and Legislative Analysis Division (PPLAD).

Central Administration

The Central Administration Division provides the central direction, planning and leadership for PERS. The Division consists of the Executive Director, Human Resources, Internal Audits, and Health Insurance (SHRIA, RHIA, RHIP).

Benefit Payments Division

BPD does more than merely pay benefits. The division calculates and ensures the accuracy of member benefits, makes adjustments and reconciliations if needed, and performs much of the service work related to the agency's mission. The Specialty Services section oversees particular cases related to death, divorce, and disability, and the related complexities of their rules.

Fiscal Services Division

FSD oversees PERS' accounting, budget, and tax compliance. They assemble and update budgets, carry out contracting and procurement, coordinate accounts payable and receivable, administer actuarial services, and handle financial reporting. FSD also contains the Auxiliary Services section that manages office supplies, general building maintenance, shipping and receiving, and other various ancillary tasks.

BUDGET NARRATIVE

Information Systems Division

ISD supervises the operation of PERS' numerous and complex IT systems. The division supports the many desktop PCs while maintaining older systems, such as the RIMS mainframe. Help desk support, installation and training, software development, and quality assurance all fall under ISD's watch. In addition, the Imaging & Information Management section maintains records from numerous sources. RIMS conversion to jClarety takes place within ISD.

Customer Services Division

CSD provides the window for public interaction. One of the larger PERS divisions, CSD answers member queries, coordinates public relations through print and other media, and guarantees conflict and problem resolution. CSD also provides oversight for two more independent sections, Member and Employee Relations (MERS) and Deferred Compensation (OSGP). MERS enrolls and manages member accounts, and also handles employer reporting and communication.

Policy, Planning and Legislative Analysis Division

PPLAD facilitates PERS' legislative, rulemaking, legal services, and agency determination review activities. For example, they draft administrative rules, coordinate legal counsel, and ensure compliance with statutes. This division also manages the SSA program.

The agency has adopted a team-based approach to several of its significant projects. A number of teams are operating at present, including the Business Transition Team, Data Quality Assurance Section, Loss of Membership Team, Eligibility Backlog Team, Clearing Account Backlog Team, Business Rules Team, and COLA Recalculation and Reinstatement Team, just to name a few. Typically, these teams are comprised of subject matter experts in specific program or operational areas. It is not uncommon for one subject matter expert to participate in more than one team. As such, it has become necessary for PERS to backfill a number of these subject matter experts' positions in order to continue the daily program and operational business of the agency. Several of the policy packages in the agency request budget were created with this team approach, and the related need for backfills in mind.

Base Budget Adjustments

The 2005-07 limited base budget is adjusted downward by (\$6,575,082) Other Funds due primarily to the phasing out of 130 limited duration positions, 86.09 FTE. The services and supplies and capital outlay expenditures associated with these positions and the various projects associated with 2003 PERS reforms are contained in the 021 Phase-out essential package.

BUDGET NARRATIVE

Operations

010 Non-PICS Psnl Svc / Vacancy Factor

Package Description

This package contains a total increase of \$1,351,029 Other Funds. The increase is due primarily to the inclusion of Pension Bond Contribution, which accounted for \$1,375,395. When compared to the 2003-05 biennium, the net increase for the PERS portion of the pension bond is \$445,082. (Note: essential package 030 contains the companion reduction of \$930,314). Inflation increases for personal service expenses such as temporary employees, overtime, etc., account for \$26,538, including other payroll expenses. There is a reduction of (\$32,056) for mass transit taxes. Vacancy savings is 'increased' by (\$18,848) when compared to the 2003-05 biennium.

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	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	1,308,958	-	-	-	1,308,958
Total Revenues	-	-	\$1,308,958	-	-	-	\$1,308,958
Personal Services							
Temporary Appointments	-	-	3,677	-	-	-	3,677
Overtime Payments	-	-	12,667	-	-	-	12,667
Shift Differential	-	-	46	-	-	-	46
All Other Differential	-	-	4,906	-	-	-	4,906
Public Employees' Retire Cont	-	-	2,575	-	-	-	2,575
Pension Bond Contribution	-	-	1,375,395	-	-	-	1,375,395
Social Security Taxes	-	-	1,629	-	-	-	1,629
Unemployment Assessments	-	-	878	-	-	-	878
Mass Transit Tax	-	-	(32,056)	-	-	-	(32,056)
Vacancy Savings	-	-	(18,848)	-	-	-	(18,848)
Total Personal Services	-	-	\$1,350,869	-	-	-	\$1,350,869
Total Expenditures							
Total Expenditures	-	-	1,350,869	-	-	-	1,350,869
Total Expenditures	-	-	\$1,350,869	-	-	-	\$1,350,869
Ending Balance							
Ending Balance	-	-	(41,911)	-	-	-	(41,911)
Total Ending Balance	-	-	(\$41,911)	-	-	-	(\$41,911)

BUDGET NARRATIVE

Operations

021 Phase-in

Package Description

The \$1,024,000 Other Funds increase included in the phase-in package providing funding for a full biennium for contracted third-party administration of the Oregon Public Employee Retirement System (OPSRP) Individual Account Program (IAP). Contributions into the new IAP began in January 2004.

____ Agency Request

____ Governor's Recommended

 X Legislatively Adopted

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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	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	1,024,000	-	-	-	1,024,000
Total Revenues	-	-	\$1,024,000	-	-	-	\$1,024,000
Services & Supplies							
Professional Services	-	-	1,024,000	-	-	-	1,024,000
Total Services & Supplies	-	-	\$1,024,000	-	-	-	\$1,024,000
Total Expenditures							
Total Expenditures	-	-	1,024,000	-	-	-	1,024,000
Total Expenditures	-	-	\$1,024,000	-	-	-	\$1,024,000
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

BUDGET NARRATIVE

Operations

022 Phase-out Pgm & One-time Costs

Package Description

Total reductions of \$21,120,428 include scheduled one-time costs and phase-outs for projects approved during the last legislative session and subsequent meetings of the Emergency Board:

• Operational Needs/Retirement Spike/Business Rules	3,305,088
• Workload Backlog Clearance	121,000
• Productivity Improvements (one time costs of video production)	271,000
• HB 2003 – Cost if Living Adjustment Freeze, Transition Acct.	2,545,411
• HB 2004 – Actuarial Equivalency Factor	2,991,060
• Nov 2003 E-Board # 42 HB 2020 – OPSRP	12,444,804
• Nov 2003 E-Board # 43 Retirement Spike	8,000
• Nov 2003 E-Board # 44 COLA Moratorium	19,000
• Nov.2003 E-Board # 45 IT Initiative	2,218,789
• Apr. 2004 E-Board # 34 OPSRP COP	<u>196,276</u>

Total one-time costs and phase-outs	24,120,428
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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	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	(24,120,428)	-	-	-	(24,120,428)
Total Revenues	-	-	(\$24,120,428)	-	-	-	(\$24,120,428)
Services & Supplies							
Employee Training	-	-	(104,310)	-	-	-	(104,310)
Office Expenses	-	-	(486,845)	-	-	-	(486,845)
Telecommunications	-	-	(151,200)	-	-	-	(151,200)
Data Processing	-	-	(3,232,098)	-	-	-	(3,232,098)
Publicity and Publications	-	-	(143,251)	-	-	-	(143,251)
Professional Services	-	-	(9,418,191)	-	-	-	(9,418,191)
Dues and Subscriptions	-	-	(3,000)	-	-	-	(3,000)
Facilities Rental and Taxes	-	-	(480,000)	-	-	-	(480,000)
Fuels and Utilities	-	-	(8,000)	-	-	-	(8,000)
Facilities Maintenance	-	-	(115,475)	-	-	-	(115,475)
Other COP Costs	-	-	(196,276)	-	-	-	(196,276)
Expendable Prop 250 - 5000	-	-	(900,867)	-	-	-	(900,867)
Total Services & Supplies	-	-	(\$15,239,513)	-	-	-	(\$15,239,513)
Capital Outlay							
Telecommunications Equipment	-	-	(519,981)	-	-	-	(519,981)
Data Processing Software	-	-	(8,150,000)	-	-	-	(8,150,000)
Data Processing Hardware	-	-	(210,934)	-	-	-	(210,934)
Total Capital Outlay	-	-	(\$8,880,915)	-	-	-	(\$8,880,915)

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	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	-	-	(24,120,428)	-	-	-	(24,120,428)
Total Expenditures	-	-	(\$24,120,428)	-	-	-	(\$24,120,428)
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

BUDGET NARRATIVE

Operations

030 Inflation & Price List Adjustments

Package Description

The total cost of and goods and services increase \$82,558 Other Funds when compared to the base budget. The DAS Price List of Goods and Services and the general inflation factors are the basis for calculating cost increases in Services and Supplies and Capital Outlay. Biennial inflation factors used include 2.4 percent for general inflation and medial inflation of 5.0 percent (professional service contract providers who review retirement disability applications and other services required by the PERS Retirement Disability program). Attorney General expenditures increase by \$140,101, reflecting a composite 16.00 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. State Government Service Charges are decreased by a (\$487,490). This reflects a one-time reduction of (\$930,314) for Pension Bond Contribution and increases in charges or price lists items provided by DAS or other agencies. (Note – there is an offsetting increase of \$1,375,396 in the companion package 010 reflecting a net increase of \$445,082 for Pension Bond Contribution). The detail of the changes is listed on the next page:

BUDGET NARRATIVE

	<u>2003-05</u>	<u>2005-07</u>	<u>Difference</u>
• Archives Assessment	876	0	(876)
• Audits Division Assessment	250,000	350,000	100,000
• Capitol Planning Commission	1,626	0	(1,626)
• Central Government	108,566	101,222	(7,344)
• DAS Service Charges/Assessments	282,919	622,754	339,835
• Insurance	98,882	142,265	43,383
• Minority Women/Small Business	4,501	8,031	3,530
• Pension Bond Contribution	930,314	0	(930,314)
• Supreme Court Library Assessment	11,519	17,778	6,259
• State Controller's Division Direct Charge	26,664	56,741	30,077
• State Library Assessment	27,077	52,473	25,396
• State Treasury	161,066	184,532	23,466
• State Treasury/Debt Mgmt Charges	3,489	2,214	(1,275)
• Reduction for one-time expenditure from 03-05	<u>118,001</u>	<u>0</u>	<u>(118,001)</u>
Total State Government Service Charges	2,025,500	1,538,010	(487,490)

____ Agency Request

____ Governor's Recommended

 X Legislatively Adopted

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ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 030 - Inflation & Price List Adjustments

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	78,073	-	-	-	78,073
Total Revenues	-	-	\$78,073	-	-	-	\$78,073
Services & Supplies							
Instate Travel	-	-	3,624	-	-	-	3,624
Out of State Travel	-	-	730	-	-	-	730
Employee Training	-	-	6,618	-	-	-	6,618
Office Expenses	-	-	40,543	-	-	-	40,543
Telecommunications	-	-	12,847	-	-	-	12,847
State Gov. Service Charges	-	-	(487,490)	-	-	-	(487,490)
Data Processing	-	-	72,463	-	-	-	72,463
Publicity and Publications	-	-	6,860	-	-	-	6,860
Professional Services	-	-	236,460	-	-	-	236,460
Attorney General	-	-	140,101	-	-	-	140,101
Dispute Resolution Services	-	-	1,728	-	-	-	1,728
Employee Recruitment and Develop	-	-	1,361	-	-	-	1,361
Dues and Subscriptions	-	-	1,189	-	-	-	1,189
Facilities Rental and Taxes	-	-	9,556	-	-	-	9,556
Fuels and Utilities	-	-	2,837	-	-	-	2,837
Facilities Maintenance	-	-	16,984	-	-	-	16,984
Other Services and Supplies	-	-	62	-	-	-	62
Expendable Prop 250 - 5000	-	-	13,891	-	-	-	13,891
Total Services & Supplies	-	-	\$80,364	-	-	-	\$80,364

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 030 - Inflation & Price List Adjustments

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Capital Outlay							
Office Furniture and Fixtures	-	-	723	-	-	-	723
Technical Equipment	-	-	1,471	-	-	-	1,471
Total Capital Outlay	-	-	\$2,194	-	-	-	\$2,194
Total Expenditures							
Total Expenditures	-	-	82,558	-	-	-	82,558
Total Expenditures	-	-	\$82,558	-	-	-	\$82,558
Ending Balance							
Ending Balance	-	-	(4,485)	-	-	-	(4,485)
Total Ending Balance	-	-	(\$4,485)	-	-	-	(\$4,485)

BUDGET NARRATIVE

Operations

060 Technical Adjustments

Package Description

A one-time technical adjustment to differentiate between standard contracted services and professional contracted services for information technology purposes and to differentiate between standard expendable property and expendable property that is information technology (IT) related. The purpose for separating IT related budget accounts is to assist in information resources management planning and coordination.

____ Agency Request

____ Governor's Recommended

 X Legislatively Adopted

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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	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Services & Supplies							
Professional Services	-	-	(497,556)	-	-	-	(497,556)
IT Professional Services	-	-	497,556	-	-	-	497,556
Expendable Prop 250 - 5000	-	-	(429,300)	-	-	-	(429,300)
IT Expendable Property	-	-	429,300	-	-	-	429,300
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

BUDGET NARRATIVE

Operations

090 Analyst Adjustments

This package includes adjustments made to the Agency Request Budget. Notably, there are reductions to the professional services line-item by (\$4,561,237) Other Funds to remove third-party administrator costs associated with the health insurance programs and (\$4,096,000) Other Funds for the third-party administration costs associated with the OPSRP IAP program. The package also eliminates seven permanent positions (7.00 full-time equivalent) in the Information Systems Division. These positions and related expenditure limitation were approved by the November 2003 Emergency Board and were frozen, pending additional review by IRMD and the Joint Legislative Committee on Information Technology (JLCIMT). A process to unfreeze the positions was outlined and agreed to by PERS, BAM, and IRMD. PERS did not ultimately engage in that process during the 2003-05 biennium, so the positions remained frozen and unavailable for agency use.

Summary of Analyst Adjustments:

- Eliminate one permanent, full-time Information Systems Specialist 4 position (1.0 full-time equivalent), two permanent, full-time Information Systems Specialist 5 positions (2.00 full-time equivalent), three permanent, full-time Information Systems Specialist 7 positions (3.00 full-time equivalent), and one permanent, full-time Information Systems Specialist 8 position (1.00 full-time equivalent).
- Remove \$946,838 Other Funds expenditure limitation from the Personal Services category to reflect elimination of the positions identified above.
- Remove \$4,561,237 Other Funds from the Services and Supplies category to reflect transfer of health insurance third-party administrator costs to the Tier One-Tier Two program unit, offsetting the increase in Other Funds Nonlimited in Tier-One Tier-Two package 090.
- Remove \$4,096,000 Other Funds from the Service and Supplies category to reflect transfer of IAP third party administrator costs to the OPSRP program unit, offsetting the increase in Other Funds Nonlimited in Tier-One Tier-Two package 090.
- Remove \$293,010 Other Funds from Services and Supplies category to reflect impact of projected Smart Buy related savings.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 090 - Analyst Adjustments

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	(9,890,850)	-	-	-	(9,890,850)
Total Revenues	-	-	(\$9,890,850)	-	-	-	(\$9,890,850)
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	(662,976)	-	-	-	(662,976)
Empl. Rel. Bd. Assessments	-	-	(224)	-	-	-	(224)
Public Employees' Retire Cont	-	-	(96,994)	-	-	-	(96,994)
Social Security Taxes	-	-	(50,720)	-	-	-	(50,720)
Worker's Comp. Assess. (WCD)	-	-	(497)	-	-	-	(497)
Flexible Benefits	-	-	(129,192)	-	-	-	(129,192)
Total Personal Services	-	-	(\$940,603)	-	-	-	(\$940,603)
Services & Supplies							
Office Expenses	-	-	(246,129)	-	-	-	(246,129)
Professional Services	-	-	(8,657,237)	-	-	-	(8,657,237)
Expendable Prop 250 - 5000	-	-	(46,881)	-	-	-	(46,881)
Total Services & Supplies	-	-	(\$8,950,247)	-	-	-	(\$8,950,247)
Total Expenditures							
Total Expenditures	-	-	(9,890,850)	-	-	-	(9,890,850)
Total Expenditures	-	-	(\$9,890,850)	-	-	-	(\$9,890,850)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 090 - Analyst Adjustments

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							(7)
Total Positions	-	-	-	-	-	-	(7)
Total FTE							
Total FTE							(7.00)
Total FTE	-	-	-	-	-	-	(7.00)

9/21/05 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

2005-07
 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 090 - Analyst Adjustments

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
0501159 OA C1484 IA INFO SYSTEMS SPECIALIST 4	1-	1.00-	24.00-	02	3,197.00		76,728- 35,654-			76,728- 35,654-
0501160 OA C1485 IA INFO SYSTEMS SPECIALIST 5	1-	1.00-	24.00-	02	3,570.00		85,680- 37,649-			85,680- 37,649-
0501161 OA C1485 IA INFO SYSTEMS SPECIALIST 5	1-	1.00-	24.00-	02	3,570.00		85,680- 37,649-			85,680- 37,649-
0501162 OA C1487 IA INFO SYSTEMS SPECIALIST 7	1-	1.00-	24.00-	02	4,227.00		101,448- 41,162-			101,448- 41,162-
0501164 OA C1487 IA INFO SYSTEMS SPECIALIST 7	1-	1.00-	24.00-	02	4,227.00		101,448- 41,162-			101,448- 41,162-
0501165 OA C1487 IA INFO SYSTEMS SPECIALIST 7	1-	1.00-	24.00-	02	4,227.00		101,448- 41,162-			101,448- 41,162-
0501166 OA C1488 IA INFO SYSTEMS SPECIALIST 8	1-	1.00-	24.00-	02	4,606.00		110,544- 43,189-			110,544- 43,189-
TOTAL PICS SALARY							662,976-			662,976-
TOTAL PICS OPE							277,627-			277,627-
TOTAL PICS PERSONAL SERVICES =	7-	7.00-	168.00-				940,603-			940,603-

BUDGET NARRATIVE

Operations

101 PERS Restructure and Support

Package Description

Purpose:

Stabilize and strengthen the core agency infrastructure to ensure best practices are in place to increase overall efficiency and effectiveness. This request includes improvements in agency budgeting, procurement and contracting, human resources, agency documentation, technology support, management support and workload balancing.

How Achieved:

Expenditure limitation and position authority are requested to implement administrative changes to the core infrastructure of the PERS agency. Changes include short-term assistance in human resources and development of technical documentation. Long-term solutions include establishing a budget section, establishing a procurement and contracting section, improving core training for retirement counselors and specialized training for technology support.

To address these needs during the 2005-07 biennium, PERS requests 22.00 FTE and \$2,519,691 in other funds limitation.

PERS remains an agency in transition in 2005-07. The PERS Board and agency management initiated a range of studies and activities to meet the agency's challenges both near and long-term. Initiatives include:

- Revising the agency's mission statement and goals;
- Assessing central services;
- Reviewing performance measures;
- Changing the agency's organizational structure;
- Partnering with other state agencies to address acute resource shortages and solicit advice on best operational practices; and,
- Revamping the agency's management team.

The Board and PERS' management reallocated resources to meet the agency's responsibilities to its stakeholders. Even with sweeping restructuring, several critical gaps lack resources. Resource shortages exist throughout the agency and are unable to meet acceptable service standards in 2005-07 in the following areas:

____ Agency Request	____ Governor's Recommended	<u> X </u> Legislatively Adopted	Budget Page <u> 158 </u>
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BUDGET NARRATIVE

- Human resources;
- Restructure of the Fiscal Services Division;
- General and IT specific staff training;
- Agency documentation; and,
- Retirement services.

Human Resource Support

To provide greater HR input in critical agency decisions, the Human Resource Director serves on PERS' Executive Staff, Labor Management, and Information Technology Steering Committees. Additionally, the HR director directs the work of section staff that doubled in 2003-05. The anticipated transition of agency staff in 2005-07 prevents the HR director from effectively overseeing the section's daily operations while taking on organizational transition duties. PERS requests a limited duration lead worker, 1.00 FTE, to support HR staff in daily operations to free the HR director to work with senior management and the Board on transitional issues. As the transition nears completion, the HR director will again assume direct management of the HR section.

Fiscal Services Division Restructure

PERS comprehensively reviewed the operations of the Fiscal Services Division and developed a restructure plan. The review was done in cooperation with a DAS team, consisting of participants from the State Controllers' Division, Budget and Management Division and State Procurement Office, assigned to assist PERS in developing organizational and operational improvements in response to 2003 PERS reform. The resulting restructure addressed immediate needs in 2003-05 such as redirecting an existing management position to focus on procurement and contracting issues and developing or re-writing existing policies and procedures. However, the agency does not have sufficient permanent resources to meet all of the long-term needs in the areas of budget, financial analysis and procurement and contracts.

Budget and Financial Services

Before 2004, FSD delegated budget responsibilities depending on individual skills and available resources. Although this framework provided basic budget support, it lacked sufficient resources for detailed budget analysis, efficient fiscal impacts processing and tracking project budgets. Following the reorganization team recommendations, PERS administratively created a Budget and Fiscal Operations Section by reassigning duties of three permanent staff. This new section serves agency budgetary needs but depends on temporary management assistance from DAS. PERS proposes a permanent solution of 1.00 FTE, Principal Exec/Mgr E position to manage budget and fiscal operations for the agency. Additionally, PERS requests \$200,000 other funds limitation in professional services to fund third-party financial analysis services to supplement budget section activities and ensure the analytical needs of the PERS Board, DAS-BAM and Legislature are met.

BUDGET NARRATIVE

Modifications Included in Governor's Recommended Budget:

- The Governor's Recommended budget directs the agency to fund contracted financial services with existing resources and therefore does not include the \$200,000 increase.
- Establishes one limited-duration, full-time Project Manager 2 position (1.00 FTE) to perform accounts receivable and collection activities above the Agency Request Budget. Anticipated results include improvement in the frequency and timeliness of collections and reduction in the backlog of debts owed to the agency. PERS expects improved investment returns resulting from quicker collection of debt, while complying with statutory requirements.

Procurement/Contract Services Section

PERS' procurement and contracting activities historically consisted primarily of office supplies, a few maintenance contracts, and three complex contracts for program services (two third-party administrators and one actuarial) until the late 1990's. The agency's administrative offices handled personal services contracts; other types of procurement services were split between different individuals and sections. This fracturing contributed to inconsistent contract administration.

In 1999, PERS experienced a growing need for professional and trade services due to reform of the IT systems, implementing new legislation, legal fees, and rising needs for more sophisticated financial and actuarial analysis. As a result, the contracts became complex in both scope and administration.

As of mid-2004, staff manages 77 contracts and other agreements while initiating at least 31 new or amended contracts each fiscal year with only two permanent positions. This volume rapidly overwhelmed the agency's procurements and contracting resources, causing critical operational disruptions.

PERS requested and received assistance from DAS, State Procurement Office (DAS-SPO) to assist in handling the crisis by providing management and contracting resources. DAS-SPO helped PERS establish a Procurement and Contracting Section; where contracting and procurement services are now centralized. The new section consists of two permanent positions plus two limited duration positions funded from one-time vacancy savings plus a DAS-SPO senior contracts analyst (also funded by PERS through one-time savings). PERS management, at the recommendation of the reorganization team, re-assigned a management position to oversee the operations of the new section.

PERS requests funding to permanently continue the configuration of the new section. The staffing request is based on a DAS-SPO comparative survey of state procurement and contracting offices determined that for every 16 contracts and procurements, one FTE is necessary. PERS requests establishing the limited duration positions (Procurement and Contracts Analyst 3 and Procurement and Contracts Analyst 2) as permanent positions in 2005-07.

BUDGET NARRATIVE

Modifications Included in Governor's Recommended Budget:

- Change the requested permanent, full-time Procurement and Contract Specialist 2 position (1.00 full-time equivalent) to limited-duration.
- Change the requested permanent, full-time Procurement and Contract Specialist 3 position (1.00 full-time equivalent) to limited-duration.
- Increase Services and Supplies expenditure limitation by \$133,720 Other Funds reflecting DAS charges to continue a limited-duration position in DAS State Procurement Office (SPO). The position physically assigned to PERS' main Tigard location during the 2005-07 biennium, unless the agencies determine that this assignment should be reevaluated and discontinued prior to June 30, 2007.

Core Internal Training

PERS lacks the ability to provide adequate, comprehensive, and uniform training due in part to its significant growth in the past ten years. Staff has increased from 148 FTE in 1993 to 270 permanent positions (plus an additional 130 limited duration positions) in 2003-05 while training staff remains at a single position.

To meet the current training challenge, PERS proposes the creation of a Core Training Program based on a pilot training program developed in 2003-05. The proposed program is designed to:

- Achieve greater uniformity of training and allocation of resources through centralization;
- Allow for specialized staff training attuned to the unique needs of each division;
- Gain efficiencies by training large numbers of staff simultaneously;
- Design, publish and present specific uniform training models;
- Shorten the time it takes to achieve competency in new staff; and,
- Eliminate "key" person issues with vital agency knowledge being known by only one or two people.

Initially, three staff positions will create and maintain the Core Training Program. The existing Training Coordinator will oversee the program and prepare the core training curriculum. PERS requests 1.00 permanent FTE (Training and Development Specialist 1) to deliver training modules to new employees. PERS also requests 1.00 limited duration FTE position (Retirement Counselor 2) to develop desk-level training in the Benefit Payments Division concerning PERS' pension programs and two computer systems.

Technical Documentation Support

PERS provides highly technical and complex services to over 300,000 members. The agency depends heavily on IS systems and elaborate processes to ensure standards are met. PERS must maintain approximately 500 policies and procedures and 20 process manuals. The new IS systems also require manuals to assist staff and employers. While PERS has relied on IS staff or managers to write procedures and manuals, time constraints have

BUDGET NARRATIVE

left these services inadequate or missing, leading to the high-risk situation where an individual is the sole repository of technical system knowledge. The continued lack of technical documentation contributes to inefficiencies.

PERS requests 1.00 permanent FTE (Program Technician 1) to conduct a review of all PERS' technical information needs, design a structure for the information, and oversee its documentation and publication. With this resource PERS can create and maintain a comprehensive inventory of technical information, including policies, procedures, system-user manuals and other technical documentation. This position's work product facilitates employer training, avoids loss of essential knowledge, and increases overall agency efficiency.

Modification included in Governor's Recommended Budget:

- The Governor's Recommended Budget does not include the requested position for technical documentation and directs the agency to perform proposed activities within existing resources.

Retirement Volume Support

PERS' membership demographics show increasing retirement service demand through 2012 before beginning to moderate. Experience informs that it takes 4.00 FTE to process approximately 1,000 new retirements each year. Currently, PERS has 16 FTE calculating new retirements; sufficient to process 4,000 new retirements annually. Projections indicate an expected retirement baseline for 2005-07 at 6,000 new retirements per year.

With retirement levels in recent years far exceeding the agency's processing abilities, staff was diverted to meet the immediate need of handling benefit payments for retiring members. For 2003-05, PERS requested and was granted 8 limited duration position to assist with the additional demand resulting from 12,000 retirements in 2003. While this staffing met immediate needs, they will not be available in 2005-07 to meet the annual demands of an anticipated additional 2,000 retirees.

PERS does not expect full efficiency of the new IT system, jClarety, to be realized until late-2008. As a result, PERS requests 8.00 limited duration FTE positions to address the increasing retirement volume through 2005-07. This will reduce training and lessen disruption at the end of 2003-05 and allow the agency to process the 6,000 retirements annually. To adequately support the anticipated retirement volume, the agency requests the following positions:

- 1.00 FTE Office Specialist 2
- 4.00 FTE Retirement Counselor 1
- 3.00 FTE Retirement Counselor 2

BUDGET NARRATIVE

Retirement Benefit Span of Control

The Retirement Services Section (RSS) calculates formula-based benefits for two retirement programs, authorizes Individual Account Program (IAP) benefit payments, and provides various ancillary services related to these activities. RSS is expected to process 6,000 retirements annually, while implementing new legislatively required changes under an outdated IS system (RIMS). This request proposes to enhance RSS management support of those activities.

In 2001, this section consisted of one manager and 13 staff positions. Agency growth brought staff to 36 permanent positions (plus limited duration positions), in 2003-05 while still managed by one management position. Current management capacity inadequately provides the supervision, staff training, and strategic planning required to support the RSS responsibilities. Rising numbers of manual calculations result in staff errors. The lack of training and strong supervision compounds this situation, with 15 percent of all benefit calculations having at least one financial error (according to the Secretary of State, Audits Division).

Two new RSS supervisor-level managers are requested to address this need, and to lead to lower benefit processing times. A larger management team will enable the current RSS manager to focus on higher level duties: strategic and operational planning, system review, and policy development, while the supervisor-level managers focus on daily supervision, review of staff work and training. They can also provide increased controls and reviews requested by the SOS Audits Division. This team requests an additional 1.00 permanent FTE (Principal Exec/Manager B) responsible for service and disability retirement oversight, and a 1.00 permanent FTE (Principal Exec/Manager A) to supervise technical aspects of retirement: lump-sum payments, refunds, and pension roll activities.

Modifications Included in Governor's Recommended Budget:

- Change the requested permanent, full time Principal Executive Manager A (1.00 full-time equivalent) to limited-duration.
- Change the requested permanent, full time Principal Executive Manager B (1.00 full-time equivalent) to limited-duration.

Retiree Application Intake/Validation Service

Member benefit calculation quality has declined for a number of reasons. The RIMS benefit calculation system works at an estimated 50 percent calculation capacity. Remaining calculations are done by hand. Approximately 15 percent of all benefit calculations have a financial error. Detection and correction of errors has placed a greater demand on PERS' staff resources.

Most errors are data or entry errors from prior years, dating back to the 1980's. PERS recently incorporated case management during the estimate process to catch errors prior to retirement, but has limited application as only 35 percent of members receive estimates prior to actual retirement.

BUDGET NARRATIVE

During 2003-05, PERS created a Retirement Application Intake/Validation Team with one-time savings. The team reviews document and data for all retirements. This has decreased errors and increased efficiency in calculations.

PERS requests continuation of the limited duration team to lower the benefit calculation error rates from 15 percent to 5 percent by the end of the 2005-07 biennium. The agency desires to maintain the team until the replacement of the RIMS system or the high rate of manual calculations can be reduced. To maintain this team, PERS requests 5.00 limited duration FTE as follows:

- 1.00 FTE Retirement Counselor 2
- 4.00 FTE Office Specialist 2

2007-09 Fiscal Impact

PERS Restructure and Support Total 2007-09 Fiscal Impact \$553,261

- 1) \$262,567 Other Funds Personal Services and Services & Supplies for continuation of 2.00 FTE permanent positions; 1.00 FTE Training Coordinator, 1.00 FTE Princ/Exec. /Manager E Budget Officer.
- 2) PERS does not anticipate fiscal impact in the 2007-09 biennium for “Retirement Volume Support” at this time assuming that the agency will achieve anticipated efficiencies through IT initiatives and enhancements required to process approximately 6,000 retirements annually.
- 3) \$290,694 Other Funds Personal Services and Services & Supplies should the team “Retirement application Intake/Validation Team” be continued aid in manual calculations of member benefits and estimates until these calculations can be processed by the RIMS replacement system. This would require a 0.67 FTE Retirement Counselor 2 limited duration position and 2.68 FTE Office Specialist 2 limited duration positions (4 positions), assuming that the RIMS replacement system lacks full functionality until approximately 16 months into the 2007-09 biennium.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 101 - PERS Restructure and Support

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	2,505,748	-	-	-	2,505,748
Total Revenues	-	-	\$2,505,748	-	-	-	\$2,505,748
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	1,447,848	-	-	-	1,447,848
Empl. Rel. Bd. Assessments	-	-	704	-	-	-	704
Public Employees' Retire Cont	-	-	211,818	-	-	-	211,818
Social Security Taxes	-	-	110,761	-	-	-	110,761
Worker's Comp. Assess. (WCD)	-	-	1,562	-	-	-	1,562
Mass Transit Tax	-	-	8,554	-	-	-	8,554
Flexible Benefits	-	-	406,032	-	-	-	406,032
Reconciliation Adjustment	-	-	449	-	-	-	449
Total Personal Services	-	-	\$2,187,728	-	-	-	\$2,187,728
Services & Supplies							
Employee Training	-	-	23,300	-	-	-	23,300
Office Expenses	-	-	110,000	-	-	-	110,000
Professional Services	-	-	133,720	-	-	-	133,720
Expendable Prop 250 - 5000	-	-	51,000	-	-	-	51,000
Total Services & Supplies	-	-	\$318,020	-	-	-	\$318,020

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 101 - PERS Restructure and Support

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	-	-	2,505,748	-	-	-	2,505,748
Total Expenditures	-	-	\$2,505,748	-	-	-	\$2,505,748
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							22
Total Positions	-	-	-	-	-	-	22
Total FTE							
Total FTE							22.00
Total FTE	-	-	-	-	-	-	22.00

9/21/05 REPORT NO.: PPDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 Operations

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

2005-07
 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 101 - PERS Restructure and Support

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
0710101	MMN	X1322	AA HUMAN RESOURCE ANALYST 3	1	1.00	24.00	02	3,720.00		89,280 38,451			89,280 38,451
0710102	MMN	X1338	AA TRAINING & DEVELOPMENT SPEC 1	1	1.00	24.00	02	2,874.00		68,976 33,927			68,976 33,927
0710103	OA	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	1,949.00		46,776 28,980			46,776 28,980
0710104	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710105	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710106	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710107	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710108	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0710109	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0710110	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0710111	MMS	X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	02	3,062.00		73,488 34,932			73,488 34,932
0710112	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0710113	OA	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	1,949.00		46,776 28,980			46,776 28,980
0710114	OA	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	1,949.00		46,776 28,980			46,776 28,980
0710115	OA	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	1,949.00		46,776 28,980			46,776 28,980
0710116	OA	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	1,949.00		46,776 28,980			46,776 28,980

9/21/05 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

2005-07
 PICS SYSTEM: BUDGET PREPARATION

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 PROD FILE

PACKAGE: 101 - PERS Restructure and Support

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
0710117	MMS	X7008	AA PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	02	4,308.00		103,392 41,594			103,392 41,594
0710118	OA	C0438	AA PROCUREMENT & CONTRACT SPEC 3	1	1.00	24.00	02	3,698.00		88,752 38,333			88,752 38,333
0710119	OA	C0437	AA PROCUREMENT & CONTRACT SPEC 2	1	1.00	24.00	02	3,370.00		80,880 36,579			80,880 36,579
0710121	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0710122	MMS	X7000	AA PRINCIPAL EXECUTIVE/MANAGER A	1	1.00	24.00	02	2,790.00		66,960 33,478			66,960 33,478
0710123	MMN	X0855	AA PROJECT MANAGER 2	1	1.00	24.00	02	3,720.00		89,280 38,451			89,280 38,451
TOTAL PICS SALARY										1,447,848			1,447,848
TOTAL PICS OPE										730,877			730,877
TOTAL PICS PERSONAL SERVICES =										2,178,725			2,178,725

BUDGET NARRATIVE

Operations

102 Legal Services

Package Description

Purpose:

To provide \$1,000,000 Other Funds to cover costs for legal representation provided by a third-party vendor.

How Achieved:

PERS is requesting an increase of \$1,000,000 OF in budget limitation to cover anticipated legal services provided by outside counsel. The majority of PERS' legal costs are driven by events that are not easily predicted, making an accurate estimate of 2005-07 expenses difficult. PERS believes the amount currently budgeted for Attorney General and Dispute Resolution (contested cases) is adequate for the next biennium. However, there is no budget in 2005-07 for legal services provided outside legal counsel.

PERS' need for legal services has increased due to a number of major lawsuits, the implementation of the Oregon Public Service Retirement Plan (OPSRP), and a significant rise in contested case hearings. In September 2003, as directed by the ORS 238.657 and through discussions with the governor's office, the Board retained outside legal counsel, independent of the Office of the Attorney General. The purpose of this counsel is to advise the Board on:

- fiduciary duties,
- litigation resulting from the 2003 reform legislation and the Lipscomb litigation,
- tax issues,
- administrative rule issues, and
- contested cases that arise due to new legislation.

PERS expects to expend nearly \$4.5 million OF on legal services during the 2003-05 biennium against an approved budget of approximately \$900,000 OF. While the agency is trying to manage this shortfall in the current biennium by using one-time savings from other areas, it anticipates the current budgeted level will be inadequate to cover the expected need next biennium.

Litigation legal expenses are expected to decline in 2005-07 as compared to 2003-05, due mainly to the conclusion of significant litigation either before the end of the current biennium or early in the next. Other, non-litigation, legal expenses are expected to continue at the current levels through the end of 2005-07.

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BUDGET NARRATIVE

Staffing Impact:

There is no impact to agency staffing.

Revenue Source:

Revenues to fund administrative expenditures are obtained from the various PERS' trusts and activities in accordance with statute and administrative rules. PERS has a secondary resource in the Contingency Reserve Fund (ORS 238.670(1)(b)) and will make use of the reserve fund when appropriate.

2007-09 Fiscal Impact

The anticipated impact to 2007-09 is an estimated \$1,000,000 Other Funds.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 102 - Legal Services

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	1,000,000	-	-	-	1,000,000
Total Revenues	-	-	\$1,000,000	-	-	-	\$1,000,000
Services & Supplies							
Professional Services	-	-	1,000,000	-	-	-	1,000,000
Total Services & Supplies	-	-	\$1,000,000	-	-	-	\$1,000,000
Total Expenditures							
Total Expenditures	-	-	1,000,000	-	-	-	1,000,000
Total Expenditures	-	-	\$1,000,000	-	-	-	\$1,000,000
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

BUDGET NARRATIVE

Operations

103 Resolve Accumulated Workload

Package Description

Purpose:

Eliminate workloads issues that have accumulated in recent biennia to ensure benefit payment processing is timelier, accurate, more efficient while remaining in compliance with pension laws and regulations.

How Achieved:

PERS requests expenditure limitation of \$2,841,307 Other Funds and position authority for 26.00 limited duration FTE to resolve accumulated workload in the following areas:

- Member data
- Loss of Membership compliance
- Membership eligibility determinations
- Member benefit payment adjustment/recalculations
- Clearing account support
- OPSRP Business Rules

During recent biennia the workload to support agency services exceeded available resources. PERS reallocated limited staffing and other resources to address its highest priorities. Deferred work now hinders PERS' efficiency in critical areas. PERS requests resources to implement a more comprehensive approach to eliminate the resulting workload.

PERS was provided position authority and expenditure limitation in 2003-05 to address two sets of backlogs: 1) death benefit closures, and 2) member data research. By the end of the biennium PERS expects the death benefit closure backlog to be eliminated. Organizational issues prevented PERS from effectively assembling an effective member data research team to resolve member data issues. As a result, PERS requests continuing resources to eliminate the Membership Eligibility Determination backlog in 2005-07.

BUDGET NARRATIVE

Loss of Membership Compliance

A member enters loss of membership (LOM) status if he or she is not vested and has not participated with a PERS-covered employer within the previous five years. The Internal Revenue Code, IRC 401a (9), and Oregon statute, ORS 238.095 (4), have strict guidelines for identifying and handling LOM participants. PERS is statutorily required to refund a member's account balance upon losing membership. However, two major barriers make this problematic: 1) individuals entering LOM status have been out of public service for five or more years, and 2) member addresses or contract information are not updated until after retirement. Current agency priorities prevent PERS from locating members who have moved into LOM status. In a pilot project of 100 LOM participants, the agency found 77 percent of the participants; a large majority of whom then refunded.

PERS estimates that by the end of the 2003-05, approximately 17,000 refunds, totaling \$35.4 million will be due under the LOM requirements. PERS requests temporary resources to remain in compliance with statutory and minimum federal requirements. PERS proposes forming an LOM Compliance team to locate LOM participants, notify them of their pending refund, and initiate the withdrawal in accordance with the their instructions. With this team, PERS will be able to eliminate the entire backlog by the end of the 2005-07 biennium. The staffing request reflects experience gained from the LOM pilot project. The proposed LOM Compliance Team consists of 5.00 limited duration FTE:

- 3.00 FTE Retirement Counselor 1
- 2.00 FTE Retirement Counselor 2

Membership Eligibility Determination

Service time is a critical component in the calculation of retirement and disability benefits. A member's service time begins when one establishes eligibility to participate in the PERS pension plan. Eligibility qualifications are complex; employers do not always report service time properly, and members often have queries concerning eligibility. Ensuring correct eligibility and service time is critical.

PERS has sufficient staff to conduct eligibility determinations as they are requested. However, staff has recently been redirected to more urgent priorities such as implementing PERS reform legislation and addressing a surge in retirement activity. PERS projects a backlog of 10,000 eligibility determinations by the end of 2003-05. PERS is requesting continuation of temporary staffing to resolve the eligibility determination backlog. The Eligibility Backlog team consists of 9.00 limited duration FTE, all Retirement Counselor 1's.

Member Benefit Payment Adjustments/Reconciliations

Approximately 15 percent of all retirement calculations require adjustments or recalculations. The causes of benefit modifications fall into the following general categories:

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BUDGET NARRATIVE

- Members changing retirement options,
- Late arrival of service time, separation notices, and other information from employers,
- Final benefit adjustments due to estimated payments,
- Error correction,
- Age 80 account adjustments; and,
- Full cost purchases.

In 2003-05, PERS dedicated 5.00 FTE (4 limited duration) to address these complex payment adjustments based on 4,000 per year retirement volume. Due to an increase in retirement activity (12,000 new retirees in 2003) and the corresponding need for benefit modification, PERS does not expect to reduce the current backlog by 2005 and requests additional limited duration staffing.

Additional staff will allow PERS to eliminate the current backlog by the end of 2005-07. PERS expects to achieve increased efficiencies with the implementation of jClarety and the eventual replacement of RIMS to prevent further backlogs in this area. PERS requests 2.00 limited duration FTE (Retirement Counselor 2) for the 2005-07 biennium to remain in compliance with statutes and handle benefit payment modifications.

Clearing Account Backlog Support

PERS uses clearing accounts to ensure correct dollar amounts are transferred among various reserves when members retire, make service time purchases, or withdraw their account. An outstanding clearing account balance indicates a problem in the transfer of reserve amounts or an incomplete transaction, flagging potential errors or omissions that can affect a member's benefit or financial reporting accuracy.

Researching and correcting clearing account exceptions is broad and complex in nature and requires intervention of experienced staff. With PERS' most knowledgeable staff diverted to higher priorities, the backlog grew. PERS estimates 5,500 transactions need to be analyzed and cleared. While the Data Quality Assurance Section may correct some of these, most will require specific handling.

PERS requests resources to establish a Clearing Account Backlog Team. This limited duration team is composed of staff with specific research and analysis skills to review and correct all new and backlogged clearing account exceptions during 2005-07. With the elimination of the backlogs and stabilization of the agency, current staff will be able to address ongoing clearing account exceptions in the 2007-09 biennium and beyond.

PERS requests 7.00 limited duration FTE (Retirement Counselor 1). This staffing level is based on an average time of three hours to clear and correct one exception. With the current backlog of 5,500 exceptions and an estimated 2,400 new exceptions in 2005-07 biennium (based on 20 percent of 6,000 retirements per year), it will take approximately six FTE to meet the agency's needs. With the loss of efficiency required for training, PERS requests seven FTE to ensure that the project's goals are met by the end of the 2005-07 biennium.

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BUDGET NARRATIVE

Business Rules

Business rules must be written to ensure proper implementation of the new OPSRP program. The rules provide the fundamental building blocks of PERS' business processes and guide creation of policies and procedures, user documentation, administrative rules, and system development. Without a complete set of business rules for OPSRP, the risk of inconsistent agency practices and service increases.

The agency created a Business Rule Team in the 2003-05 biennium to develop a complete library of business rules for the Tier One-Tier Two plan. OPSRP requires an estimated 800 total business rules (based on a similar number for the current PERS' Tier One-Tier Two plan). Approximately 380 of the 800 OPSRP business rules will be completed by the end of the 2003-05 biennium, due to an overlap between the plans, leaving a backlog of approximately 420 rules to be completed.

PERS requests funding and position authority to continue the 2003-05 Business Rules Team through the 2005-07 biennium. The current team's familiarity with the development of business rules allows a seamless transition to focus on the needs of the OPSRP plan. With 420 business rules to be completed, at approximately 30 hours per rule, three limited duration FTE remains sufficient for a full biennium.

Revenue Source:

Revenues to fund administrative expenditures are obtained from the various PERS trusts and activities in accordance with statute and administrative rules. Costs are appropriately assigned to these trusts and activities through the PERS cost allocation system.

2007-09 Fiscal Impact

PERS does not anticipate any impact in the 2007-09 biennium at this time, provided external environmental factors remain stable and the RIMS replacement system allows for greater efficiencies and fewer manual calculations.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 103 - Resolve Accumulated Workload

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

Description	General Fund	Lottary Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	2,826,215	-	-	-	2,826,215
Total Revenues	-	-	\$2,826,215	-	-	-	\$2,826,215
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	1,555,632	-	-	-	1,555,632
Empl. Rel. Bd. Assessments	-	-	832	-	-	-	832
Public Employees' Retire Cont	-	-	227,586	-	-	-	227,586
Social Security Taxes	-	-	119,015	-	-	-	119,015
Worker's Comp. Assess. (WCD)	-	-	1,846	-	-	-	1,846
Mass Transit Tax	-	-	9,334	-	-	-	9,334
Flexible Benefits	-	-	479,856	-	-	-	479,856
Reconciliation Adjustment	-	-	264,014	-	-	-	264,014
Total Personal Services	-	-	\$2,658,115	-	-	-	\$2,658,115
Services & Supplies							
Employee Training	-	-	28,100	-	-	-	28,100
Office Expenses	-	-	140,000	-	-	-	140,000
Total Services & Supplies	-	-	\$168,100	-	-	-	\$168,100
Total Expenditures							
Total Expenditures	-	-	2,826,215	-	-	-	2,826,215
Total Expenditures	-	-	\$2,826,215	-	-	-	\$2,826,215

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 103 - Resolve Accumulated Workload

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							26
Total Positions	-	-	-	-	-	-	26
Total FTE							
Total FTE							26.00
Total FTE	-	-	-	-	-	-	26.00

9/21/05 REPORT NO.: PPDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 Operations

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

2005-07
 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 103 - Resolve Accumulated Workload

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
0710308 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710309 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710310 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710311 OA C0842 AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0710312 OA C0842 AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0710313 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710314 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710315 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710316 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710317 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710318 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710319 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710320 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710321 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710322 OA C0842 AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0710323 OA C0842 AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804

9/21/05 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

PICS SYSTEM: 2005-07 BUDGET PREPARATION

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PACKAGE: 103 - Resolve Accumulated Workload

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
0710324 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710325 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710326 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710327 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710328 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710329 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710330 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0710331 OA C0842 AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0710332 OA C0842 AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0710333 OA C0842 AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
TOTAL PICS SALARY							1,555,632			1,555,632
TOTAL PICS OPE							829,135			829,135
TOTAL PICS PERSONAL SERVICES =	26	26.00	624.00				2,384,767			2,384,767

BUDGET NARRATIVE

Operations

104 PERS Reform Legislation Implementation

Package Description

Purpose:

Fully implement PERS reform legislation with the completion of benefit set up and issuances and completion of the COLA recalculation/reinstatement project.

How Achieved:

PERS is requesting 34.00 limited duration FTE and \$4,042,282 in Other Funds limitation to complete implementation of 2003 Legislation during the 2005-07 Biennium. All positions requested were approved in the 2003-05 biennium. New legislation passed in 2003 resulted in PERS oversight of multiple long-term projects. These resources will help complete the projects mandated by the 2003 legislature. While PERS will fully implement some of these projects in 2003-05, the new programs will not take full effect until 2005-07. The implementation projects and related resources are detailed as follows:

Human Resources Support

PERS is requesting 34 limited duration staff to support the new legislation and an additional 48 limited duration staff to support other agency initiatives. While many of these staff will be hired during 2003-05, PERS requires ongoing recruitment support. Human Resources is involved when a limited duration position ends, due to specific processes related to layoff rights required under the bargaining agreement. To properly support these activities, PERS requests a 1.00 limited duration FTE (Human Resource Analyst 1) to support the hiring and termination of approximately 82 limited duration staff.

Facility Support

72nd Avenue Building:

The agency needs to seat the 87 limited duration positions and another 30 contract workers in 2005-07 biennium, in addition to 270 permanent staff. During 2003-05, PERS leased 15,009 sq. ft. at 72nd Avenue in Tigard, to accommodate approximately 120 staff at full utilization. While space requirement estimates lack certainty, PERS anticipates full utilization for 2005-07. Many limited duration staff will terminate at the end of the 2005-07 biennium, and the current lease agreement could be extended through October 31, 2008, with negotiable final year's costs. To continue the building lease through the end of the 2005-07 biennium, PERS is requesting an increase in its Facilities Rent by \$578,881. This calculation reflects the signed lease agreement ending November 2006 extended throughout the biennium, with a 6% inflation rate at the same sq. footage.

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Mail Services:

To provide mailroom, minor building support, and staff and mail shuttle service for the leased office space, a limited duration position was approved during the 2003-05 biennium. PERS is requesting the continuation of the 1.00 limited duration FTE (Mail Services Assistant) to continue this support for the 72nd Avenue office in 2005-07.

HB 2003 COLA Benefit Recalculation/Reinstatement

The 2003 Legislature created a statutory revision under HB 2003 to eliminate cost-of-living-adjustments (COLA) for a defined set of retirees, until readjustment of benefits due to past “over-crediting”. This project includes the following activities:

- Identify affected retirees and disable related COLA increases.
- Recalculate benefits for 30,500 accounts.
- Measure and monitor growth of recalculated benefit against “frozen” benefit.
- Reinstate COLA once the recalculated benefit meets or exceeds the “frozen” benefit.

While PERS initiated the project in the 2003-05 biennium most work will begin in the second half of the 2003-05 Biennium. An estimated two to four years will pass before a retiree’s COLA can be reinstated, and the recalculation and reinstatement of COLA will not begin until the COLA deferral period has passed. COLA suspension will be different for each member depending on when they retired. This places the majority of project work in the 2005-07 biennium.

PERS plans to continue the COLA Recalculation and Reinstatement Team through the end of the 2005-07 Biennium. This staffing level was approved in 2003-05, but the staggered nature of the COLA project allowed PERS only one year of effective use out of the requisite three year period. The team is composed of 22.00 limited duration FTE, assuming it takes 3.25 hours to recalculate and notify a member. With this resource, PERS anticipates reinstating COLA on most eligible retiree benefits by the end of 2005-07. The position detail for this team is as follows:

- 1.00 FTE Project Coordinator
- 2.00 FTE Program Technician 1
- 10.00 FTE Retirement Counselor 1
- 7.0 FTE Retirement Counselor 2
- 2.00 FTE Office Specialist 2

Modifications Included in Legislatively Adopted Budget - LFO Analyst Adjustments (SB 5558-A):

As a result of the March 8, 2005 Supreme Court ruling related to the Strunk lawsuit, the Joint Subcommittee approved changes to the package to

_____ Agency Request	_____ Governor’s Recommended	<u> X </u> Legislatively Adopted	Budget Page <u> 181 </u>
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BUDGET NARRATIVE

reflect the estimated operational impact. This resulted in eliminating 22 limited duration full-time positions (22.00 FTE) which were established to continue the COLA Recalculation and Reinstatement Team. The revision also includes reductions of \$2,061,959 Other Funds expenditure limitation for Personal Services and \$128,700 Other Funds expenditure limitation for Services and Supplies.

HB 2020 Benefit Set-up and Issuance

The legislatively approved OPSRP plan (HB 2020) included a defined benefit (Pension Program) and a defined contribution program (Individual Account Program). The defined contribution program utilizes a third-party administrator for most services, while PERS administers the Pension Program. The implementation of the Benefit Set-up and Issuance activities of the Pension Program require the following activities:

- Develop calculation and payment authorization processes and procedures.
- Participate in system development (jClarety) to automate the processes and procedures.
- Develop policies and training curriculum for staff.
- Calculate or authorize benefits under the new plan.

Five permanent and four limited duration FTE were approved for 2003-05 to support these activities, much of which was deferred into the later part of the 2003-05 biennium. Most of the systems and process development that will occur in the 2005-07 biennium required implementation of key jClarety components first. Thus, PERS is requesting the continuation of the 3.00 limited duration staff originally approved in the 2003-05 biennium. PERS will fully implement the benefit set-up and issuance processes for the OPSRP Pension Program by the end of 2005-07. Permanent staff approved in 2003-05 will then cover ongoing program activities. The limited duration staff requested is as follows:

- 1.00 FTE Retirement Counselor 2
- 2.00 FTE Office Specialist 2

HB 2020 Employer Data Exchange Support

The new jClarety software contained a web-based data and contribution collection package called “Employer Data Exchange” (EDX). This new process changed employer remittance of data and contributions to PERS to a web-based model, with the goal of reducing staff time and data errors for both sides. Although the Legislature provided PERS four months to implement the new system, not all aspects of this component will be fully implemented. A limited duration position was approved for the 2003-05 Biennium to assist with system development, process design, and employer training related to the data and contribution receipts component of the OPSRP implementation. PERS requests this ongoing system development and employer support through the 2005-07 biennium with 1.00 limited duration FTE (Program Technician 1) to ensure full implementation of the EDX component of jClarety.

BUDGET NARRATIVE

Legislative Implementation IT Support

To assist with the implementation of the 2003 legislation, PERS was authorized to hire additional staff, both permanent and limited duration. The 130 additional staff positions required increased IT support that led to the hiring of new IT staff. This supplemental staff provides services such as application analysis, desktop installation and maintenance, and helpdesk coverage. This additional resource ensured that the agency's network and production systems were extended to the new staff without impediment.

PERS anticipates the need to continue or add over 80 positions for the 2005-07 biennium. Adding the requested 6.00 limited duration FTE will ensure all PERS staff receives proper IT support. While most of these positions will be obsolete as the large number of limited duration positions end, a portion of these IT positions may still be required to address new permanent staff's needs. To ensure that adequate IT support to all PERS staff, the agency is requesting the following limited duration positions through the end of 2005-07:

- 1.00 FTE Information Systems Specialist 7
- 1.00 FTE Information Systems Specialist 6
- 2.00 FTE Information Systems Specialist 4
- 1.00 FTE Information Systems Specialist 3
- 1.00 FTE Information Systems Specialist 2

Modifications Included in Governor's Recommended Budget:

- Change one limited-duration, full time Information Systems Specialist 3 (1.00 FTE) position to a limited-duration, full-time Information Specialist 2 (1.00 FTE) position.
- Change one limited-duration, full time Information Systems Specialist 6 (1.00 FTE) position to a limited-duration, full-time Information Specialist 5 (1.00 FTE) position.
- Change one limited-duration, full time Information Systems Specialist 7 (1.00 FTE) position to a limited-duration, full-time Information Specialist 5 (1.00 FTE) position.

2007-09 Fiscal Impact

No fiscal impact is anticipated in the 2007-09 biennium. PERS expects full implementation of 2003 reform legislation, as adopted, by the end of the 2005-07 biennium.

____ Agency Request	____ Governor's Recommended	<u> X </u> Legislatively Adopted	Budget Page <u> 183 </u>
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ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 104 - PERS Reform Legislation Implementation

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	1,831,166	-	-	-	1,831,166
Total Revenues	-	-	\$1,831,166	-	-	-	\$1,831,166
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	779,808	-	-	-	779,808
Empl. Rel. Bd. Assessments	-	-	384	-	-	-	384
Public Employees' Retire Cont	-	-	114,084	-	-	-	114,084
Social Security Taxes	-	-	59,657	-	-	-	59,657
Worker's Comp. Assess. (WCD)	-	-	852	-	-	-	852
Mass Transit Tax	-	-	12,690	-	-	-	12,690
Flexible Benefits	-	-	221,472	-	-	-	221,472
Reconciliation Adjustment	-	-	(20,762)	-	-	-	(20,762)
Total Personal Services	-	-	\$1,168,185	-	-	-	\$1,168,185
Services & Supplies							
Employee Training	-	-	24,100	-	-	-	24,100
Office Expenses	-	-	60,000	-	-	-	60,000
Facilities Rental and Taxes	-	-	578,881	-	-	-	578,881
Total Services & Supplies	-	-	\$662,981	-	-	-	\$662,981
Total Expenditures							
Total Expenditures	-	-	1,831,166	-	-	-	1,831,166
Total Expenditures	-	-	\$1,831,166	-	-	-	\$1,831,166

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Essential and Policy Package Fiscal Impact Summary - BPR013

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 104 - PERS Reform Legislation Implementation

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							12
Total Positions	-	-	-	-	-	-	12
Total FTE							
Total FTE							12.00
Total FTE	-	-	-	-	-	-	12.00

9/21/05 REPORT NO.: PPDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 Operations

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

2005-07
 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 104 - PERS Reform Legislation Implem

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
0710401 MMN X1320 AA HUMAN RESOURCE ANALYST 1	1	1.00	24.00	02	2,874.00		68,976 33,927			68,976 33,927
0710402 OA C0405 AA MAIL SERVICES ASSISTANT	1	1.00	24.00	02	1,582.00		37,968 27,018			37,968 27,018
0710425 OA C0842 AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0710426 OA C0104 AA OFFICE SPECIALIST 2	1	1.00	24.00	02	1,949.00		46,776 28,980			46,776 28,980
0710427 OA C0104 AA OFFICE SPECIALIST 2	1	1.00	24.00	02	1,949.00		46,776 28,980			46,776 28,980
0710428 OA C0812 AA PROGRAM TECHNICIAN 1	1	1.00	24.00	02	2,790.00		66,960 33,478			66,960 33,478
0710429 OA C1482 IA INFO SYSTEMS SPECIALIST 2	1	1.00	24.00	02	2,575.00		61,800 32,328			61,800 32,328
0710430 OA C1482 IA INFO SYSTEMS SPECIALIST 2	1	1.00	24.00	02	2,575.00		61,800 32,328			61,800 32,328
0710431 OA C1484 IA INFO SYSTEMS SPECIALIST 4	1	1.00	24.00	02	3,197.00		76,728 35,654			76,728 35,654
0710432 OA C1484 IA INFO SYSTEMS SPECIALIST 4	1	1.00	24.00	02	3,197.00		76,728 35,654			76,728 35,654
0710433 OA C1485 IA INFO SYSTEMS SPECIALIST 5	1	1.00	24.00	02	3,570.00		85,680 37,649			85,680 37,649
0710434 OA C1485 IA INFO SYSTEMS SPECIALIST 5	1	1.00	24.00	02	3,570.00		85,680 37,649			85,680 37,649
TOTAL PICS SALARY							779,808			779,808
TOTAL PICS OPE							396,449			396,449
TOTAL PICS PERSONAL SERVICES =	12	12.00	288.00				1,176,257			1,176,257

BUDGET NARRATIVE

Operations

105 Information Technology Initiatives

Package Description

Purpose:

Five initiatives to strengthen and enhance services provided by the Information Services Division.

- Reduce the number of days it takes to retrieve microfilmed documents when providing customer service to members by providing microfilmed member records in an electronic format to PERS staff for immediate access at their desktop.
- Improves the knowledge base of IS staff by hiring staff with a foundation in programming languages new technology is written in.
- Provides the training required to operate, support, and maintain the new jClarety system.
- Ensures sufficient maintenance of existing PERS IT infrastructure.
- Creates a temporary Data Quality Assurance Section to reduce the backlog of inaccurate data fixes that are needed in RIMS.

How Achieved:

PERS requests expenditure limitation of \$3,011,210 Other Funds, and position authority for 17.00 limited duration FTE to improve services in the Information Services Division.

Document Imaging

All member documents are microfilmed by PERS' Imaging and Information Management Section (IIM). The process takes approximately five days from the date the document is received by PERS to when the film is developed and available for agency use. When a document is requested, IIM staff prints a copy of the document and then sends the photo through interoffice mail to the requestor. The entire filming and retrieval process can take 6 days before a user can see a document and respond to the member.

PERS proposes to eliminate both the filming and the retrieval lag times by making documents available to staff within 24 hours of receipt. Currently, all new documents are digitized; however, PERS has approximately 20 million documents on microfilm to be converted to a digital image, much of which supports upcoming retirements. After these targeted documents are digitized, any authorized employee can pull-up an entire member file on their desktop PC within seconds.

PERS proposes the use of 8.0 Office Specialist 2 FTE, for two years, to convert all of the microfilmed documents for those members who will be retiring in the next 10 years. The request also includes \$75,000 to purchase an additional scanning unit and associated software to reduce the risk of serious interruption to productivity and allow the agency to more quickly realize its goal of making documents available online.

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BUDGET NARRATIVE

Included in Governor's Recommended Budget as modified:

- Change six limited-duration, full time Office Specialist 2 positions (6.00 FTE) to six limited-duration, full time Office Assistant 1 positions (6.00 FTE).
- Change two limited-duration, full time Office Specialist 2 positions (2.00 FTE) to two limited-duration, full time Office Specialist 1 positions (2.00 FTE).

Improve Programming Knowledge Base

PERS requests expenditure limitation and position authority for 2.0 permanent FTE to provide development, enhancement and modification support for the Agency's pension administration system.

The positions will provide the appropriate skill set required to effectively support the new technology brought on by the implementation of jClarety. With the current implementation of jClarety for the HB2020 plan (i.e., OPSRP/238A) and the expected implementation of jClarety to accommodate the existing PERS plan (i.e., the 238 plan), the Software Engineering Section of the Agency needs to build the appropriate skill set to effectively support the new technology upon which jClarety is built.

The Agency is transitioning away from the old legacy COBOL skill set to the new Java/J2EE/SQL skill set that supports the platform of the jClarety system and PERS' future development efforts. There is currently no one on staff who possesses the technical skills necessary to develop programs that will integrate into or support jClarety. PERS is entirely reliant on outside contractors for support of its major line of business application. In order to reduce risk in the project and enable ongoing support during and after implementation, PERS needs to hire qualified staff so that it can develop internal knowledge and expertise while the system is being implemented and while the expertise of our integration partner (Covansys) is installing the system. PERS requests two ISS8 level positions to serve as senior Analysts/Developers during and after the implementation of jClarety (for HB2020 and RIMS replacement). These positions will be filled with individuals that have significant experience in Java, J2EE, SQL and other tools that are key components to the jClarety platform. Once these positions are filled, the incumbents will also serve as trainers and mentors to existing staff.

Included in Governor's Recommended Budget as modified:

- Change two permanent, full-time Information Systems Specialist 8 positions (2.00 full-time equivalent) to limited-duration status.

ISD Staff Training

The agency's legacy computer system, Retirement Information Management System (RIMS), was developed in the 1980's to satisfy existing requirements and workloads. For the past 15-20 years, information services staff was trained primarily to maintain RIMS, an application based on

BUDGET NARRATIVE

outdated technologies of COBOL and CICS. In 2003, PERS chose a new business application, jClarety, to accommodate the needs of PERS reform legislation. The new Java-based application will deliver much needed functionality into the foreseeable future. Because the existing staff skill set is focused on outdated technology and training, the implementation and support of the new system depends heavily on outside contracting services.

PERS plans to move the jClarety support in-house to ensure security, control and cost effectiveness. Information Systems Division (ISD) staff require training to support, modify, and enhance the new system, as well as other new IS infrastructure components. The transition begins in the 2003-05 biennium and will be continued through 2005-07. Thereafter, PERS' plan is to continue enhancing staff skills as new technologies emerge.

PERS requests \$144,000 other funds limitation to provide an average of \$3,000 of specialized IS training per FTE position in the division. PERS currently allocates an average of \$1,000 in training per FTE, agency-wide.

Included in Governor's Recommended Budget as modified:

- The Governor's Recommended Budget reduces the requested specialized IT training increase to \$75,000 for focused ISD training.

IT Infrastructure Maintenance

The onsite information technology (IT) environment at PERS doubled during the 2003-05 biennium due to implementation of jClarety and the addition of over 130 full-time permanent and limited duration staff and a second, offsite location. The new IT environment contains components critical to PERS business operations, but its ongoing maintenance costs are not fully funded in the base budget. PERS requests an additional \$1,458,000 other funds limitation in its data processing budget to meet its IT environment maintenance needs to ensure full infrastructure support.

Information Technology Asset Management

PERS requests an increase of \$75,000 Other Funds to enable the agency to comply with the State's technology asset management objectives in the DAS Information Technology Asset Inventory/Management policy (#IRM 107-004-010), which fulfills state obligations under ORS 184.473, the State Enterprise Information Resource Management Strategy, and the Governor's priorities relating to government efficiency and effectiveness. The components that make up the costs associated with this request include: purchasing the asset management component to the agency's current call tracking application; increasing the number of licenses to support the growing user population; purchasing appropriately sized hardware for the application; acquiring consulting services to help set up and configure the servers and software; and, staff training to ensure that the application is running correctly and that the overall objective of an accurate inventory management procedure is attained.

Not included in Governor's Recommended Budget:

- The Governor's Recommended Budget directs PERS to undertake its technology asset management initiative with available resources to fulfill state obligations under the State Enterprise Information Resource Management Strategy.

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Data Quality Assurance Section

The Retirement Information Management System (RIMS) contains inaccurate or missing data. Data errors result in incorrect member information, incorrect or delayed benefit payments, and prevent the set-up of member benefits. Often data errors must be “fixed” by direct intervention to the database instead of standard user input screens. Staff must analyze each database fix due to the interdependent complexity of the system. The time spent on each fix varies: some fixes are analyzed, approved, and implemented within hours while other fixes can take one or more team members days of work.

PERS estimates there are 10,000 data errors pending with 50 new data errors discovered each month. This volume exceeds the capacity of the existing ad hoc team. PERS proposes creating a limited duration Data Quality Assurance Section of subject matter experts to research, analyze, and correct data errors. This focused team approach will eliminate the database fix backlog while addressing any new data errors. The temporary Data Quality Assurance Section consists of 7.00 limited duration FTE:

- 1.00 FTE Project Coordinator
- 3.00 FTE Program Technician 1
- 1.00 FTE Program Technician 2
- 2.00 FTE Information Systems Specialist 6

Included in Governor’s Recommended Budget as modified:

- Change one limited-duration, full time Program Technician 2 position (1.00 FTE) to a limited-duration, full time Principal Executive Manager B position (1.00 FTE).

Revenue Source:

Revenues to fund administrative expenditures are obtained from the various PERS trusts and activities in accordance with statute and administrative rules. Costs are appropriately assigned to these trusts and activities through the PERS cost allocation system.

2007-09 Fiscal Impact

- 1) \$117,600 for ongoing maintenance of the \$251,000 Capital Outlay purchases with a life cycle of 5 years.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 105 - Information Technology Initiatives

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	3,000,995	-	-	-	3,000,995
Total Revenues	-	-	\$3,000,995	-	-	-	\$3,000,995
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	1,055,856	-	-	-	1,055,856
Empl. Rel. Bd. Assessments	-	-	544	-	-	-	544
Public Employees' Retire Cont	-	-	154,469	-	-	-	154,469
Social Security Taxes	-	-	80,777	-	-	-	80,777
Worker's Comp. Assess. (WCD)	-	-	1,207	-	-	-	1,207
Mass Transit Tax	-	-	6,335	-	-	-	6,335
Flexible Benefits	-	-	313,752	-	-	-	313,752
Reconciliation Adjustment	-	-	(263,995)	-	-	-	(263,995)
Total Personal Services	-	-	\$1,348,945	-	-	-	\$1,348,945
Services & Supplies							
Employee Training	-	-	93,050	-	-	-	93,050
Office Expenses	-	-	75,000	-	-	-	75,000
Data Processing	-	-	1,207,000	-	-	-	1,207,000
Expendable Prop 250 - 5000	-	-	26,000	-	-	-	26,000
Total Services & Supplies	-	-	\$1,401,050	-	-	-	\$1,401,050
Capital Outlay							
Data Processing Software	-	-	147,000	-	-	-	147,000

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 105 - Information Technology Initiatives

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Capital Outlay							
Data Processing Hardware	-	-	104,000	-	-	-	104,000
Total Capital Outlay	-	-	\$251,000	-	-	-	\$251,000
Total Expenditures							
Total Expenditures	-	-	3,000,995	-	-	-	3,000,995
Total Expenditures	-	-	\$3,000,995	-	-	-	\$3,000,995
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							17
Total Positions	-	-	-	-	-	-	17
Total FTE							
Total FTE							17.00
Total FTE	-	-	-	-	-	-	17.00

9/21/05 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

2005-07
 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 105 - Information Technology Initiat

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
0710301	OA	C0810	AA PROJECT COORDINATOR	1	1.00	24.00	02	3,208.00		76,992 35,713			76,992 35,713
0710302	OA	C0812	AA PROGRAM TECHNICIAN 1	1	1.00	24.00	02	2,790.00		66,960 33,478			66,960 33,478
0710303	OA	C0812	AA PROGRAM TECHNICIAN 1	1	1.00	24.00	02	2,790.00		66,960 33,478			66,960 33,478
0710304	MMS	X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	02	3,062.00		73,488 34,932			73,488 34,932
0710305	OA	C0812	AA PROGRAM TECHNICIAN 1	1	1.00	24.00	02	2,790.00		66,960 33,478			66,960 33,478
0710306	OA	C1486	IA INFO SYSTEMS SPECIALIST 6	1	1.00	24.00	02	3,818.00		91,632 38,975			91,632 38,975
0710307	OA	C1486	IA INFO SYSTEMS SPECIALIST 6	1	1.00	24.00	02	3,818.00		91,632 38,975			91,632 38,975
0710501	OA	C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	02	1,714.00		41,136 27,724			41,136 27,724
0710502	OA	C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	02	1,714.00		41,136 27,724			41,136 27,724
0710503	OA	C0102	AA OFFICE ASSISTANT 2	1	1.00	24.00	02	1,513.00		36,312 26,649			36,312 26,649
0710504	OA	C0102	AA OFFICE ASSISTANT 2	1	1.00	24.00	02	1,513.00		36,312 26,649			36,312 26,649
0710505	OA	C0102	AA OFFICE ASSISTANT 2	1	1.00	24.00	02	1,513.00		36,312 26,649			36,312 26,649
0710506	OA	C0102	AA OFFICE ASSISTANT 2	1	1.00	24.00	02	1,513.00		36,312 26,649			36,312 26,649
0710507	OA	C0102	AA OFFICE ASSISTANT 2	1	1.00	24.00	02	1,513.00		36,312 26,649			36,312 26,649
0710508	OA	C0102	AA OFFICE ASSISTANT 2	1	1.00	24.00	02	1,513.00		36,312 26,649			36,312 26,649
0710509	OA	C1488	IA INFO SYSTEMS SPECIALIST 8	1	1.00	24.00	02	4,606.00		110,544 43,189			110,544 43,189

9/21/05 REPORT NO.: PPDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 Operations

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

2005-07
 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 105 - Information Technology Initiat

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
0710510 OA C1488 IA INFO SYSTEMS SPECIALIST 8	1	1.00	24.00	02	4,606.00		110,544 43,189			110,544 43,189
TOTAL PICS SALARY							1,055,856			1,055,856
TOTAL PICS OPE							550,749			550,749
TOTAL PICS PERSONAL SERVICES =	17	17.00	408.00				1,606,605			1,606,605

BUDGET NARRATIVE

Operations

106 Ratification of Fee Revenue

Package Description

A request for the establishment of a fee to charge members for each additional retirement benefit estimate of more than two estimates within a calendar year was submitted under the statutory authority of Enrolled HB 2401(5). The fee of \$60 per additional estimate covers actual costs. OAR 459-005-0250 was adopted and the fee became effective on January 1, 2004. The current biennial revenue impact is estimated at \$360,000 and is projected at \$480,000 in the 2005-07 biennium. This revenue reduces the amount of funds needed to be transferred from pension trust earnings to cover operating expenditures.

2007-09 Fiscal Impact

The agency anticipates continuing impact of \$480,000 per biennium. However, as web-based calculation tools are made available to members, multiple benefit estimate requests may decline.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 106 - Ratification of Fee Revenue

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Revenues							
Charges for Services	-	-	480,000	-	-	-	480,000
Transfer In - Intrafund	-	-	(480,000)	-	-	-	(480,000)
Total Revenues	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

BUDGET NARRATIVE

Operations

107 RIMS Replacement

Package Description

Purpose:

To enable the agency to operate more efficiently and effectively through the implementation of a modern pension administration system (jClarety). This system will leverage the technology and investment the agency has already made to implement the jClarety system for the ORS 238A pension plan adopted in 2003 as part of PERS reform.

How Achieved:

The project eliminates the legacy Retirement Information Management System (RIMS) and greatly simplifies the technical and administrative environment at PERS by providing one integrated retirement benefit application for all plans and options. RIMS replacement allows agency staff, customers and other stakeholders immediate access to plan data and other administrative features. This project integrates the functionality required for the PERS pension plan described in ORS 238 into the business application created for the new pension plan (OPSRP) established in 2003.

PERS requests \$1 Other Funds expenditure limitation as a placeholder until project planning, authorized by the April 2004 meeting of the Emergency Board, and the definition of project scope has been completed. At that time, PERS will request an increase in expenditure limitation and position authority for the 2005-07 biennium to implement jClarety as the major component in the agency's RIMS replacement strategy. The project is anticipated to span approximately 44 months with final completion occurring in the 2007-09 biennium.

The agency's major line of business application, RIMS, has been degrading rapidly and steadily over the past 10 years. It is estimated that RIMS contains only 50% – 60% of the required functionality necessary for agency benefit administration purposes. This has led to numerous workarounds in the form of manual processes and off-line systems which, in turn, have led to broken processes, numerous data sources, inefficient work flows, inaccurate benefit calculations and inadequate customer and member services.

When the new OPSRP plan was established in August 2003, the agency was also instructed to provide an automated pension administration system as soon as practicable. In response to that instruction, PERS, through an emergency procurement process, selected jClarety as the pension administration system for the new plan. The project to implement jClarety for OPSRP is scheduled to be completed in October 2005.

BUDGET NARRATIVE

Finally, PERS intends to further streamline its processes and operations by providing member and employer self-service modules. This allows PERS customers and other stakeholders immediate access to plan data and other administrative features rather than rely on PERS staff to provide this information.

Staffing Impact:

PERS does not make a request for staffing at this time. Initial estimates on staffing impact indicate an increase of 15 positions to be used as back fill for subject matter experts who will be assigned to the project during the requirements definition and implementation phases of the project. This allows key personnel to focus on a successful design and implementation of the application without having to shift focus back and forth between project priorities and day-to-day operations.

Added in Governor's Recommended Budget

- Establish three limited-duration, full-time Principle Executive Manager D positions (3.00 FTE)
- Establish two limited-duration, full-time Program Tech 2 positions (2.00 FTE)
- Establish one limited-duration, full-time Compliance Specialist 2 position (1.00 FTE)
- Increase the limitation from \$1 to \$15,117,125

Revenue Source:

The original jClarety project was funded initially from Certificates of Participation (COP). PERS, as part of its trust fund stewardship responsibilities, will perform a cost-benefit analysis of financing this project with COP's. Revenues to fund administrative expenditures are obtained from the various PERS trusts and activities in accordance with statute and administrative rules. Costs are appropriately assigned to these trusts and activities through the PERS cost allocation system.

2007-09 Fiscal Impact

Continuation of the RIMS Replacement project has a 2007-09 fiscal impact of \$10,264,273 Other Funds limitation, bringing total project costs to \$27.5 million over the 44 month project period. This provides funding for 6 limited duration positions through August 2008 (3.48 FTE).

Major Information Technology Projects \$500,000+

This is a major information technology project that requires a business case, project proposal, IRMD approval and BAM approval. The appropriate documents and forms are being submitted with the 2005-07 request budget.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 107 - RIMS Replacement

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	15,112,243	-	-	-	15,112,243
Total Revenues	-	-	\$15,112,243	-	-	-	\$15,112,243
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	516,216	-	-	-	516,216
Empl. Rel. Bd. Assessments	-	-	192	-	-	-	192
Public Employees' Retire Cont	-	-	75,522	-	-	-	75,522
Social Security Taxes	-	-	39,490	-	-	-	39,490
Worker's Comp. Assess. (WCD)	-	-	426	-	-	-	426
Mass Transit Tax	-	-	3,079	-	-	-	3,079
Flexible Benefits	-	-	110,736	-	-	-	110,736
Reconciliation Adjustment	-	-	62	-	-	-	62
Total Personal Services	-	-	\$745,723	-	-	-	\$745,723
Services & Supplies							
Employee Training	-	-	8,100	-	-	-	8,100
Office Expenses	-	-	30,000	-	-	-	30,000
Data Processing	-	-	968,147	-	-	-	968,147
IT Professional Services	-	-	12,650,397	-	-	-	12,650,397
IT Expendable Property	-	-	21,000	-	-	-	21,000
Total Services & Supplies	-	-	\$13,677,644	-	-	-	\$13,677,644
Capital Outlay							
Data Processing Software	-	-	300,019	-	-	-	300,019

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X _____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 107 - RIMS Replacement

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Capital Outlay							
Data Processing Hardware	-	-	388,857	-	-	-	388,857
Total Capital Outlay	-	-	\$688,876	-	-	-	\$688,876
Total Expenditures							
Total Expenditures	-	-	15,112,243	-	-	-	15,112,243
Total Expenditures	-	-	\$15,112,243	-	-	-	\$15,112,243
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							6
Total Positions	-	-	-	-	-	-	6
Total FTE							
Total FTE							6.00
Total FTE	-	-	-	-	-	-	6.00

9/21/05 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

2005-07
 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 107 - RIMS Replacement

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
0710701	MMS	X7006	AA PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	02	3,903.00		93,672 39,429			93,672 39,429
0710702	MMS	X7006	AA PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	02	3,903.00		93,672 39,429			93,672 39,429
0710703	MMS	X7006	AA PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	02	3,903.00		93,672 39,429			93,672 39,429
0710704	OA	C0813	AA PROGRAM TECHNICIAN 2	1	1.00	24.00	02	3,370.00		80,880 36,579			80,880 36,579
0710705	OA	C0813	AA PROGRAM TECHNICIAN 2	1	1.00	24.00	02	3,370.00		80,880 36,579			80,880 36,579
0710706	OA	C5247	AA COMPLIANCE SPECIALIST 2	1	1.00	24.00	02	3,060.00		73,440 34,921			73,440 34,921
TOTAL PICS SALARY										516,216			516,216
TOTAL PICS OPE										226,366			226,366
TOTAL PICS PERSONAL SERVICES =				6	6.00	144.00				742,582			742,582

BUDGET NARRATIVE

Operations

801 LFO Analyst Adjustments (SB 5558-A)

This package includes adjustments made to the Governor's Recommended Budget. The Joint Subcommittee made the following standard adjustments to operational costs associated with the administration of the agency's various retirement related programs:

- Reduction of \$253,578 Other Funds expenditure limitation for the PERS rate reduction from 15.52% to 14.63%;
- Reduction of \$68,054 Other Funds expenditure limitation for the Attorney General rate reduction.

2007-09 Fiscal Impact

No fiscal impact is anticipated in the 2007-09 biennium at this time.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 801 - LFO Analyst Adjustments

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	(66,510)	-	-	-	(66,510)
Total Revenues	-	-	(\$66,510)	-	-	-	(\$66,510)
Personal Services							
Reconciliation Adjustment	-	-	1,545	-	-	-	1,545
Total Personal Services	-	-	\$1,545	-	-	-	\$1,545
Services & Supplies							
Attorney General	-	-	(68,054)	-	-	-	(68,054)
Total Services & Supplies	-	-	(\$68,054)	-	-	-	(\$68,054)
Total Expenditures							
Total Expenditures	-	-	(66,509)	-	-	-	(66,509)
Total Expenditures	-	-	(\$66,509)	-	-	-	(\$66,509)
Ending Balance							
Ending Balance	-	-	(1)	-	-	-	(1)
Total Ending Balance	-	-	(\$1)	-	-	-	(\$1)

BUDGET NARRATIVE

Operations

804 Assessment Rate Adjustments (HB 5176-A)

This package includes adjustments made to the Governor's Recommended Budget. House Bill 5176-A makes adjustments to 2005-07 budgeted expenditures for state agencies to reflect the impact of a number of changes to DAS assessments and charges as well as several other assessments and charges, as follows:

- Reduction in the State Controller's Division Oregon State Payroll System user charges;
- Reduction in the Mall Plaza debt service;
- Elimination of the assessment for the Progress Board;
- Reduction in the uniform rent rate for office space of \$.08 per square foot per month;
- Reduction in the fleet rate;
- Reduction reflecting the elimination of the Public Employees Benefits Board (PEBB) Wellness program;
- Reduction in telecom costs as a result of the Smart Buy program;
- Changes related to the recent restructure/rebuild of the DAS Information Resources Management Division, including a new assessment for a second phase of Cyber Security activities;
- Treasury Debt Management charges have been adjusted to reflect updated information on Agencies' relative debt levels and new debt issuances;
- Reduction in Library assessments consistent with the Legislatively Adopted Budget for the State Library;
- DAS Human Resouce Services Division charges have been adjusted to better reflect workload;
- Reduction in Secretary of State Audits Division assessment consistent with the Legislatively Adopted Budget for the Secretary of State.

All the changes above result in a \$115,529 reduction in Other Funds expenditure limitation to administrative and operating expenses.

2007-09 Fiscal Impact

No fiscal impact is anticipated in the 2007-09 biennium at this time.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 804 - Assessment and Rate Adjustments

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	(94,955)	-	-	-	(94,955)
Total Revenues	-	-	(\$94,955)	-	-	-	(\$94,955)
Personal Services							
Reconciliation Adjustment	-	-	2,975	-	-	-	2,975
Total Personal Services	-	-	\$2,975	-	-	-	\$2,975
Services & Supplies							
Instate Travel	-	-	(37,724)	-	-	-	(37,724)
Telecommunications	-	-	(44,589)	-	-	-	(44,589)
State Gov. Service Charges	-	-	42,071	-	-	-	42,071
Data Processing	-	-	(51,703)	-	-	-	(51,703)
Facilities Rental and Taxes	-	-	(8,943)	-	-	-	(8,943)
Total Services & Supplies	-	-	(\$100,888)	-	-	-	(\$100,888)
Total Expenditures							
Total Expenditures	-	-	(97,913)	-	-	-	(97,913)
Total Expenditures	-	-	(\$97,913)	-	-	-	(\$97,913)
Ending Balance							
Ending Balance	-	-	2,958	-	-	-	2,958
Total Ending Balance	-	-	\$2,958	-	-	-	\$2,958

BUDGET NARRATIVE

810 Additional Ways and Means Adjustments (SB 5558-A)

This package includes adjustments made to the Governor's Recommended Budget as a result of March 8, 2005 Supreme Court Strunk ruling. While positions were eliminated in Package 104 (see pages 181-182), the Strunk ruling will result in an additional operational impact on the agency. The package includes \$2,985,614 Other Funds expenditure limitation for Personal Services and \$944,050 Other Funds expenditure limitation for Services and Supplies. This package also includes 33 limited duration full-time positions, 33.00 full-time equivalents (FTE), as follows:

In the Benefit Payments Division:

- One limited-duration, full-time Project Manager 1 position (1.00 FTE);
- Two limited-duration, full-time Program Technician 1 positions (2.00 FTE);
- Seven limited-duration, full-time Retirement Counselor 2 positions (7.00 FTE);
- Thirteen limited-duration, full-time Retirement Counselor 1 positions (13.00 FTE);
- Two limited-duration, full-time Office Specialist 2 positions (2.00 FTE);

In the Information Systems Division:

- One limited-duration, full-time Support Services Supervisor 1 position (1.00 FTE);
- One limited-duration, full-time Information Specialist position (1.00 FTE);
- One limited-duration, full-time Office Specialist position (1.00 FTE);
- Two limited-duration, full-time Data Entry Operator positions (2.00 FTE);

In the Customer Services Division:

- One limited-duration, full-time Administrative Specialist 1 position (1.00 FTE);
- One limited-duration, full-time Word Processing Technician 3 position (1.00 FTE); and

In the Policy, Planning and Legislative Analysis Division:

- One limited-duration, full-time Compliance Specialist 1 position (1.00 FTE).

2007-09 Fiscal Impact

The full impact of the Strunk ruling will be determined following the Supreme Court Ruling on the City of Eugene case. At that time PERS will evaluate staffing needs and a timeline to fully implement the court decisions.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 810 - Additional Ways and Means Adjustments

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	3,929,664	-	-	-	3,929,664
Total Revenues	-	-	\$3,929,664	-	-	-	\$3,929,664
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	1,916,112	-	-	-	1,916,112
Empl. Rel. Bd. Assessments	-	-	1,056	-	-	-	1,056
Public Employees' Retire Cont	-	-	280,324	-	-	-	280,324
Social Security Taxes	-	-	146,588	-	-	-	146,588
Worker's Comp. Assess. (WCD)	-	-	2,343	-	-	-	2,343
Flexible Benefits	-	-	609,048	-	-	-	609,048
Reconciliation Adjustment	-	-	30,143	-	-	-	30,143
Total Personal Services	-	-	\$2,985,614	-	-	-	\$2,985,614
Services & Supplies							
Employee Training	-	-	29,050	-	-	-	29,050
Office Expenses	-	-	165,000	-	-	-	165,000
IT Professional Services	-	-	750,000	-	-	-	750,000
Total Services & Supplies	-	-	\$944,050	-	-	-	\$944,050
Total Expenditures							
Total Expenditures	-	-	3,929,664	-	-	-	3,929,664
Total Expenditures	-	-	\$3,929,664	-	-	-	\$3,929,664

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
Pkg: 810 - Additional Ways and Means Adjustments

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Non-Limited Other Funds	Non-Limited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-
Total Positions							
Total Positions							33
Total Positions	-	-	-	-	-	-	33
Total FTE							
Total FTE							33.00
Total FTE	-	-	-	-	-	-	33.00

9/21/05 REPORT NO.: PDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
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DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

2005-07
 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 810 - Additional Ways and Means Adju

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
0711001 OA C0854 AA PROJECT MANAGER 1	1	1.00	24.00	02	3,208.00		76,992 35,713			76,992 35,713
0711002 OA C0812 AA PROGRAM TECHNICIAN 1	1	1.00	24.00	02	2,790.00		66,960 33,478			66,960 33,478
0711003 OA C0812 AA PROGRAM TECHNICIAN 1	1	1.00	24.00	02	2,790.00		66,960 33,478			66,960 33,478
0711004 OA C0842 AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0711005 OA C0842 AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0711006 OA C0842 AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0711007 OA C0842 AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0711008 OA C0842 AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0711009 OA C0842 AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0711010 OA C0842 AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,664.00		63,936 32,804			63,936 32,804
0711011 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0711012 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0711013 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0711014 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0711015 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0711016 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553

9/21/05 REPORT NO.: PDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
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DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

2005-07
 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 810 - Additional Ways and Means Adju

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
0711017 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0711018 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0711019 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0711020 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0711021 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0711022 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0711023 OA C0841 AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,430.00		58,320 31,553			58,320 31,553
0711024 OA C0104 AA OFFICE SPECIALIST 2	1	1.00	24.00	02	1,949.00		46,776 28,980			46,776 28,980
0711025 OA C0104 AA OFFICE SPECIALIST 2	1	1.00	24.00	02	1,949.00		46,776 28,980			46,776 28,980
0711026 MMS X0112 AA SUPPORT SERVICES SUPERVISOR 1	1	1.00	24.00	02	2,158.00		51,792 30,098			51,792 30,098
0711027 OA C1492 AA INFORMATION SPECIALIST	1	1.00	24.00	02	3,060.00		73,440 34,921			73,440 34,921
0711028 OA C0103 AA OFFICE SPECIALIST 1	1	1.00	24.00	02	1,714.00		41,136 27,724			41,136 27,724
0711029 OA C0501 AA DATA ENTRY OPERATOR	1	1.00	24.00	02	1,651.00		39,624 27,387			39,624 27,387
0711030 OA C0501 AA DATA ENTRY OPERATOR	1	1.00	24.00	02	1,651.00		39,624 27,387			39,624 27,387
0711031 OA C0107 AA ADMINISTRATIVE SPECIALIST 1	1	1.00	24.00	02	2,115.00		50,760 29,868			50,760 29,868
0711032 OA C0532 AA WORD PROCESSING TECHNICIAN 3	1	1.00	24.00	02	2,019.00		48,456 29,355			48,456 29,355

9/21/05 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

2005-07
 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 810 - Additional Ways and Means Adju

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
0711033 OA C5246 AA COMPLIANCE SPECIALIST 1	1	1.00	24.00	02	2,546.00		61,104 32,173			61,104 32,173
TOTAL PICS SALARY							1,916,112			1,916,112
TOTAL PICS OPE							1,039,359			1,039,359
TOTAL PICS PERSONAL SERVICES =	33	33.00	792.00				2,955,471			2,955,471

BUDGET NARRATIVE

Debt Service

Overview

This program accounts for debt service payments on Certificates of Participation that were issued to finance two major agency projects – the PERS headquarters building and capital costs associated with the OPSRP technology platform.

Although PERS has significant resources available, COPs were utilized due to lower interest costs or higher lost opportunity costs related to alternative financing methods. The revenue source that services the COPs is Other Funds. These two projects are described as follows:

PERS Headquarters Building

In the mid-1990's PERS recognized that the former headquarters location in Portland could not serve the long-term needs of the agency. As a result PERS, cooperating with DAS State Facilities, built a headquarters in Tigard in 1997 with land and construction costs financed through the issuance of a COP. The original \$8.6 million COP was partially refinanced in March of 2002 through the issuance of a second, lower rate COP. Earnings on the PERS fund will pay the remaining balance for the first COP (\$1.1 million as of 06-30-04) in May 2006, and the second COP (\$5.86 million as of 06-30-04) in May 2017.

Oregon Public Service Retirement Plan Information Technology Project

The Legislature recognized that revenues from the IAP and Pension Program would not suffice to cover the initial start-up activity expenses. As a result, the Legislature authorized PERS to borrow funds from the Tier One-Tier Two plan assets and to issue a COP. After a cost benefit analysis, PERS requested the issuance of a five-year COP for \$9,865,000 to cover the capital costs of purchasing and installing IT systems to support the OPSRP programs. OPSRP contributions and earnings primarily service the COP debt.

Base Budget Adjustments

There is an increase of \$2,091,668 in limited other funds debt service. The increase in other funds debt service reflects the addition of principal and interest payments for the Certificates of Participation used to finance the jClarety retirement management system application in 2003-05. The debt service adjustment is made in accordance with budget instructions and based on established repayment schedules provided by DAS.

Public Employees Retirement System, Oregon**Agency Number: 45900****Program Unit Appropriated Fund Group and Category Summary****Version: Z - 01 - Leg. Adopted Budget****2005-07 Biennium****Cross Reference Number: 45900-100-00-00-00000****Tier One and Tier Two Plan**

Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
NON-LIMITED BUDGET (Excluding Packages)						
SPECIAL PAYMENTS						
Other Funds	3,877,977,560	4,209,547,757	5,701,357,812	5,637,107,837	5,637,107,837	5,637,107,837
TOTAL NON-LIMITED BUDGET (Excluding Packages)						
Other Funds	3,877,977,560	4,209,547,757	5,701,357,812	5,637,107,837	5,637,107,837	5,637,107,837
NON-LIMITED BUDGET (Essential Budget Level)						
Other Funds	3,877,977,560	4,209,547,757	5,701,357,812	5,637,107,837	5,637,107,837	5,637,107,837
NON-LIMITED BUDGET (Policy Packages)						
PRIORITY 0						
090 ANALYST ADJUSTMENTS						
SERVICES & SUPPLIES						
Other Funds	-	-	-	-	4,561,237	4,561,237
TOTAL NON-LIMITED BUDGET (Policy Packages)						
Other Funds	-	-	-	-	4,561,237	4,561,237
TOTAL NON-LIMITED BUDGET (Including Packages)						
Other Funds	3,877,977,560	4,209,547,757	5,701,357,812	5,637,107,837	5,641,669,074	5,641,669,074
OPERATING BUDGET						
Other Funds	3,877,977,560	4,209,547,757	5,701,357,812	5,637,107,837	5,641,669,074	5,641,669,074
TOTAL BUDGET						
Other Funds	3,877,977,560	4,209,547,757	5,701,357,812	5,637,107,837	5,641,669,074	5,641,669,074

Public Employees Retirement System, Oregon**Agency Number: 45900****Program Unit Appropriated Fund Group and Category Summary****Version: Z - 01 - Leg. Adopted Budget****2005-07 Biennium****Cross Reference Number: 45900-200-00-00-00000****Oregon Public Service Retirement Plan**

Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
NON-LIMITED BUDGET (Excluding Packages)						
SPECIAL PAYMENTS						
Other Funds	-	-	-	1,000,000	1,000,000	1,000,000
TOTAL NON-LIMITED BUDGET (Excluding Packages)						
Other Funds	-	-	-	1,000,000	1,000,000	1,000,000
NON-LIMITED BUDGET (Essential Budget Level)						
Other Funds	-	-	-	1,000,000	1,000,000	1,000,000
NON-LIMITED BUDGET (Policy Packages)						
PRIORITY 0						
090 ANALYST ADJUSTMENTS						
SERVICES & SUPPLIES						
Other Funds	-	-	-	-	4,096,000	4,096,000
TOTAL NON-LIMITED BUDGET (Policy Packages)						
Other Funds	-	-	-	-	4,096,000	4,096,000
TOTAL NON-LIMITED BUDGET (Including Packages)						
Other Funds	-	-	-	1,000,000	5,096,000	5,096,000
OPERATING BUDGET						
Other Funds	-	-	-	1,000,000	5,096,000	5,096,000
TOTAL BUDGET						
Other Funds	-	-	-	1,000,000	5,096,000	5,096,000

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Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
LIMITED BUDGET (Excluding Packages)						
PERSONAL SERVICES						
Other Funds	24,107,986	35,662,115	36,628,524	33,271,883	33,270,067	33,055,842
SERVICES & SUPPLIES						
Other Funds	17,546,581	24,622,466	34,245,329	35,466,820	35,466,820	35,466,820
CAPITAL OUTLAY						
Other Funds	1,204,348	972,339	10,293,020	8,972,339	8,972,339	8,972,339
TOTAL LIMITED BUDGET (Excluding Packages)						
Other Funds	42,858,915	61,256,920	81,166,873	77,711,042	77,709,226	77,495,001
AUTHORIZED POSITIONS	273	356	408	271	271	271
AUTHORIZED FTE	226.33	324.22	362.01	270.00	270.00	270.00
LIMITED BUDGET (Essential Packages)						
010 NON-PICS PSNL SVC / VACANCY FACTOR						
PERSONAL SERVICES						
Other Funds	-	-	-	1,351,029	1,351,029	1,350,869
021 PHASE-IN						
SERVICES & SUPPLIES						
Other Funds	-	-	-	1,024,000	1,024,000	1,024,000
022 PHASE-OUT PGM & ONE-TIME COSTS						
SERVICES & SUPPLIES						
Other Funds	-	-	-	(15,239,513)	(15,239,513)	(15,239,513)

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Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
CAPITAL OUTLAY						
Other Funds	-	-	-	(8,880,915)	(8,880,915)	(8,880,915)
030 INFLATION & PRICE LIST ADJUSTMENTS						
SERVICES & SUPPLIES						
Other Funds	-	-	-	80,364	80,364	80,364
CAPITAL OUTLAY						
Other Funds	-	-	-	2,194	2,194	2,194
TOTAL LIMITED BUDGET (Essential Packages)						
Other Funds	-	-	-	(21,662,841)	(21,662,841)	(21,663,001)
LIMITED BUDGET (Essential Budget Level)						
Other Funds	42,858,915	61,256,920	81,166,873	56,048,201	56,046,385	55,832,000
AUTHORIZED POSITIONS	273	356	408	271	271	271
AUTHORIZED FTE	226.33	324.22	362.01	270.00	270.00	270.00
LIMITED BUDGET (Policy Packages)						
PRIORITY 0						
090 ANALYST ADJUSTMENTS						
PERSONAL SERVICES						
Other Funds	-	-	-	-	(946,838)	(940,603)
SERVICES & SUPPLIES						
Other Funds	-	-	-	-	(8,950,247)	(8,950,247)
AUTHORIZED POSITIONS	-	-	-	-	(7)	(7)

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Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
AUTHORIZED FTE	-	-	-	-	(7.00)	(7.00)
801 LFO ANALYST ADJUSTMENTS						
PERSONAL SERVICES						
Other Funds	-	-	-	-	-	1,545
SERVICES & SUPPLIES						
Other Funds	-	-	-	-	-	(68,054)
804 ASSESSMENT AND RATE ADJUSTMENTS						
PERSONAL SERVICES						
Other Funds	-	-	-	-	-	2,975
SERVICES & SUPPLIES						
Other Funds	-	-	-	-	-	(100,888)
810 ADDITIONAL WAYS AND MEANS ADJUSTMENT:						
PERSONAL SERVICES						
Other Funds	-	-	-	-	-	2,985,614
SERVICES & SUPPLIES						
Other Funds	-	-	-	-	-	944,050
AUTHORIZED POSITIONS	-	-	-	-	-	33
AUTHORIZED FTE	-	-	-	-	-	33.00
PRIORITY 1						
101 PERS RESTRUCTURE AND SUPPORT						
PERSONAL SERVICES						

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Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
Other Funds	-	-	-	2,173,885	2,201,671	2,187,728
SERVICES & SUPPLIES						
Other Funds	-	-	-	1,770,700	318,020	318,020
CAPITAL OUTLAY						
Other Funds	-	-	-	216,000	-	-
AUTHORIZED POSITIONS	-	-	-	22	22	22
AUTHORIZED FTE	-	-	-	22.00	22.00	22.00
PRIORITY 2						
102 LEGAL SERVICES						
SERVICES & SUPPLIES						
Other Funds	-	-	-	1,000,000	1,000,000	1,000,000
PRIORITY 3						
103 RESOLVE ACCUMULATED WORKLOAD						
PERSONAL SERVICES						
Other Funds	-	-	-	3,210,526	2,673,207	2,658,115
SERVICES & SUPPLIES						
Other Funds	-	-	-	326,350	168,100	168,100
AUTHORIZED POSITIONS	-	-	-	33	26	26
AUTHORIZED FTE	-	-	-	33.00	26.00	26.00
PRIORITY 4						
104 PERS REFORM LEGISLATION IMPLEMENTATIO						

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Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
PERSONAL SERVICES						
Other Funds	-	-	-	3,288,579	3,250,601	1,168,185
SERVICES & SUPPLIES						
Other Funds	-	-	-	859,681	791,681	662,981
AUTHORIZED POSITIONS	-	-	-	34	34	12
AUTHORIZED FTE	-	-	-	34.00	34.00	12.00
PRIORITY 5						
105 INFORMATION TECHNOLOGY INITIATIVES						
PERSONAL SERVICES						
Other Funds	-	-	-	922,938	1,359,160	1,348,945
SERVICES & SUPPLIES						
Other Funds	-	-	-	128,800	1,401,050	1,401,050
CAPITAL OUTLAY						
Other Funds	-	-	-	110,000	251,000	251,000
AUTHORIZED POSITIONS	-	-	-	10	17	17
AUTHORIZED FTE	-	-	-	10.00	17.00	17.00
PRIORITY 7						
107 RIMS REPLACEMENT						
PERSONAL SERVICES						
Other Funds	-	-	-	-	750,605	745,723
SERVICES & SUPPLIES						

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Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
Other Funds	-	-	-	1	13,677,644	13,677,644
CAPITAL OUTLAY						
Other Funds	-	-	-	-	688,876	688,876
AUTHORIZED POSITIONS	-	-	-	-	6	6
AUTHORIZED FTE	-	-	-	-	6.00	6.00
TOTAL LIMITED BUDGET (Policy Packages)						
Other Funds	-	-	-	14,007,460	18,634,530	20,150,759
AUTHORIZED POSITIONS	-	-	-	99	98	109
AUTHORIZED FTE	-	-	-	99.00	98.00	109.00
TOTAL LIMITED BUDGET (Including Packages)						
Other Funds	42,858,915	61,256,920	81,166,873	70,055,661	74,680,915	75,982,759
AUTHORIZED POSITIONS	273	356	408	370	369	380
AUTHORIZED FTE	226.33	324.22	362.01	369.00	368.00	379.00
OPERATING BUDGET						
Other Funds	42,858,915	61,256,920	81,166,873	70,055,661	74,680,915	75,982,759
AUTHORIZED POSITIONS	273	356	408	370	369	380
AUTHORIZED FTE	226.33	324.22	362.01	369.00	368.00	379.00
TOTAL BUDGET						
Other Funds	42,858,915	61,256,920	81,166,873	70,055,661	74,680,915	75,982,759
AUTHORIZED POSITIONS	273	356	408	370	369	380
AUTHORIZED FTE	226.33	324.22	362.01	369.00	368.00	379.00

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

Debt Service

Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
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DEBT SERVICE (Excluding Packages)**DEBT SERVICE**

Other Funds	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
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TOTAL DEBT SERVICE (Excluding Packages)

Other Funds	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
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DEBT SERVICE (Essential Budget Level)

Other Funds	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
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TOTAL DEBT SERVICE (Including Packages)

Other Funds	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
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TOTAL BUDGET

Other Funds	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
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Special Reports

Information Resource Management Plan

Introduction

In December 2003, PERS board members and executives held a retreat aimed at refocusing the agency on improving core business processes and laying a foundation upon which to improve customer service, enhance performance and rebuild the character and reputation of PERS. Three important outcomes of that retreat were a new mission statement, a list of guiding principles that are to be used to help staff attain the vision and guide their day-to-day actions and a list of outcomes that the executive staff desires to see by December 2006. More specifically, the outcomes are as follows:

Agency Mission Statement

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

Guiding Principles

How well does a particular action or decision show that we are...

1. **Trustworthy** – We build trust internally and with all stakeholders.
2. **Transparent** – Our work is transparent, direct and open (recognizing timing around litigation and personnel issues).
3. **Member-focused** – We care about our members. We assure that members receive their legitimate benefits. We seek to understand and meet member needs.
4. **Inclusive** – We uphold our stakeholders' right to provide input into decisions that affect them.
5. **Objective** – We administer the law objectively, not subject to political pressure or improper influence.
6. **Straightforward** – We strive for simplicity. We aim to make our benefits and services easy to understand, straightforward to administer, and efficient to implement.
7. **Accountable** – We do what we say we'll do. We make and keep commitments.
8. **Data-protective** – We maintain and improve the integrity of member data through our processes, business rules, decision-making, and any quick fixes.
9. **Aligned** – We're focused on our objectives. We keep strategy and resources aligned, and deliver results, even as priorities change.

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10. **Clear** – Our communications are clear, consistent and concise, and meet stakeholder needs.
11. **Courageous** – We're willing to make hard decisions in order to implement our strategy and to deliver according to the character of the organization.
12. **Competitive** – We understand the financial implications of all our decisions and aim to operate competitively.
13. **Careful** – We anticipate and manage risks to support financial stability for members, employers and taxpayers.

Desired outcomes by December 2006:

1. **Respect** – Key stakeholders (governor, legislators, members, employers, taxpayers, and staff) think we're doing a great job. We're considered one of the best-run organizations in the state system.
2. **Access** – Members have easy, informed access to accurate account data and forecasting.
3. **Self-direction** – Member services are primarily self-directed. Individual counseling for complex issues is delivered as needed.
4. **Simplicity** – Members are choosing from fewer, less complex options. Choices have been simplified in a way that is financially neutral for members and employers.
5. **Accuracy** – We're delivering benefits with very high accuracy.
6. **Predictability** – Members know the timeline for the benefits payment process and it's entirely predictable.
7. **Automation** – Benefits access and other core processes are streamlined and consistent for members and staff.
8. **Industry-leadership** – We compare very well with industry service standards.
9. **Policy Support** – Legislative decisions are driving improvements in agency effectiveness because we're providing excellent policy recommendations and decision support.
10. **Cost savings** – We're achieving dramatic savings. We've reduced spending in many areas. Our costs are competitive.

In the months that followed the December retreat, the mission statement, the guiding principles and the desired outcomes have been reviewed, discussed, expanded upon and embraced by all levels of the agency. Although still a work in progress, this fleshing out process is turning into the strategic business plan for PERS. All PERS divisions are in the process of reviewing their core processes, how they relate to the mission of the agency and then determining how to modify them, eliminate them or create new ones. As a result of these strategy sessions, many important customer-focused initiatives and related activities are being formulated and acted upon by the agency. Although the tactical implementation of these initiatives is varied, there are very clear themes that are evident throughout all of the divisions' plans. Many of these themes have significant implications for information technology at PERS. Some offer a clear direction and others suggest general trends and requirements.

The agency is focused on rebuilding its reputation throughout the member community. There are several key aspects to the agency's strategy for achieving this: 1) delivering on promises; 2) providing easy access to reliable information; and, 3) simplifying pension plans and the way members

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and employers interact with the agency. Every division has identified these themes in their daily operations and in their focus for improvement. The Information Services Division (ISD) is no exception. As a result of the strategic planning sessions, ISD has formulated its own mission statement in support of the agency mission and has gone a step further in adopting a tag line that represents how the division wishes to be viewed by their customers. The ISD mission statement is:

To enable the satisfaction of PERS members, we deliver quality services to agency stakeholders by providing accurate information and superior products that support decision-making and daily operational needs.

This mission statement firmly establishes ISD as a support organization focused on members' needs and strives to satisfy members by providing tools that allow PERS staff to be successful. Furthermore, ISD staff has determined that, when all is said and done, speed, accuracy and reliability are the keys to first-rate customer service and technology. Therefore, the staff has adopted a tag line that reads:

Information Services Division
Fast. Accurate. Reliable.

As a natural extension of the strategic planning process, ISD has reviewed its operations and has aligned its activities specifically to meet the goals of the organization. This Information Resource Management (IRM) plan is PERS' first attempt at aligning ISD activities to the strategic plan of the agency. PERS anticipates that this will be an iterative process and that the strategic alignment of technology planning will become more tightly integrated into the overall agency strategic planning effort as time goes on and the results of our early efforts are known. The following sections of the IRM have been developed based the themes that have emerged from the division-level strategic planning sessions.

Retirement Information Management System (RIMS) Support and Replacement

The single most important aspect to the IRM plan is the ongoing support and eventual replacement of the main line of business (LOB) application for the agency. In fact, nearly all of the technology decisions that the agency makes somehow involve RIMS or RIMS replacement. RIMS is the key LOB application for the agency. Until the end of the legislative session in 2003, RIMS was the software application that managed all member retirement information and tracked each member's employment history and contribution data. RIMS is a legacy application that was developed over 14 years ago using COBOL, CICS, IMS and other mainframe based components. By some estimates, RIMS provided only 80% of the needed functionality when it was delivered and that percentage has declined steadily ever since. Today's estimates suggest that RIMS is capable of performing only about 50% of the needed retirement calculations on a consistent basis.

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The causes for the steady decline of RIMS are many. Some of the major ones are:

- The dynamic nature of the pension plan that RIMS supports and the frequent need for changes due to retirement plan adjustments requires constant code modifications and process changes;
- The legacy platform upon which the system was built is complex and, by today's standards, inflexible;
- The system itself is complicated and is comprised of over 1,000 program modules and 400 reports;
- Documentation for RIMS is scarce, and where available, outdated;
- Lack of investment in RIMS enhancements and modifications;
- Most of the technical expertise for the system is no longer available; and,
- Poor data quality due to the lack of edits, inaccurate calculations, and multiple data sources (over 850 employers provide data to the system).

Over the last several years, there have been a few attempts to replace RIMS. Previous attempts have failed because the replacement strategy contained too much risk and required too much organizational change to be practical. These strategies were based on a custom-build model for which the agency was clearly not prepared. To further amplify the effect of the problems in RIMS, investment in RIMS enhancements and modifications was stopped because, it was believed, RIMS was soon going to be replaced.

This lack of investment in RIMS maintenance, together with the other issues mentioned above has severely and adversely impacted PERS' ability to do business. A rapid succession of retirement plan changes, a continued under investment in RIMS, an increase in the number of retirements to process and increasingly unreliable data have created an environment of backlog, inaccurate calculations and mistakes.

In response to these operational issues and in alignment with the agency mission statement, PERS will focus information technology resources in the following areas.

RIMS Stabilization and PC Application Development

As stated above, RIMS currently provides about 50% of the needed functionality. The result is that numerous manual processes, offline systems and work-arounds have been developed to try and clear the growing backlog of work. More importantly, the effect on the staff and the agency is that the majority of the effort expended is directed toward trying to stay afloat and clear backlogs. During the past year, the headcount at the agency has grown significantly in an effort to reduce the backlogs manually.

In response to this, a key ISD initiative is to invest resources in RIMS stabilization in order to add some of the needed functionality to the system so that the backlog pressure can be alleviated. There are currently several significant projects as well as numerous minor projects underway in the 03-05

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biennium that are focused on alleviating some of the strain placed on the agency by calculations and other requirements that are currently handled manually.

Similarly, ISD staff is delivering PC applications and other tools to help reduce the agency's backlog. These tools, even though they are understood to be temporary measures, will allow the agency to be more responsive to member needs until the RIMS replacement project has been completed. Since our preliminary estimates indicate that the replacement project will take about 40 months, the development of these tools is essential to fulfilling the agency mission in the interim.

These projects will have the dual benefit of helping to clear the existing backlog of work as well as freeing up subject matter experts for the upcoming RIMS replacement effort. Until this backlog is under control, PERS will not be able to achieve its mission and, just as importantly, will not be able to focus on upgrading its technology to a level needed to meet many of its objectives by 2006.

RIMS Replacement

It is without argument anywhere in the agency that RIMS needs to be replaced. Any stopgaps implemented as part of the agency's stabilization initiative can only be viewed as temporary. The technical platform, available skill sets of staff and capabilities of the system are simply not flexible or powerful enough to fulfill the agency's objective of providing easy access to accurate and reliable data and information to support retirement decisions.

Therefore, the agency is currently pursuing a replacement strategy for RIMS. The strategy involves implementing a third-party software package that is specifically designed for public pension system administration. The same system is currently being implemented for the new pension plan that was passed by the 2003 legislature (known as OPSRP or the 238A plan). This 40-month project will incorporate both plans into one platform and will streamline access to information for staff, members, employers and other stakeholders. In addition, the new web-based, configurable technology will allow a faster turn-around time for future plan changes and enhancements.

The expected start date for this project is July/August 2005.

Data Conditioning

As mentioned above, PERS suffers from poor data quality. The sources of poor data are numerous and include employer data feeds with bad data, inaccurate or non-existent validation checks on data input screens, poor programming logic, data incongruities that RIMS calculations cannot handle, incomplete member records, multiple data sources, etc. A recent analysis of the types and frequency of bad data determined that there are over 76,000 known PERS records with data quality problems. Some records may have only one error and others may have multiple errors. This suggests that between 25 and 30% of all the records in PERS have at least one data problem.

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Historically, PERS has followed a 'just-in-time' approach to correcting data errors. A database fix committee fixes only member records that require immediate attention. The fixes take between 3 and 6 hours per record to complete because they are primarily done manually and require the expertise of only a handful of subject matter experts who understand the plan options enough to ensure accuracy. At this rate of correction, it would take PERS over 450,000 person hours to fix all known data problems. Stated another way, it would take a 10-person team over 21 years to complete the task using the current method.

Clearly, PERS needs to become more aggressive in its approach to data quality. The risks associated with poor data quality include litigation, customer dissatisfaction, inaccurate payments and many others. Therefore, PERS will undertake a data-conditioning program that will provide a permanent, long-term focus on data quality and will automate the cleaning of data based on risk, prioritization and categorization.

Staff Augmentation and Skill Set Enhancement

PERS is in a transition period and requires technical staff and skill augmentation to fulfill the agency's mission. First, the agency has grown significantly during the course of the 03-05 biennium. Approximately 100 employees have been hired in order to work through the backlogs of calculations brought on by recent legislation and inadequate systems. As a result, the workload for ISD technical support has increased dramatically because of the requirement for additional desktop computers, training, helpdesk support, system administration, additional servers, etc. To support this temporary increase in users, the Technical Operations Support section needs to be expanded until the agency returns to its original size. Therefore, TOS staff will be augmented with limited duration positions in order to provide fast, accurate and reliable service during this transition period.

Second, PERS is undergoing a dramatic transition from a legacy COBOL/CICS environment to a J2EE/Java/SQL environment. This shift in technologies is a major undertaking for the agency. While the move to the new technologies will position the agency for faster and more reliable service to customers in the future, the transition of the ISD staff to the new skill sets will take a combination of training, mentoring and new hires. In anticipation of this transition, PERS is developing a two-pronged approach.

First, the training budget in ISD will be increased to allow staff to be trained in the appropriate skill sets. The training will focus on the new technologies and will be offered to ISD staff that demonstrates the willingness, desire and capability to become proficient in the new technologies. Second, PERS will establish two senior-level positions (ISS8) that will be filled with people who are highly experienced in the new technologies. These positions will serve as analysts/developers/mentors and will begin the conversion and development of supporting systems that will integrate into the new environment. In addition to their development responsibilities, these new positions will also be responsible for training and mentoring existing staff in the new technologies.

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Document Digitization and Workflow

An important requirement in the agency's mission is the ability of staff and other stakeholders to have ready access to reliable information. One aspect of this requirement has already been discussed in relation to data quality. Another aspect of this is PERS' ability to coordinate, manage, retrieve and share copies of member forms and documents. PERS is a document and data-driven agency. Most activities begin with a member filling out a form and sending it to PERS. These forms become part of the member's retirement record and are, as a matter of regular business, referred to throughout the member's lifetime in the retirement system.

In addition, these forms become legal documents and often govern the disposition of a member's pension funds (i.e., upon retirement, death, divorce, disability, etc.). At the present time, PERS manages over 20 million retirement-related documents. The vast majority of these documents are microfilmed and stored in the agency library and at the State Archival Office. PERS has created a database to help manage the roll and frame numbers associated with member documents contained on microfilm. When a PERS employee needs access to a member's document, he/she looks up the member in the database and sends a request for the document to the Imaging and Information Management (IIM) section of ISD. IIM staff then finds the roll of microfilm that contains the member's document and prints the document on paper and sends the paper to the requestor via interoffice mail. This process takes, at best, several hours to accomplish and since there is little coordination between sections, the same document may be requested by a different employee at a different time and the process starts over again.

In an effort to make access to documents faster, more reliable and more efficient, ISD is conducting a pilot project to digitize the images currently stored on microfilm and delivering them through the existing workflow system. This method of document deliver has the advantages of eliminating the need for document delivering using interoffice mail (thus greatly reducing the time it takes to receive a document) and of making the same document available to all employees who are authorized to view it (thereby eliminating duplication of effort when more than one employee wants to view the document).

If the pilot proves successful, PERS will accelerate the conversion of microfilmed documents using a 'just-in-time' methodology. The methodology will be designed in such a way as to predict the most likely member documents to be needed in the foreseeable future. For example, the back file conversion is likely to digitize the documents for members who are eligible to retire within the next 1 to 5 years.

This project is expected to increase efficiency and effectiveness of the agency by providing ready access to documents that are required to answer member questions and provide the basis for retirement calculations.

BUDGET NARRATIVE

Information Security

PERS systems maintain sensitive member data. Social security numbers, salary information, addresses and medical information are only some of the data elements contained in agency systems. PERS has a responsibility to its members to ensure that this information is kept confidential and secure. To fulfill this responsibility, PERS has conducted a vulnerability and risk assessment in the 03-05 biennium. This assessment has reviewed policies, procedures and systems to identify areas of weakness. The second phase of this security project will commence in the latter half of 2004 and will focus on developing appropriate policies and procedures that enhance PERS' ability to protect member data. It is expected that current limitation will be adequate to complete the implementation phase of this security assessment and risk mitigation project, however, PERS will continue to develop our security practices and will work with the State Cyber Security Center to ensure that agency procedures follow State rules and guidelines.

Summary

This IRM plan is meant to convey the key elements of PERS' strategic technology direction. The agency will only make investments in technologies, applications and projects that are closely tied to its mission and at a time when the agency is able to successfully integrate them into ongoing operations. PERS management recognizes that efficient and effective use of technology is vital to the success of the agency and, more importantly, management also recognizes that a deliberate measured approach to implementing technology is the best way to reduce risk and increase the likelihood of success for large projects.

The agency has experienced a significant drop off in its ability to respond to member needs. The first step in fulfilling its mission and achieving its desired outcomes is to perform better soon. The near-term focus is on restoring the agency's ability to satisfy requests in a reasonable timeframe. Once this is accomplished and daily operations are less burdensome, PERS will direct its attention to RIMS replacement.

BUDGET NARRATIVE

Audits Response Report

PERS has undergone four audits that included significant findings during the 2001-2003 biennium, and 2003-2005 biennia to date. Three of the audits were conducted by the Secretary of State, Audits Division, and were: State Agency Energy Conservation 2001, Benefit Calculation, and Internal Auditing Functions in State Agencies. In addition, the Joint Legislative Audit Committee completed a review of the administration of the Oregon Savings Growth Plan.

Energy Use

The audit concludes that PERS did not reduce energy use at its Tigard building to meet the governor's State Energy Conservation Plan that began in January 2001. The plan calls for a 10 percent reduction in energy use at state-owned facilities. The audit states that for January through June 2001, PERS used 3.1 percent less electricity than expected and 30.9 percent more natural gas than expected. In the period since the audit, the Department of Administrative Services has been tracking PERS' energy conservation efforts and concluded as of March 2004 that PERS is meeting the 10 percent reduction requirement.

Benefit Calculations

The audit concluded PERS did not always accurately calculate retirement benefits and could improve controls over retirement benefit calculations. The audit sampled 200 benefit calculations and determined that 15 percent included errors resulting in a financial impact to either the benefit payments, or to transfers of funds between pre-retirement and retirement reserves. While the number of errors was high, the dollar value of errors above or below the correct value was relatively narrow. In addition, the audit concluded 15 percent of calculations included non-financial processing errors. The audit report recommended PERS correct identified errors, emphasize accuracy over speed, ensure proper calculation reviews, create a process to ensure staff receive and review all documents pertinent to a calculation, ensure consistency between the various programs in calculating employer reserve charges and calculating member ages.

PERS agrees with the audit's findings and is taking multiple approaches to implement the recommendations. PERS corrected all calculation and documentation errors identified before the audit report's publication date. To improve benefit calculation accuracy, management instituted additional calculation oversight and review. Additionally, efforts to remediate and replace the agency's core pension system (RIMS) continue. Finally, the agency successfully implemented document and workflow management capabilities within several processes. The agency is expanding these capabilities to other key processes that will result in improved calculation accuracy.

BUDGET NARRATIVE

Policy packages 101 and 103 directly relate to the agency's efforts to increase benefit calculation accuracy. Package 101 increases core internal training ability, reduces the retirement benefit calculation section's span of control by requesting additional staff to oversee calculation processing, and increases validation of documents and data used for retirement calculations. Package 103 requests staff to resolve accumulated workload to ensure benefit payment processing is timelier, accurate, and more efficient.

Internal Auditing in State Agencies

This engagement was a follow-up review to a 1996 audit conducted by the Audits Division. The objectives were to identify improvements in state internal audit practice since 1996, and show areas of continuing need. The audit concluded that PERS' internal audit function complied with the majority of recommended internal audit best practices. The audit recommended the internal audit section undergo an external peer review and develop an internal assessment of the internal audit activity. The internal audit director is working with members of the state's Chief Audit Executive Council to obtain an external peer review and expects to complete the process by March 2005. Internal audit is now conducting post engagement surveys with PERS management to assess the usefulness of each review.

Review of the Administration of the Oregon Savings Growth Plan

The Joint Legislative Audit Committee conducted an evaluation of the administration of the Oregon Savings Growth Plan (also known as the deferred compensation plan). The review reported positively on the plan's administrative costs and customer satisfaction. The committee recommended that PERS develop a staff cost allocation methodology that is based more on empirical data. PERS modified its cost allocation methodology shortly after the review to increase reliance on empirical data. Currently, the agency's budget section is revisiting the cost allocation methodology for efficiency and effectiveness.

BUDGET NARRATIVE

Affirmative Action Report

The tables below shows PERS progress on our long-range goals set for 03-05 and 05-07 biennium. The first table is by underutilized job group categories and the second is by equal opportunity categories.

A. By Job Group Categories

JOB GROUP CATEGORY	JOB GROUP NUMBER	03-07 LONG RANGE GOALS	03-05 LONG RANGE GOALS	EMPLOYEE NUMBERS JUNE 2003	EMPLOYEE NUMBERS APRIL 2004	CHANGE	MET 03-05 GOAL?
WOMEN							
Middle management	A01	2	1	8	13	+5	YES
PEOPLE OF COLOR							
Middle management	A01	1	1	3	5	+2	YES
Upper management	A02	1	1	2	2	0	NO
Personnel/ Employment*	B10	1	1	5	8	+3	YES
Program coord/ analyst	B16	2	1	1	2	+1	YES
Administrative support	F00	1	1	5	10	+5	YES

* B10 includes retirement counselors 1 and 2. This group makes up our largest job classification at PERS or approximately 36% of our positions.

____ Agency Request

____ Governor's Recommended

 X Legislatively Adopted

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BUDGET NARRATIVE

PERS met many of the long range goals for the 03-05 biennium. However, the People of Color continue to be an issue in the management positions. We increased our numbers in middle management which will develop people for future upper management positions. We have three upper management positions open at this time, so have the possibility of hiring a person of color in one of these.

PERS continues to have diverse interview panels and provides training for managers on interviewing and promoting cultural awareness. We have provided harassment/discrimination training for all managers and staff in 2004. We need to increase our women and people of color candidate pool and to find ways of making PERS more welcoming to diverse groups of people.

Although we are a small agency, we have expanded our presence in the Portland area through outreach programs such as the One Stop Career Center/ Workforce Network, posting positions in the metro cars and on buses through Jobdango, putting ads on television public channels, and ads in diverse newspapers. We plan to connect with other agencies to combine efforts to afford booths at cultural job fairs as we have in the past.

Within our agency, the Human Resources Director has been attending new employee orientation to meet new employees and have a friendly face for contact. We need to increase our diversity promotions within PERS to make people of color feel welcome.

At the management level, three of the seven filled executive positions are women. This encourages other women that there are future opportunities in these areas. Note that the Deputy Director's position is vacant now and Finance Administrator's position will be vacant soon. These openings will give opportunity for a people of color and women to be on the executive staff and perhaps on the Business Transition Team.

BUDGET NARRATIVE

B. By Equal Employment Opportunity Categories

EEO CATEGORY	JOB GROUP	03-07 LONG RANGE GOALS	03-05 LONG RANGE GOALS	EMPLOYEE NUMBERS JUNE 2003	EMPLOYEE NUMBERS APRIL 2004	CHANGE	MET 03-05 GOAL?
WOMEN	A (officials/ admin)	2	1	11	16	+5	Yes
AFRICAN AMERICANS	A (officials/ admin)	1	1	1	0	-1	No
	B (professionals)	1	1	1	3	+2	Yes
	F (administrative support)	1	1	0	1	+1	Yes
HISPANIC AMERICANS	A (officials/ admin)	1	0	0	1	+1	Yes
	B (professionals)	1	1	1	2	+1	Yes
ASIAN AMERICANS	B (professionals)	1	1	10	14	+3	Yes
NATIVE AMERICANS	F (administrative support)	1	1	0	0	0	No

PERS met most of the long range goals for the 03-05 biennium. However, it is important to note that 133 of our current 404 positions are limited duration. These will end June 30, 2005 and some will have layoff rights. This may affect our goals of hiring women and people of color into permanent positions as we do not know who will have the seniority to not be laid off.

African Americans

We have lost ground on hiring African Americans into management positions and are two below our goal. We will continue to target this group with our advertisements and have diverse interview panels. We will encourage African American employees to be part of our presentation team for recruitment. Increasing our number of African American professionals will give them experience within PERS to encourage future promotions into management.

____ Agency Request

____ Governor's Recommended

 X Legislatively Adopted

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BUDGET NARRATIVE

Hispanic Americans

Although we met the long range goals for Hispanic Americans, we continue to do outreach through the El Hispanic and Observer newspapers and our job postings go to the Hispanic Access Center/Centro Hispano. 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.

Asian Americans

Although we met the long range goals for Asian Americans, we continue to do outreach through posting jobs in the Observer and the Asian Reporter newspapers. We also list our ads with the Immigrant and Refugee Community Organization (IRCO). 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.

Native Americans

PERS has had difficulty getting Native American candidates to apply. We will contact 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 see about partnering with them.

Disabled

Although we do not have any long-term goals set for people with disabilities, 15 or 6% of our employees have disabilities. We post our jobs with various Vocational Rehabilitation Services in the area as well as the ABLE Employment Coalition and the AARP (Senior Employment Foundation). We continue to be welcoming to people with disabilities through access in our facility and our attitudes.

Summary

PERS does extensive recruitment through colleges, companies facing a reduction in workforce, alternative newspapers, Job Corps, the Department of Veterans Affairs Vocational Rehab and Employment, other Vocational Rehabilitation Services, and the internet. We post jobs with the Job Developers' Network Group which posts our positions with 104 different non-profit organizations in the Portland area. We use the Career Builder website as well as Monster. We go through organizations relating to specific positions such as human resources or accounting. Through our interactions with the SE One Stop employment center, our ads go to all five of the employment centers around the Portland area.

PERS will work on increasing our diversity activities within PERS to encourage retention of women and people of color. We will write diversity articles for the PERColator, our internal newsletter, and have diversity encouraging activities through the Your Office Committee (YOC).

Public Employees Retirement System, Oregon**Agency Number: 45900****Summary Cross Reference Listing and Packages****BAM Analyst: McGee, Bill****2005-07 Biennium****Budget Coordinator: DeForest, Brian - (503)603-7568****brian.deforest@state.or.us**

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
001-00-00-00000	PERS Programs	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential
001-00-00-00000	PERS Programs	021	0	Phase-in	Essential
001-00-00-00000	PERS Programs	022	0	Phase-out Pgm & One-time Costs	Essential
001-00-00-00000	PERS Programs	030	0	Inflation & Price List Adjustments	Essential
002-00-00-00000	Deferred Compensation Prgms	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential
002-00-00-00000	Deferred Compensation Prgms	021	0	Phase-in	Essential
002-00-00-00000	Deferred Compensation Prgms	022	0	Phase-out Pgm & One-time Costs	Essential
002-00-00-00000	Deferred Compensation Prgms	030	0	Inflation & Price List Adjustments	Essential
003-00-00-00000	Oregon Public Service Retirement Plan	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential
003-00-00-00000	Oregon Public Service Retirement Plan	021	0	Phase-in	Essential
003-00-00-00000	Oregon Public Service Retirement Plan	022	0	Phase-out Pgm & One-time Costs	Essential
003-00-00-00000	Oregon Public Service Retirement Plan	030	0	Inflation & Price List Adjustments	Essential
100-00-00-00000	Tier One and Tier Two Plan	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential
100-00-00-00000	Tier One and Tier Two Plan	021	0	Phase-in	Essential
100-00-00-00000	Tier One and Tier Two Plan	022	0	Phase-out Pgm & One-time Costs	Essential
100-00-00-00000	Tier One and Tier Two Plan	030	0	Inflation & Price List Adjustments	Essential
100-00-00-00000	Tier One and Tier Two Plan	090	0	Analyst Adjustments	Policy
100-00-00-00000	Tier One and Tier Two Plan	801	0	LFO Analyst Adjustments	Policy
100-00-00-00000	Tier One and Tier Two Plan	802	0	Ways and Means Adjustments	Policy
100-00-00-00000	Tier One and Tier Two Plan	803	0	Vacancy Savings	Policy
100-00-00-00000	Tier One and Tier Two Plan	804	0	Assessment and Rate Adjustments	Policy
100-00-00-00000	Tier One and Tier Two Plan	810	0	Additional Ways and Means Adjustments	Policy
100-00-00-00000	Tier One and Tier Two Plan	811	0	Special Budget Committee Adjustments #1	Policy
100-00-00-00000	Tier One and Tier Two Plan	812	0	Special Budget Committee Adjustments #2	Policy

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Public Employees Retirement System, Oregon**Agency Number: 45900****Summary Cross Reference Listing and Packages****BAM Analyst: McGee, Bill****2005-07 Biennium****Budget Coordinator: DeForest, Brian - (503)603-7568****brian.deforest@state.or.us**

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
100-00-00-00000	Tier One and Tier Two Plan	813	0	Special Budget Committee Adjustments #3	Policy
100-00-00-00000	Tier One and Tier Two Plan	814	0	Special Budget Committee Adjustments #4	Policy
100-00-00-00000	Tier One and Tier Two Plan	815	0	Special Budget Committee Adjustments #5	Policy
100-00-00-00000	Tier One and Tier Two Plan	819	0	End of Session Tech Adjustments - HB 5023	Policy
100-00-00-00000	Tier One and Tier Two Plan	840	0	Substantive Legislation	Policy
200-00-00-00000	Oregon Public Service Retirement Plan	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential
200-00-00-00000	Oregon Public Service Retirement Plan	021	0	Phase-in	Essential
200-00-00-00000	Oregon Public Service Retirement Plan	022	0	Phase-out Pgm & One-time Costs	Essential
200-00-00-00000	Oregon Public Service Retirement Plan	030	0	Inflation & Price List Adjustments	Essential
200-00-00-00000	Oregon Public Service Retirement Plan	090	0	Analyst Adjustments	Policy
200-00-00-00000	Oregon Public Service Retirement Plan	801	0	LFO Analyst Adjustments	Policy
200-00-00-00000	Oregon Public Service Retirement Plan	802	0	Ways and Means Adjustments	Policy
200-00-00-00000	Oregon Public Service Retirement Plan	803	0	Vacancy Savings	Policy
200-00-00-00000	Oregon Public Service Retirement Plan	804	0	Assessment and Rate Adjustments	Policy
200-00-00-00000	Oregon Public Service Retirement Plan	810	0	Additional Ways and Means Adjustments	Policy
200-00-00-00000	Oregon Public Service Retirement Plan	811	0	Special Budget Committee Adjustments #1	Policy
200-00-00-00000	Oregon Public Service Retirement Plan	812	0	Special Budget Committee Adjustments #2	Policy
200-00-00-00000	Oregon Public Service Retirement Plan	813	0	Special Budget Committee Adjustments #3	Policy
200-00-00-00000	Oregon Public Service Retirement Plan	814	0	Special Budget Committee Adjustments #4	Policy
200-00-00-00000	Oregon Public Service Retirement Plan	815	0	Special Budget Committee Adjustments #5	Policy
200-00-00-00000	Oregon Public Service Retirement Plan	819	0	End of Session Tech Adjustments - HB 5023	Policy
200-00-00-00000	Oregon Public Service Retirement Plan	840	0	Substantive Legislation	Policy
300-00-00-00000	Operations	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential
300-00-00-00000	Operations	021	0	Phase-in	Essential

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Public Employees Retirement System, Oregon**Agency Number: 45900****Summary Cross Reference Listing and Packages****BAM Analyst: McGee, Bill****2005-07 Biennium****Budget Coordinator: DeForest, Brian - (503)603-7568****brian.deforest@state.or.us**

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
300-00-00-00000	Operations	022	0	Phase-out Pgm & One-time Costs	Essential
300-00-00-00000	Operations	030	0	Inflation & Price List Adjustments	Essential
300-00-00-00000	Operations	060	0	Technical Adjustments	Essential
300-00-00-00000	Operations	090	0	Analyst Adjustments	Policy
300-00-00-00000	Operations	801	0	LFO Analyst Adjustments	Policy
300-00-00-00000	Operations	802	0	Ways and Means Adjustments	Policy
300-00-00-00000	Operations	803	0	Vacancy Savings	Policy
300-00-00-00000	Operations	804	0	Assessment and Rate Adjustments	Policy
300-00-00-00000	Operations	810	0	Additional Ways and Means Adjustments	Policy
300-00-00-00000	Operations	811	0	Special Budget Committee Adjustments #1	Policy
300-00-00-00000	Operations	812	0	Special Budget Committee Adjustments #2	Policy
300-00-00-00000	Operations	813	0	Special Budget Committee Adjustments #3	Policy
300-00-00-00000	Operations	814	0	Special Budget Committee Adjustments #4	Policy
300-00-00-00000	Operations	815	0	Special Budget Committee Adjustments #5	Policy
300-00-00-00000	Operations	819	0	End of Session Tech Adjustments - HB 5023	Policy
300-00-00-00000	Operations	840	0	Substantive Legislation	Policy
300-00-00-00000	Operations	101	1	PERS Restructure and Support	Policy
300-00-00-00000	Operations	102	2	Legal Services	Policy
300-00-00-00000	Operations	103	3	Resolve Accumulated Workload	Policy
300-00-00-00000	Operations	104	4	PERS Reform Legislation Implementation	Policy
300-00-00-00000	Operations	105	5	Information Technology Initiatives	Policy
300-00-00-00000	Operations	106	6	Ratification of Fee Revenue	Policy
300-00-00-00000	Operations	107	7	RIMS Replacement	Policy
400-00-00-00000	Debt Service	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential

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Summary Cross Reference Listing and Packages

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Summary Cross Reference Listing and Packages**BAM Analyst: McGee, Bill****2005-07 Biennium****Budget Coordinator: DeForest, Brian - (503)603-7568****brian.deforest@state.or.us**

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
400-00-00-00000	Debt Service	021	0	Phase-in	Essential
400-00-00-00000	Debt Service	022	0	Phase-out Pgm & One-time Costs	Essential
400-00-00-00000	Debt Service	030	0	Inflation & Price List Adjustments	Essential
400-00-00-00000	Debt Service	801	0	LFO Analyst Adjustments	Policy
400-00-00-00000	Debt Service	802	0	Ways and Means Adjustments	Policy
400-00-00-00000	Debt Service	803	0	Vacancy Savings	Policy
400-00-00-00000	Debt Service	804	0	Assessment and Rate Adjustments	Policy
400-00-00-00000	Debt Service	810	0	Additional Ways and Means Adjustments	Policy
400-00-00-00000	Debt Service	811	0	Special Budget Committee Adjustments #1	Policy
400-00-00-00000	Debt Service	812	0	Special Budget Committee Adjustments #2	Policy
400-00-00-00000	Debt Service	813	0	Special Budget Committee Adjustments #3	Policy
400-00-00-00000	Debt Service	814	0	Special Budget Committee Adjustments #4	Policy
400-00-00-00000	Debt Service	815	0	Special Budget Committee Adjustments #5	Policy
400-00-00-00000	Debt Service	819	0	End of Session Tech Adjustments - HB 5023	Policy
400-00-00-00000	Debt Service	840	0	Substantive Legislation	Policy

Public Employees Retirement System, Oregon**Agency Number: 45900****Policy Package List by Priority****BAM Analyst: McGee, Bill****2005-07 Biennium****Budget Coordinator: DeForest, Brian - (503)603-7568****brian.deforest@state.or.us**

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	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
	801	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
	802	Ways and Means 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
	803	Vacancy 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
	804	Assessment and Rate 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
	810	Additional Ways and Means 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	Special Budget Committee Adjustments #1	100-00-00-00000	Tier One and Tier Two Plan

Public Employees Retirement System, Oregon**Agency Number: 45900****Policy Package List by Priority****BAM Analyst: McGee, Bill****2005-07 Biennium****Budget Coordinator: DeForest, Brian - (503)603-7568****brian.deforest@state.or.us**

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	811	Special Budget Committee Adjustments #1	200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	812	Special Budget Committee Adjustments #2	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
	813	Special Budget Committee Adjustments #3	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
	814	Special Budget Committee Adjustments #4	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
	815	Special Budget Committee Adjustments #5	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
	819	End of Session Tech Adjustments - HB 5023	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
	840	Substantive Legislation	100-00-00-00000	Tier One and Tier Two Plan

Public Employees Retirement System, Oregon**Agency Number: 45900****Policy Package List by Priority****BAM Analyst: McGee, Bill****2005-07 Biennium****Budget Coordinator: DeForest, Brian - (503)603-7568****brian.deforest@state.or.us**

<i>Priority</i>	<i>Policy Pkg Number</i>	<i>Policy Pkg Description</i>	<i>Summary Cross Reference Number</i>	<i>Cross Reference Description</i>
0	840	Substantive Legislation	200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
1	101	PERS Restructure and Support	300-00-00-00000	Operations
2	102	Legal Services	300-00-00-00000	Operations
3	103	Resolve Accumulated Workload	300-00-00-00000	Operations
4	104	PERS Reform Legislation Implementation	300-00-00-00000	Operations
5	105	Information Technology Initiatives	300-00-00-00000	Operations
6	106	Ratification of Fee Revenue	300-00-00-00000	Operations
7	107	RIMS Replacement	300-00-00-00000	Operations

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-000-00-00-00000****2005-07 Biennium****Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
BEGINNING BALANCE						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	32,206,157,223	36,223,411,533	32,909,336,400	42,489,378,833	42,489,378,833	42,489,378,833
3400 Other Funds Ltd	1,015,389	1,394,376	1,654,114	2,170,781	2,170,781	2,170,781
All Funds	32,207,172,612	36,224,805,909	32,910,990,514	42,491,549,614	42,491,549,614	42,491,549,614
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	-	51,414,688	5,608,469,733	-	-	-
BEGINNING BALANCE						
3200 Other Funds Non-Ltd	32,206,157,223	36,274,826,221	38,517,806,133	42,489,378,833	42,489,378,833	42,489,378,833
3400 Other Funds Ltd	1,015,389	1,394,376	1,654,114	2,170,781	2,170,781	2,170,781
TOTAL BEGINNING BALANCE	\$32,207,172,612	\$36,276,220,597	\$38,519,460,247	\$42,491,549,614	\$42,491,549,614	\$42,491,549,614
REVENUE CATEGORIES						
CHARGES FOR SERVICES						
0410 Charges for Services						
3400 Other Funds Ltd	1,173,004	2,203,638	2,081,953	2,197,416	2,197,416	2,197,416
INTEREST EARNINGS						
0605 Interest Income						
3200 Other Funds Non-Ltd	18,055,310	6,152,122,484	4,168,854,175	4,328,611,411	4,328,611,411	4,328,611,411
3400 Other Funds Ltd	31,542	135,000	23,400	-	-	-
All Funds	18,086,852	6,152,257,484	4,168,877,575	4,328,611,411	4,328,611,411	4,328,611,411
DONATIONS AND CONTRIBUTIONS						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	4,606,056,701	3,006,554,021	5,586,887,817	2,676,451,597	2,676,451,597	2,676,451,597

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-000-00-00-00000****2005-07 Biennium****Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
OTHER						
0975 Other Revenues						
3200 Other Funds Non-Ltd	15,000	343,548	300,000	300,000	300,000	300,000
3400 Other Funds Ltd	588,720	-	30,196	32,847	32,847	32,847
All Funds	603,720	343,548	330,196	332,847	332,847	332,847
TRANSFERS IN						
1010 Transfer In - Intrafund						
3200 Other Funds Non-Ltd	-	4,053,689,680	-	-	-	-
3400 Other Funds Ltd	42,365,534	61,320,064	79,547,991	67,110,931	71,736,185	73,527,174
3430 Other Funds Debt Svc Ltd	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
All Funds	43,631,434	4,116,476,297	83,111,480	72,831,881	77,457,135	79,248,124
REVENUE CATEGORIES						
3200 Other Funds Non-Ltd	4,624,127,011	13,212,709,733	9,756,041,992	7,005,363,008	7,005,363,008	7,005,363,008
3400 Other Funds Ltd	44,158,800	63,658,702	81,683,540	69,341,194	73,966,448	75,757,437
3430 Other Funds Debt Svc Ltd	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
TOTAL REVENUE CATEGORIES	\$4,669,551,711	\$13,277,834,988	\$9,841,289,021	\$7,080,425,152	\$7,085,050,406	\$7,086,841,395
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
3200 Other Funds Non-Ltd	(42,970,274)	(4,116,434,715)	(83,111,480)	(72,831,881)	(77,457,135)	(79,248,124)
3400 Other Funds Ltd	(661,160)	(41,582)	-	-	-	-
All Funds	(43,631,434)	(4,116,476,297)	(83,111,480)	(72,831,881)	(77,457,135)	(79,248,124)
AVAILABLE REVENUES						
3200 Other Funds Non-Ltd	36,787,313,960	45,371,101,239	48,190,736,645	49,421,909,960	49,417,284,706	49,415,493,717

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-000-00-00-00000****2005-07 Biennium****Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
3400 Other Funds Ltd	44,513,029	65,011,496	83,337,654	71,511,975	76,137,229	77,928,218
3430 Other Funds Debt Svc Ltd	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
TOTAL AVAILABLE REVENUES	\$36,833,092,889	\$45,437,579,288	\$48,277,637,788	\$49,499,142,885	\$49,499,142,885	\$49,499,142,885

EXPENDITURES**PERSONAL SERVICES****SALARIES & WAGES****3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	16,478,349	24,728,440	24,220,451	28,257,253	27,912,949	28,490,581
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3160 Temporary Appointments

3400 Other Funds Ltd	296,283	142,417	487,952	156,924	156,924	156,924
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3170 Overtime Payments

3400 Other Funds Ltd	371,577	427,554	669,408	540,501	540,501	540,501
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3180 Shift Differential

3400 Other Funds Ltd	2,654	1,795	19,285	1,978	1,978	1,978
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3190 All Other Differential

3400 Other Funds Ltd	134,172	155,587	240,406	209,351	209,351	209,351
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SALARIES & WAGES

3400 Other Funds Ltd	17,283,035	25,455,793	25,637,502	29,166,007	28,821,703	29,399,335
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TOTAL SALARIES & WAGES	\$17,283,035	\$25,455,793	\$25,637,502	\$29,166,007	\$28,821,703	\$29,399,335
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OTHER PAYROLL EXPENSES**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	6,349	13,613	11,552	14,431	11,744	12,096
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3220 Public Employees' Retire Cont

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-000-00-00-00000****2005-07 Biennium****Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
3400 Other Funds Ltd	2,664,027	2,655,382	2,689,374	4,502,184	4,448,739	4,278,123
3221 Pension Bond Contribution						
3400 Other Funds Ltd	-	-	930,314	1,375,395	1,375,395	1,375,395
3230 Social Security Taxes						
3400 Other Funds Ltd	1,320,131	1,945,507	1,961,270	2,231,230	2,204,893	2,249,083
3240 Unemployment Assessments						
3400 Other Funds Ltd	30,429	16,512	35,825	37,390	37,390	37,390
3250 Worker's Comp. Assess. (WCD)						
3400 Other Funds Ltd	13,275	29,015	24,364	26,267	26,054	26,835
3260 Mass Transit Tax						
3400 Other Funds Ltd	104,887	153,496	153,825	174,993	177,399	177,399
3270 Flexible Benefits						
3400 Other Funds Ltd	2,685,853	5,111,190	5,184,498	6,846,480	6,790,968	6,976,368
OTHER PAYROLL EXPENSES						
3400 Other Funds Ltd	6,824,951	9,924,715	10,991,022	15,208,370	15,072,582	15,132,689
TOTAL OTHER PAYROLL EXPENSES	\$6,824,951	\$9,924,715	\$10,991,022	\$15,208,370	\$15,072,582	\$15,132,689
P.S. BUDGET ADJUSTMENTS						
3455 Vacancy Savings						
3400 Other Funds Ltd	-	(136,689)	-	(155,537)	(155,537)	(155,537)
3465 Reconciliation Adjustment						
3400 Other Funds Ltd	-	418,296	-	-	170,754	188,451
P.S. BUDGET ADJUSTMENTS						
3400 Other Funds Ltd	-	281,607	-	(155,537)	15,217	32,914

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-000-00-00-00000****2005-07 Biennium****Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
TOTAL P.S. BUDGET ADJUSTMENTS	-	\$281,607	-	(\$155,537)	\$15,217	\$32,914
PERSONAL SERVICES						
3400 Other Funds Ltd	24,107,986	35,662,115	36,628,524	44,218,840	43,909,502	44,564,938
TOTAL PERSONAL SERVICES	\$24,107,986	\$35,662,115	\$36,628,524	\$44,218,840	\$43,909,502	\$44,564,938
SERVICES & SUPPLIES						
4100 Instate Travel						
3400 Other Funds Ltd	163,839	139,994	155,392	154,618	154,618	116,894
4125 Out of State Travel						
3400 Other Funds Ltd	3,287	29,397	1,909	31,127	31,127	31,127
4150 Employee Training						
3400 Other Funds Ltd	300,694	304,477	434,117	538,019	477,719	488,069
4175 Office Expenses						
3400 Other Funds Ltd	1,766,434	1,990,616	1,674,948	2,224,851	2,008,722	2,063,722
4200 Telecommunications						
3400 Other Funds Ltd	490,648	656,445	759,377	548,092	548,092	503,503
4225 State Gov. Service Charges						
3400 Other Funds Ltd	988,455	1,907,499	977,185	1,538,010	1,538,010	1,580,081
4250 Data Processing						
3400 Other Funds Ltd	1,635,976	6,151,453	4,741,996	4,348,818	5,266,965	5,215,262
4275 Publicity and Publications						
3400 Other Funds Ltd	234,315	329,095	146,393	292,704	292,704	292,704
4300 Professional Services						
3200 Other Funds Non-Ltd	-	-	-	-	8,657,237	8,657,237

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-000-00-00-00000****2005-07 Biennium****Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
3400 Other Funds Ltd	9,031,857	9,611,701	21,063,289	11,586,051	2,862,534	2,862,534
All Funds	9,031,857	9,611,701	21,063,289	11,586,051	11,519,771	11,519,771
4315 IT Professional Services						
3400 Other Funds Ltd	-	-	-	522,557	13,147,953	13,897,953
4325 Attorney General						
3400 Other Funds Ltd	830,377	725,634	908,780	1,015,735	1,015,735	947,681
4350 Dispute Resolution Services						
3400 Other Funds Ltd	41,733	69,008	31,621	73,736	73,736	73,736
4375 Employee Recruitment and Develop						
3400 Other Funds Ltd	97,477	56,175	55,719	58,036	58,036	58,036
4400 Dues and Subscriptions						
3400 Other Funds Ltd	60,261	47,394	69,593	50,702	50,702	50,702
4425 Facilities Rental and Taxes						
3400 Other Funds Ltd	144,892	586,202	609,372	712,540	712,540	703,597
4450 Fuels and Utilities						
3400 Other Funds Ltd	136,602	118,226	170,123	121,063	121,063	121,063
4475 Facilities Maintenance						
3400 Other Funds Ltd	777,452	806,778	659,576	724,698	724,698	724,698
4575 Agency Program Related S and S						
3400 Other Funds Ltd	89,169	-	-	-	-	-
4625 Other COP Costs						
3400 Other Funds Ltd	382	1,501	203,223	6,500	6,500	6,500
4650 Other Services and Supplies						

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-000-00-00-00000****2005-07 Biennium****Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
3400 Other Funds Ltd	7,489	1,838	53,405	2,700	2,700	2,700
4700 Expendable Prop 250 - 5000						
3400 Other Funds Ltd	745,242	1,089,033	1,529,311	437,346	193,465	193,465
4715 IT Expendable Property						
3400 Other Funds Ltd	-	-	-	429,300	450,300	450,300
SERVICES & SUPPLIES						
3200 Other Funds Non-Ltd	-	-	-	-	8,657,237	8,657,237
3400 Other Funds Ltd	17,546,581	24,622,466	34,245,329	25,417,203	29,737,919	30,384,327
TOTAL SERVICES & SUPPLIES	\$17,546,581	\$24,622,466	\$34,245,329	\$25,417,203	\$38,395,156	\$39,041,564
CAPITAL OUTLAY						
5100 Office Furniture and Fixtures						
3400 Other Funds Ltd	-	30,145	-	30,868	30,868	30,868
5150 Telecommunications Equipment						
3400 Other Funds Ltd	-	519,981	264,735	-	-	-
5200 Technical Equipment						
3400 Other Funds Ltd	271,634	61,279	-	137,750	62,750	62,750
5550 Data Processing Software						
3400 Other Funds Ltd	331,716	150,000	8,901,604	147,000	447,019	447,019
5600 Data Processing Hardware						
3400 Other Funds Ltd	600,998	210,934	1,126,681	104,000	492,857	492,857
CAPITAL OUTLAY						
3400 Other Funds Ltd	1,204,348	972,339	10,293,020	419,618	1,033,494	1,033,494
TOTAL CAPITAL OUTLAY	\$1,204,348	\$972,339	\$10,293,020	\$419,618	\$1,033,494	\$1,033,494

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-000-00-00-00000****2005-07 Biennium****Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
SPECIAL PAYMENTS						
6030 Dist to Non-Gov Units						
3200 Other Funds Non-Ltd	183,937,006	205,542,355	225,759,310	259,583,999	259,583,999	259,583,999
6035 Dist to Individuals						
3200 Other Funds Non-Ltd	3,694,040,554	4,004,005,402	5,475,598,502	5,378,523,838	5,378,523,838	5,378,523,838
SPECIAL PAYMENTS						
3200 Other Funds Non-Ltd	3,877,977,560	4,209,547,757	5,701,357,812	5,638,107,837	5,638,107,837	5,638,107,837
TOTAL SPECIAL PAYMENTS	\$3,877,977,560	\$4,209,547,757	\$5,701,357,812	\$5,638,107,837	\$5,638,107,837	\$5,638,107,837
DEBT SERVICE						
7200 Principal - COP						
3430 Other Funds Debt Svc Ltd	610,000	720,000	2,625,000	4,665,000	4,665,000	4,665,000
7250 Interest - COP						
3430 Other Funds Debt Svc Ltd	655,900	695,481	938,489	1,055,950	1,055,950	1,055,950
7275 Discount/Prem on COP						
3430 Other Funds Debt Svc Ltd	-	51,072	-	-	-	-
DEBT SERVICE						
3430 Other Funds Debt Svc Ltd	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
TOTAL DEBT SERVICE	\$1,265,900	\$1,466,553	\$3,563,489	\$5,720,950	\$5,720,950	\$5,720,950
EXPENDITURES						
3200 Other Funds Non-Ltd	3,877,977,560	4,209,547,757	5,701,357,812	5,638,107,837	5,646,765,074	5,646,765,074
3400 Other Funds Ltd	42,858,915	61,256,920	81,166,873	70,055,661	74,680,915	75,982,759
3430 Other Funds Debt Svc Ltd	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
TOTAL EXPENDITURES	\$3,922,102,375	\$4,272,271,230	\$5,786,088,174	\$5,713,884,448	\$5,727,166,939	\$5,728,468,783

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-000-00-00-00000****2005-07 Biennium****Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
ENDING BALANCE						
3200 Other Funds Non-Ltd	32,909,336,400	41,161,553,482	42,489,378,833	43,783,802,123	43,770,519,632	43,768,728,643
3400 Other Funds Ltd	1,654,114	3,754,576	2,170,781	1,456,314	1,456,314	1,945,459
TOTAL ENDING BALANCE	\$32,910,990,514	\$41,165,308,058	\$42,491,549,614	\$43,785,258,437	\$43,771,975,946	\$43,770,674,102
AUTHORIZED POSITIONS						
8150 Class/Unclass Positions	273	356	408	370	367	378
8180 Position Reconciliation	-	-	-	-	2	2
TOTAL AUTHORIZED POSITIONS	273	356	408	370	369	380
AUTHORIZED FTE						
8250 Class/Unclass FTE Positions	226.33	324.22	362.01	369.00	366.25	377.25
8280 FTE Reconciliation	-	-	-	-	1.75	1.75
TOTAL AUTHORIZED FTE	226.33	324.22	362.01	369.00	368.00	379.00

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-100-00-00-00000****2005-07 Biennium****Tier One and Tier Two Plan**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
BEGINNING BALANCE						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	32,206,157,223	36,223,411,533	32,909,336,400	41,215,783,978	41,215,783,978	41,215,783,978
3400 Other Funds Ltd	661,160	-	-	-	-	-
All Funds	32,206,818,383	36,223,411,533	32,909,336,400	41,215,783,978	41,215,783,978	41,215,783,978
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	-	51,414,688	5,608,469,733	-	-	-
BEGINNING BALANCE						
3200 Other Funds Non-Ltd	32,206,157,223	36,274,826,221	38,517,806,133	41,215,783,978	41,215,783,978	41,215,783,978
3400 Other Funds Ltd	661,160	-	-	-	-	-
TOTAL BEGINNING BALANCE	\$32,206,818,383	\$36,274,826,221	\$38,517,806,133	\$41,215,783,978	\$41,215,783,978	\$41,215,783,978
REVENUE CATEGORIES						
INTEREST EARNINGS						
0605 Interest Income						
3200 Other Funds Non-Ltd	18,055,310	6,152,122,484	4,148,763,737	4,307,844,007	4,307,844,007	4,307,844,007
DONATIONS AND CONTRIBUTIONS						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	4,606,056,701	3,006,554,021	4,331,235,391	1,378,488,842	1,378,488,842	1,378,488,842
OTHER						
0975 Other Revenues						
3200 Other Funds Non-Ltd	15,000	343,548	300,000	300,000	300,000	300,000
TRANSFERS IN						
1010 Transfer In - Intrafund						

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2005-07 Biennium

Tier One and Tier Two Plan

Description	2001-03 Actuals	2003-05 Leg Adopted Budget	2003-05 Estimates	2005-07 Agency Request Budget	2005-07 Governor's Rec. Budget	2005-07 Leg Adopted Budget
3200 Other Funds Non-Ltd	-	4,053,689,680	-	-	-	-
REVENUE CATEGORIES						
3200 Other Funds Non-Ltd	4,624,127,011	13,212,709,733	8,480,299,128	5,686,632,849	5,686,632,849	5,686,632,849
TOTAL REVENUE CATEGORIES	\$4,624,127,011	\$13,212,709,733	\$8,480,299,128	\$5,686,632,849	\$5,686,632,849	\$5,686,632,849
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
3200 Other Funds Non-Ltd	(42,970,274)	(4,116,434,715)	(80,963,471)	(62,411,495)	(71,320,421)	(74,650,601)
3400 Other Funds Ltd	(661,160)	-	-	-	-	-
All Funds	(43,631,434)	(4,116,434,715)	(80,963,471)	(62,411,495)	(71,320,421)	(74,650,601)
AVAILABLE REVENUES						
3200 Other Funds Non-Ltd	36,787,313,960	45,371,101,239	46,917,141,790	46,840,005,332	46,831,096,406	46,827,766,226
TOTAL AVAILABLE REVENUES	\$36,787,313,960	\$45,371,101,239	\$46,917,141,790	\$46,840,005,332	\$46,831,096,406	\$46,827,766,226
EXPENDITURES						
SERVICES & SUPPLIES						
4300 Professional Services						
3200 Other Funds Non-Ltd	-	-	-	-	4,561,237	4,561,237
SPECIAL PAYMENTS						
6030 Dist to Non-Gov. Units						
3200 Other Funds Non-Ltd	183,937,006	205,542,355	225,759,310	259,583,999	259,583,999	259,583,999
6035 Dist to Individuals						
3200 Other Funds Non-Ltd	3,694,040,554	4,004,005,402	5,475,598,502	5,377,523,838	5,377,523,838	5,377,523,838
SPECIAL PAYMENTS						
3200 Other Funds Non-Ltd	3,877,977,560	4,209,547,757	5,701,357,812	5,637,107,837	5,637,107,837	5,637,107,837

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-100-00-00-00000****2005-07 Biennium****Tier One and Tier Two Plan**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
TOTAL SPECIAL PAYMENTS	\$3,877,977,560	\$4,209,547,757	\$5,701,357,812	\$5,637,107,837	\$5,637,107,837	\$5,637,107,837
EXPENDITURES						
3200 Other Funds Non-Ltd	3,877,977,560	4,209,547,757	5,701,357,812	5,637,107,837	5,641,669,074	5,641,669,074
TOTAL EXPENDITURES	\$3,877,977,560	\$4,209,547,757	\$5,701,357,812	\$5,637,107,837	\$5,641,669,074	\$5,641,669,074
ENDING BALANCE						
3200 Other Funds Non-Ltd	32,909,336,400	41,161,553,482	41,215,783,978	41,202,897,495	41,189,427,332	41,186,097,152
TOTAL ENDING BALANCE	\$32,909,336,400	\$41,161,553,482	\$41,215,783,978	\$41,202,897,495	\$41,189,427,332	\$41,186,097,152

Public Employees Retirement System, Oregon
Agency Number: 45900
Budget Support - Detail Revenues and Expenditures
Cross Reference Number: 45900-200-00-00-00000
2005-07 Biennium
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<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
BEGINNING BALANCE						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	-	-	-	1,273,594,855	1,273,594,855	1,273,594,855
REVENUE CATEGORIES						
INTEREST EARNINGS						
0605 Interest Income						
3200 Other Funds Non-Ltd	-	-	20,090,438	20,767,404	20,767,404	20,767,404
DONATIONS AND CONTRIBUTIONS						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	-	-	1,255,652,426	1,297,962,755	1,297,962,755	1,297,962,755
REVENUE CATEGORIES						
3200 Other Funds Non-Ltd	-	-	1,275,742,864	1,318,730,159	1,318,730,159	1,318,730,159
TOTAL REVENUE CATEGORIES	-	-	\$1,275,742,864	\$1,318,730,159	\$1,318,730,159	\$1,318,730,159
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
3200 Other Funds Non-Ltd	-	-	(2,148,009)	(10,420,386)	(6,136,714)	(4,597,523)
AVAILABLE REVENUES						
3200 Other Funds Non-Ltd	-	-	1,273,594,855	2,581,904,628	2,586,188,300	2,587,727,491
TOTAL AVAILABLE REVENUES	-	-	\$1,273,594,855	\$2,581,904,628	\$2,586,188,300	\$2,587,727,491
EXPENDITURES						
SERVICES & SUPPLIES						
4300 Professional Services						
3200 Other Funds Non-Ltd	-	-	-	-	4,096,000	4,096,000

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-200-00-00-00000****2005-07 Biennium****Oregon Public Service Retirement Plan**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
SPECIAL PAYMENTS						
6035 Dist to Individuals						
3200 Other Funds Non-Ltd	-	-	-	1,000,000	1,000,000	1,000,000
EXPENDITURES						
3200 Other Funds Non-Ltd	-	-	-	1,000,000	5,096,000	5,096,000
TOTAL EXPENDITURES	-	-	-	\$1,000,000	\$5,096,000	\$5,096,000
ENDING BALANCE						
3200 Other Funds Non-Ltd	-	-	1,273,594,855	2,580,904,628	2,581,092,300	2,582,631,491
TOTAL ENDING BALANCE	-	-	\$1,273,594,855	\$2,580,904,628	\$2,581,092,300	\$2,582,631,491

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-300-00-00-00000****2005-07 Biennium****Operations**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
BEGINNING BALANCE						
0025 Beginning Balance						
3400 Other Funds Ltd	354,229	1,394,376	1,654,114	2,170,781	2,170,781	2,170,781
REVENUE CATEGORIES						
CHARGES FOR SERVICES						
0410 Charges for Services						
3400 Other Funds Ltd	1,173,004	2,203,638	2,081,953	2,197,416	2,197,416	2,197,416
INTEREST EARNINGS						
0605 Interest Income						
3400 Other Funds Ltd	31,542	135,000	23,400	-	-	-
OTHER						
0975 Other Revenues						
3400 Other Funds Ltd	588,720	-	30,196	32,847	32,847	32,847
TRANSFERS IN						
1010 Transfer In - Intrafund						
3400 Other Funds Ltd	42,365,534	61,320,064	79,547,991	67,110,931	71,736,185	73,527,174
REVENUE CATEGORIES						
3400 Other Funds Ltd	44,158,800	63,658,702	81,683,540	69,341,194	73,966,448	75,757,437
TOTAL REVENUE CATEGORIES	\$44,158,800	\$63,658,702	\$81,683,540	\$69,341,194	\$73,966,448	\$75,757,437
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
3400 Other Funds Ltd	-	(41,582)	-	-	-	-
AVAILABLE REVENUES						

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-300-00-00-00000****2005-07 Biennium****Operations**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
3400 Other Funds Ltd	44,513,029	65,011,496	83,337,654	71,511,975	76,137,229	77,928,218
TOTAL AVAILABLE REVENUES	\$44,513,029	\$65,011,496	\$83,337,654	\$71,511,975	\$76,137,229	\$77,928,218
EXPENDITURES						
PERSONAL SERVICES						
SALARIES & WAGES						
3110 Class/Unclass Sal. and Per Diem						
3400 Other Funds Ltd	16,478,349	24,728,440	24,220,451	28,257,253	27,912,949	28,490,581
3160 Temporary Appointments						
3400 Other Funds Ltd	296,283	142,417	487,952	156,924	156,924	156,924
3170 Overtime Payments						
3400 Other Funds Ltd	371,577	427,554	669,408	540,501	540,501	540,501
3180 Shift Differential						
3400 Other Funds Ltd	2,654	1,795	19,285	1,978	1,978	1,978
3190 All Other Differential						
3400 Other Funds Ltd	134,172	155,587	240,406	209,351	209,351	209,351
SALARIES & WAGES						
3400 Other Funds Ltd	17,283,035	25,455,793	25,637,502	29,166,007	28,821,703	29,399,335
TOTAL SALARIES & WAGES	\$17,283,035	\$25,455,793	\$25,637,502	\$29,166,007	\$28,821,703	\$29,399,335
OTHER PAYROLL EXPENSES						
3210 Empl. Rel. Bd. Assessments						
3400 Other Funds Ltd	6,349	13,613	11,552	14,431	11,744	12,096
3220 Public Employees' Retire Cont						
3400 Other Funds Ltd	2,664,027	2,655,382	2,689,374	4,502,184	4,448,739	4,278,123

Public Employees Retirement System, Oregon
Agency Number: 45900
Budget Support - Detail Revenues and Expenditures
Cross Reference Number: 45900-300-00-00-00000
2005-07 Biennium
Operations

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
3221 Pension Bond Contribution						
3400 Other Funds Ltd	-	-	930,314	1,375,395	1,375,395	1,375,395
3230 Social Security Taxes						
3400 Other Funds Ltd	1,320,131	1,945,507	1,961,270	2,231,230	2,204,893	2,249,083
3240 Unemployment Assessments						
3400 Other Funds Ltd	30,429	16,512	35,825	37,390	37,390	37,390
3250 Worker's Comp. Assess. (WCD)						
3400 Other Funds Ltd	13,275	29,015	24,364	26,267	26,054	26,835
3260 Mass Transit Tax						
3400 Other Funds Ltd	104,887	153,496	153,825	174,993	177,399	177,399
3270 Flexible Benefits						
3400 Other Funds Ltd	2,685,853	5,111,190	5,184,498	6,846,480	6,790,968	6,976,368
OTHER PAYROLL EXPENSES						
3400 Other Funds Ltd	6,824,951	9,924,715	10,991,022	15,208,370	15,072,582	15,132,689
TOTAL OTHER PAYROLL EXPENSES	\$6,824,951	\$9,924,715	\$10,991,022	\$15,208,370	\$15,072,582	\$15,132,689
P.S. BUDGET ADJUSTMENTS						
3455 Vacancy Savings						
3400 Other Funds Ltd	-	(136,689)	-	(155,537)	(155,537)	(155,537)
3465 Reconciliation Adjustment						
3400 Other Funds Ltd	-	418,296	-	-	170,754	188,451
P.S. BUDGET ADJUSTMENTS						
3400 Other Funds Ltd	-	281,607	-	(155,537)	15,217	32,914
TOTAL P.S. BUDGET ADJUSTMENTS	-	\$281,607	-	(\$155,537)	\$15,217	\$32,914

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-300-00-00-00000****2005-07 Biennium****Operations**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
PERSONAL SERVICES						
3400 Other Funds Ltd	24,107,986	35,662,115	36,628,524	44,218,840	43,909,502	44,564,938
TOTAL PERSONAL SERVICES	\$24,107,986	\$35,662,115	\$36,628,524	\$44,218,840	\$43,909,502	\$44,564,938
SERVICES & SUPPLIES						
4100 Instate Travel						
3400 Other Funds Ltd	163,839	139,994	155,392	154,618	154,618	116,894
4125 Out of State Travel						
3400 Other Funds Ltd	3,287	29,397	1,909	31,127	31,127	31,127
4150 Employee Training						
3400 Other Funds Ltd	300,694	304,477	434,117	538,019	477,719	488,069
4175 Office Expenses						
3400 Other Funds Ltd	1,766,434	1,990,616	1,674,948	2,224,851	2,008,722	2,063,722
4200 Telecommunications						
3400 Other Funds Ltd	490,648	656,445	759,377	548,092	548,092	503,503
4225 State Gov. Service Charges						
3400 Other Funds Ltd	988,455	1,907,499	977,185	1,538,010	1,538,010	1,580,081
4250 Data Processing						
3400 Other Funds Ltd	1,635,976	6,151,453	4,741,996	4,348,818	5,266,965	5,215,262
4275 Publicity and Publications						
3400 Other Funds Ltd	234,315	329,095	146,393	292,704	292,704	292,704
4300 Professional Services						
3400 Other Funds Ltd	9,031,857	9,611,701	21,063,289	11,586,051	2,862,534	2,862,534
4315 IT Professional Services						

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2005-07 Biennium

Operations

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
3400 Other Funds Ltd	-	-	-	522,557	13,147,953	13,897,953
4325 Attorney General						
3400 Other Funds Ltd	830,377	725,634	908,780	1,015,735	1,015,735	947,681
4350 Dispute Resolution Services						
3400 Other Funds Ltd	41,733	69,008	31,621	73,736	73,736	73,736
4375 Employee Recruitment and Develop						
3400 Other Funds Ltd	97,477	56,175	55,719	58,036	58,036	58,036
4400 Dues and Subscriptions						
3400 Other Funds Ltd	60,261	47,394	69,593	50,702	50,702	50,702
4425 Facilities Rental and Taxes						
3400 Other Funds Ltd	144,892	586,202	609,372	712,540	712,540	703,597
4450 Fuels and Utilities						
3400 Other Funds Ltd	136,602	118,226	170,123	121,063	121,063	121,063
4475 Facilities Maintenance						
3400 Other Funds Ltd	777,452	806,778	659,576	724,698	724,698	724,698
4575 Agency Program Related S and S						
3400 Other Funds Ltd	89,169	-	-	-	-	-
4625 Other COP Costs						
3400 Other Funds Ltd	382	1,501	203,223	6,500	6,500	6,500
4650 Other Services and Supplies						
3400 Other Funds Ltd	7,489	1,838	53,405	2,700	2,700	2,700
4700 Expendable Prop 250 - 5000						
3400 Other Funds Ltd	745,242	1,089,033	1,529,311	437,346	193,465	193,465

Public Employees Retirement System, Oregon**Agency Number: 45900****Budget Support - Detail Revenues and Expenditures****Cross Reference Number: 45900-300-00-00-00000****2005-07 Biennium****Operations**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
4715 IT Expendable Property						
3400 Other Funds Ltd	-	-	-	429,300	450,300	450,300
SERVICES & SUPPLIES						
3400 Other Funds Ltd	17,546,581	24,622,466	34,245,329	25,417,203	29,737,919	30,384,327
TOTAL SERVICES & SUPPLIES	\$17,546,581	\$24,622,466	\$34,245,329	\$25,417,203	\$29,737,919	\$30,384,327
CAPITAL OUTLAY						
5100 Office Furniture and Fixtures						
3400 Other Funds Ltd	-	30,145	-	30,868	30,868	30,868
5150 Telecommunications Equipment						
3400 Other Funds Ltd	-	519,981	264,735	-	-	-
5200 Technical Equipment						
3400 Other Funds Ltd	271,634	61,279	-	137,750	62,750	62,750
5550 Data Processing Software						
3400 Other Funds Ltd	331,716	150,000	8,901,604	147,000	447,019	447,019
5600 Data Processing Hardware						
3400 Other Funds Ltd	600,998	210,934	1,126,681	104,000	492,857	492,857
CAPITAL OUTLAY						
3400 Other Funds Ltd	1,204,348	972,339	10,293,020	419,618	1,033,494	1,033,494
TOTAL CAPITAL OUTLAY	\$1,204,348	\$972,339	\$10,293,020	\$419,618	\$1,033,494	\$1,033,494
EXPENDITURES						
3400 Other Funds Ltd	42,858,915	61,256,920	81,166,873	70,055,661	74,680,915	75,982,759
TOTAL EXPENDITURES	\$42,858,915	\$61,256,920	\$81,166,873	\$70,055,661	\$74,680,915	\$75,982,759

ENDING BALANCE

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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****2005-07 Biennium****Operations**

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
3400 Other Funds Ltd	1,654,114	3,754,576	2,170,781	1,456,314	1,456,314	1,945,459
TOTAL ENDING BALANCE	\$1,654,114	\$3,754,576	\$2,170,781	\$1,456,314	\$1,456,314	\$1,945,459
AUTHORIZED POSITIONS						
8150 Class/Unclass Positions	273	356	408	370	367	378
8180 Position Reconciliation	-	-	-	-	2	2
TOTAL AUTHORIZED POSITIONS	273	356	408	370	369	380
AUTHORIZED FTE						
8250 Class/Unclass FTE Positions	226.33	324.22	362.01	369.00	366.25	377.25
8280 FTE Reconciliation	-	-	-	-	1.75	1.75
TOTAL AUTHORIZED FTE	226.33	324.22	362.01	369.00	368.00	379.00

Public Employees Retirement System, Oregon**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

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

2005-07 Biennium

Debt Service

<i>Description</i>	<i>2001-03 Actuals</i>	<i>2003-05 Leg Adopted Budget</i>	<i>2003-05 Estimates</i>	<i>2005-07 Agency Request Budget</i>	<i>2005-07 Governor's Rec. Budget</i>	<i>2005-07 Leg Adopted Budget</i>
REVENUE CATEGORIES						
TRANSFERS IN						
1010 Transfer In - Intrafund						
3430 Other Funds Debt Svc Ltd	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
AVAILABLE REVENUES						
3430 Other Funds Debt Svc Ltd	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
TOTAL AVAILABLE REVENUES	\$1,265,900	\$1,466,553	\$3,563,489	\$5,720,950	\$5,720,950	\$5,720,950
EXPENDITURES						
DEBT SERVICE						
7200 Principal - COP						
3430 Other Funds Debt Svc Ltd	610,000	720,000	2,625,000	4,665,000	4,665,000	4,665,000
7250 Interest - COP						
3430 Other Funds Debt Svc Ltd	655,900	695,481	938,489	1,055,950	1,055,950	1,055,950
7275 Discount/Prem on COP						
3430 Other Funds Debt Svc Ltd	-	51,072	-	-	-	-
DEBT SERVICE						
3430 Other Funds Debt Svc Ltd	1,265,900	1,466,553	3,563,489	5,720,950	5,720,950	5,720,950
TOTAL DEBT SERVICE	\$1,265,900	\$1,466,553	\$3,563,489	\$5,720,950	\$5,720,950	\$5,720,950

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

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2005-07 Biennium

Tier One and Tier Two Plan

Description	Governor's Rec. Budget (Y-01) 2005-07 Base Budget	Leg. Adopted Budget (Z-01) 2005-07 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	41,215,783,978	41,215,783,978	0	-
REVENUE CATEGORIES				
INTEREST EARNINGS				
0605 Interest Income				
3200 Other Funds Non-Ltd	4,307,844,007	4,307,844,007	0	-
DONATIONS AND CONTRIBUTIONS				
0915 Retirement System Contribution				
3200 Other Funds Non-Ltd	1,378,488,842	1,378,488,842	0	-
OTHER				
0975 Other Revenues				
3200 Other Funds Non-Ltd	300,000	300,000	0	-
TOTAL REVENUES				
3200 Other Funds Non-Ltd	5,686,632,849	5,686,632,849	0	-
TRANSFERS OUT				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	(71,320,421)	(74,650,601)	(3,330,180)	-4.67%
AVAILABLE REVENUES				
3200 Other Funds Non-Ltd	46,831,096,406	46,827,766,226	(3,330,180)	-0.01%
EXPENDITURES				
SPECIAL PAYMENTS				
6030 Dist to Non-Gov Units				
3200 Other Funds Non-Ltd	259,583,999	259,583,999	0	-

Public Employees Retirement System, Oregon**Agency Number: 45900****Version / Column Comparison Report - Detail****Cross Reference Number: 45900-100-00-00-00000****2005-07 Biennium****Tier One and Tier Two Plan**

Description	Governor's Rec. Budget (Y-01) 2005-07 Base Budget	Leg. Adopted Budget (Z-01) 2005-07 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
6035 Dist to Individuals				
3200 Other Funds Non-Ltd	5,377,523,838	5,377,523,838	0	-
TOTAL SPECIAL PAYMENTS				
3200 Other Funds Non-Ltd	5,637,107,837	5,637,107,837	0	-
ENDING BALANCE				
3200 Other Funds Non-Ltd	41,193,988,569	41,190,658,389	(3,330,180)	-0.01%

Public Employees Retirement System, Oregon

Agency Number: 45900

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2005-07 Biennium

Oregon Public Service Retirement Plan

Description	Governor's Rec. Budget (Y-01) 2005-07 Base Budget	Leg. Adopted Budget (Z-01) 2005-07 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	1,273,594,855	1,273,594,855	0	-
REVENUE CATEGORIES				
INTEREST EARNINGS				
0605 Interest Income				
3200 Other Funds Non-Ltd	20,767,404	20,767,404	0	-
DONATIONS AND CONTRIBUTIONS				
0915 Retirement System Contribution				
3200 Other Funds Non-Ltd	1,297,962,755	1,297,962,755	0	-
TOTAL REVENUES				
3200 Other Funds Non-Ltd	1,318,730,159	1,318,730,159	0	-
TRANSFERS OUT				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	(6,136,714)	(4,597,523)	1,539,191	25.08%
AVAILABLE REVENUES				
3200 Other Funds Non-Ltd	2,586,188,300	2,587,727,491	1,539,191	0.06%
EXPENDITURES				
SPECIAL PAYMENTS				
6035 Dist to Individuals				
3200 Other Funds Non-Ltd	1,000,000	1,000,000	0	-
ENDING BALANCE				
3200 Other Funds Non-Ltd	2,585,188,300	2,586,727,491	1,539,191	0.06%

Public Employees Retirement System, Oregon
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2005-07 Biennium
Operations

Description	Governor's Rec. Budget (Y-01) 2005-07 Base Budget	Leg. Adopted Budget (Z-01) 2005-07 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	2,170,781	2,170,781	0	-
REVENUE CATEGORIES				
CHARGES FOR SERVICES				
0410 Charges for Services				
3400 Other Funds Ltd	1,717,416	1,717,416	0	-
OTHER				
0975 Other Revenues				
3400 Other Funds Ltd	32,847	32,847	0	-
TRANSFERS IN				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	75,291,052	75,562,855	271,803	0.36%
TOTAL REVENUES				
3400 Other Funds Ltd	77,041,315	77,313,118	271,803	0.35%
AVAILABLE REVENUES				
3400 Other Funds Ltd	79,212,096	79,483,899	271,803	0.34%
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	21,885,349	21,882,085	(3,264)	-0.01%
3160 Temporary Appointments				
3400 Other Funds Ltd	153,247	153,247	0	-

Version / Column Comparison Report - Detail

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

2005-07 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2005-07 Base Budget	Leg. Adopted Budget (Z-01) 2005-07 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3170 Overtime Payments				
3400 Other Funds Ltd	527,834	527,834	0	-
3180 Shift Differential				
3400 Other Funds Ltd	1,932	1,932	0	-
3190 All Other Differential				
3400 Other Funds Ltd	204,445	204,445	0	-
TOTAL SALARIES & WAGES				
3400 Other Funds Ltd	22,772,807	22,769,543	(3,264)	-0.01%
OTHER PAYROLL EXPENSES				
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	8,608	8,608	0	-
3220 Public Employees' Retire Cont				
3400 Other Funds Ltd	3,510,529	3,308,739	(201,790)	-5.75%
3230 Social Security Taxes				
3400 Other Funds Ltd	1,742,135	1,741,886	(249)	-0.01%
3240 Unemployment Assessments				
3400 Other Funds Ltd	36,512	36,512	0	-
3250 Worker's Comp. Assess. (WCD)				
3400 Other Funds Ltd	19,096	19,096	0	-
3260 Mass Transit Tax				
3400 Other Funds Ltd	169,463	169,463	0	-
3270 Flexible Benefits				
3400 Other Funds Ltd	4,977,576	4,964,664	(12,912)	-0.26%
TOTAL OTHER PAYROLL EXPENSES				

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

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

2005-07 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2005-07 Base Budget	Leg. Adopted Budget (Z-01) 2005-07 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	10,463,919	10,248,968	(214,951)	-2.05%
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				
3400 Other Funds Ltd	(136,689)	(136,689)	0	-
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	170,030	174,020	3,990	2.35%
TOTAL P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	33,341	37,331	3,990	11.97%
TOTAL PERSONAL SERVICES				
3400 Other Funds Ltd	33,270,067	33,055,842	(214,225)	-0.64%
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	150,994	150,994	0	-
4125 Out of State Travel				
3400 Other Funds Ltd	30,397	30,397	0	-
4150 Employee Training				
3400 Other Funds Ltd	380,061	380,061	0	-
4175 Office Expenses				
3400 Other Funds Ltd	2,176,153	2,176,153	0	-
4200 Telecommunications				
3400 Other Funds Ltd	686,445	686,445	0	-
4225 State Gov. Service Charges				
3400 Other Funds Ltd	2,025,500	2,025,500	0	-
4250 Data Processing				

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

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

2005-07 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2005-07 Base Budget	Leg. Adopted Budget (Z-01) 2005-07 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	6,251,453	6,251,453	0	-
4275 Publicity and Publications				
3400 Other Funds Ltd	429,095	429,095	0	-
4300 Professional Services				
3400 Other Funds Ltd	19,041,338	19,041,338	0	-
4325 Attorney General				
3400 Other Funds Ltd	875,634	875,634	0	-
4350 Dispute Resolution Services				
3400 Other Funds Ltd	72,008	72,008	0	-
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	56,675	56,675	0	-
4400 Dues and Subscriptions				
3400 Other Funds Ltd	52,513	52,513	0	-
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	604,103	604,103	0	-
4450 Fuels and Utilities				
3400 Other Funds Ltd	126,226	126,226	0	-
4475 Facilities Maintenance				
3400 Other Funds Ltd	823,189	823,189	0	-
4625 Other COP Costs				
3400 Other Funds Ltd	202,776	202,776	0	-
4650 Other Services and Supplies				
3400 Other Funds Ltd	2,638	2,638	0	-
4700 Expendable Prop 250 - 5000				

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

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

2005-07 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2005-07 Base Budget	Leg. Adopted Budget (Z-01) 2005-07 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	1,479,622	1,479,622	0	-
TOTAL SERVICES & SUPPLIES				
3400 Other Funds Ltd	35,466,820	35,466,820	0	-
CAPITAL OUTLAY				
5100 Office Furniture and Fixtures				
3400 Other Funds Ltd	30,145	30,145	0	-
5150 Telecommunications Equipment				
3400 Other Funds Ltd	519,981	519,981	0	-
5200 Technical Equipment				
3400 Other Funds Ltd	61,279	61,279	0	-
5550 Data Processing Software				
3400 Other Funds Ltd	8,150,000	8,150,000	0	-
5600 Data Processing Hardware				
3400 Other Funds Ltd	210,934	210,934	0	-
TOTAL CAPITAL OUTLAY				
3400 Other Funds Ltd	8,972,339	8,972,339	0	-
TOTAL EXPENDITURES				
3400 Other Funds Ltd	77,709,226	77,495,001	(214,225)	-0.28%
ENDING BALANCE				
3400 Other Funds Ltd	1,502,870	1,988,898	486,028	32.34%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	269	269	0	-
8180 Position Reconciliation	2	2	0	-
TOTAL AUTHORIZED POSITIONS	271	271	0	-

Description	Governor's Rec. Budget (Y-01) 2005-07 Base Budget	Leg. Adopted Budget (Z-01) 2005-07 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	268.25	268.25	0	-
8280 FTE Reconciliation	1.75	1.75	0	-
TOTAL AUTHORIZED FTE	270.00	270.00	0	-

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

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

2005-07 Biennium

Debt Service

Description	Governor's Rec. Budget (Y-01) 2005-07 Base Budget	Leg. Adopted Budget (Z-01) 2005-07 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

REVENUE CATEGORIES

TRANSFERS IN

1010 Transfer In - Intrafund

3430 Other Funds Debt Svc Ltd	5,720,950	5,720,950	0	-
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AVAILABLE REVENUES

3430 Other Funds Debt Svc Ltd	5,720,950	5,720,950	0	-
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EXPENDITURES

DEBT SERVICE

7200 Principal - COP

3430 Other Funds Debt Svc Ltd	4,665,000	4,665,000	0	-
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7250 Interest - COP

3430 Other Funds Debt Svc Ltd	1,055,950	1,055,950	0	-
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TOTAL DEBT SERVICE

3430 Other Funds Debt Svc Ltd	5,720,950	5,720,950	0	-
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Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Analyst Adjustments

Tier One and Tier Two Plan

Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	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	4,561,237	4,561,237	0	0.00%
ENDING BALANCE				
3200 Other Funds Non-Ltd	(4,561,237)	(4,561,237)	0	0.00%
TOTAL ENDING BALANCE	(\$4,561,237)	(\$4,561,237)	\$0	0.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Analyst Adjustments

Oregon Public Service Retirement Plan

Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	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	4,096,000	4,096,000	0	0.00%
ENDING BALANCE				
3200 Other Funds Non-Ltd	(4,096,000)	(4,096,000)	0	0.00%
TOTAL ENDING BALANCE	(\$4,096,000)	(\$4,096,000)	\$0	0.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Non-PICS Psnl Svc / Vacancy Factor

Operations

Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Rec. Budget (Y-01) Essential Packages	Leg. Adopted Budget (Z-01) Essential Packages	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	1,308,958	1,308,958	0	0.00%
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REVENUE CATEGORIES

3400 Other Funds Ltd	1,308,958	1,308,958	0	0.00%
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TOTAL REVENUE CATEGORIES	\$1,308,958	\$1,308,958	\$0	0.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	1,308,958	1,308,958	0	0.00%
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TOTAL AVAILABLE REVENUES	\$1,308,958	\$1,308,958	\$0	0.00%
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EXPENDITURES**PERSONAL SERVICES****SALARIES & WAGES****3160 Temporary Appointments**

3400 Other Funds Ltd	3,677	3,677	0	0.00%
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3170 Overtime Payments

3400 Other Funds Ltd	12,667	12,667	0	0.00%
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3180 Shift Differential

3400 Other Funds Ltd	46	46	0	0.00%
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Public Employees Retirement System, Oregon
Agency Number: 45900
Package Comparison Report - Detail
Cross Reference Number: 45900-300-00-00-00000
2005-07 Biennium
Package: Non-PICS Psnl Svc / Vacancy Factor
Operations
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Rec. Budget (Y-01) Essential Packages	Leg. Adopted Budget (Z-01) Essential Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3190 All Other Differential				
3400 Other Funds Ltd	4,906	4,906	0	0.00%
SALARIES & WAGES				
3400 Other Funds Ltd	21,296	21,296	0	0.00%
TOTAL SALARIES & WAGES	\$21,296	\$21,296	\$0	0.00%
OTHER PAYROLL EXPENSES				
3220 Public Employees Retire Cont				
3400 Other Funds Ltd	2,735	2,575	(160)	(5.85%)
3221 Pension Bond Contribution				
3400 Other Funds Ltd	1,375,395	1,375,395	0	0.00%
3230 Social Security Taxes				
3400 Other Funds Ltd	1,629	1,629	0	0.00%
3240 Unemployment Assessments				
3400 Other Funds Ltd	878	878	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	(32,056)	(32,056)	0	0.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	1,348,581	1,348,421	(160)	(0.01%)
TOTAL OTHER PAYROLL EXPENSES	\$1,348,581	\$1,348,421	(\$160)	(0.01%)

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Non-PICS Psnl Svc / Vacancy Factor

Operations

Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Rec. Budget (Y-01) Essential Packages	Leg. Adopted Budget (Z-01) Essential Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				
3400 Other Funds Ltd	(18,848)	(18,848)	0	0.00%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	(18,848)	(18,848)	0	0.00%
TOTAL P.S. BUDGET ADJUSTMENTS	(\$18,848)	(\$18,848)	\$0	0.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	1,351,029	1,350,869	(160)	(0.01%)
TOTAL PERSONAL SERVICES	\$1,351,029	\$1,350,869	(\$160)	(0.01%)
EXPENDITURES				
3400 Other Funds Ltd	1,351,029	1,350,869	(160)	(0.01%)
TOTAL EXPENDITURES	\$1,351,029	\$1,350,869	(\$160)	(0.01%)
ENDING BALANCE				
3400 Other Funds Ltd	(42,071)	(41,911)	160	0.38%
TOTAL ENDING BALANCE	(\$42,071)	(\$41,911)	\$160	0.38%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Phase-in

Operations

Pkg Group: ESS Pkg Type: 020 Pkg Number: 021

Description	Governor's Rec. Budget (Y-01) Essential Packages	Leg. Adopted Budget (Z-01) Essential Packages	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	1,024,000	1,024,000	0	0.00%
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REVENUE CATEGORIES

3400 Other Funds Ltd	1,024,000	1,024,000	0	0.00%
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TOTAL REVENUE CATEGORIES	\$1,024,000	\$1,024,000	\$0	0.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	1,024,000	1,024,000	0	0.00%
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TOTAL AVAILABLE REVENUES	\$1,024,000	\$1,024,000	\$0	0.00%
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EXPENDITURES**SERVICES & SUPPLIES****4300 Professional Services**

3400 Other Funds Ltd	1,024,000	1,024,000	0	0.00%
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SERVICES & SUPPLIES

3400 Other Funds Ltd	1,024,000	1,024,000	0	0.00%
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TOTAL SERVICES & SUPPLIES	\$1,024,000	\$1,024,000	\$0	0.00%
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EXPENDITURES

3400 Other Funds Ltd	1,024,000	1,024,000	0	0.00%
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ANA101A

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Public Employees Retirement System, Oregon**Agency Number: 45900****Package Comparison Report - Detail****Cross Reference Number: 45900-300-00-00-00000****2005-07 Biennium****Package: Phase-in****Operations****Pkg Group: ESS Pkg Type: 020 Pkg Number: 021**

Description	Governor's Rec. Budget (Y-01) Essential Packages	Leg. Adopted Budget (Z-01) Essential Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL EXPENDITURES	\$1,024,000	\$1,024,000	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	\$0	0.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Phase-out Pgm & One-time Costs

Operations

Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Governor's Rec. Budget (Y-01) Essential Packages	Leg. Adopted Budget (Z-01) Essential Packages	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	(24,120,428)	(24,120,428)	0	0.00%
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REVENUE CATEGORIES

3400 Other Funds Ltd	(24,120,428)	(24,120,428)	0	0.00%
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TOTAL REVENUE CATEGORIES	(\$24,120,428)	(\$24,120,428)	\$0	0.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	(24,120,428)	(24,120,428)	0	0.00%
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TOTAL AVAILABLE REVENUES	(\$24,120,428)	(\$24,120,428)	\$0	0.00%
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EXPENDITURES**SERVICES & SUPPLIES****4150 Employee Training**

3400 Other Funds Ltd	(104,310)	(104,310)	0	0.00%
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4175 Office Expenses

3400 Other Funds Ltd	(486,845)	(486,845)	0	0.00%
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4200 Telecommunications

3400 Other Funds Ltd	(151,200)	(151,200)	0	0.00%
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4250 Data Processing

Public Employees Retirement System, Oregon
Agency Number: 45900
Package Comparison Report - Detail
Cross Reference Number: 45900-300-00-00-00000
2005-07 Biennium
Package: Phase-out Pgm & One-time Costs
Operations
Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Governor's Rec. Budget (Y-01) Essential Packages	Leg. Adopted Budget (Z-01) Essential Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(3,232,098)	(3,232,098)	0	0.00%
4275 Publicity and Publications				
3400 Other Funds Ltd	(143,251)	(143,251)	0	0.00%
4300 Professional Services				
3400 Other Funds Ltd	(9,418,191)	(9,418,191)	0	0.00%
4400 Dues and Subscriptions				
3400 Other Funds Ltd	(3,000)	(3,000)	0	0.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	(480,000)	(480,000)	0	0.00%
4450 Fuels and Utilities				
3400 Other Funds Ltd	(8,000)	(8,000)	0	0.00%
4475 Facilities Maintenance				
3400 Other Funds Ltd	(115,475)	(115,475)	0	0.00%
4625 Other COP Costs				
3400 Other Funds Ltd	(196,276)	(196,276)	0	0.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	(900,867)	(900,867)	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	(15,239,513)	(15,239,513)	0	0.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Phase-out Pgm & One-time Costs

Operations

Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Governor's Rec. Budget (Y-01) Essential Packages	Leg. Adopted Budget (Z-01) Essential Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL SERVICES & SUPPLIES	(\$15,239,513)	(\$15,239,513)	\$0	0.00%
CAPITAL OUTLAY				
5150 Telecommunications Equipment				
3400 Other Funds Ltd	(519,981)	(519,981)	0	0.00%
5550 Data Processing Software				
3400 Other Funds Ltd	(8,150,000)	(8,150,000)	0	0.00%
5600 Data Processing Hardware				
3400 Other Funds Ltd	(210,934)	(210,934)	0	0.00%
CAPITAL OUTLAY				
3400 Other Funds Ltd	(8,880,915)	(8,880,915)	0	0.00%
TOTAL CAPITAL OUTLAY	(\$8,880,915)	(\$8,880,915)	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	(24,120,428)	(24,120,428)	0	0.00%
TOTAL EXPENDITURES	(\$24,120,428)	(\$24,120,428)	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	\$0	0.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Inflation & Price List Adjustments

Operations

Pkg Group: ESS Pkg Type: 030 Pkg Number: 030

Description	Governor's Rec. Budget (Y-01) Essential Packages	Leg. Adopted Budget (Z-01) Essential Packages	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	78,073	78,073	0	0.00%
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REVENUE CATEGORIES

3400 Other Funds Ltd	78,073	78,073	0	0.00%
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TOTAL REVENUE CATEGORIES	\$78,073	\$78,073	\$0	0.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	78,073	78,073	0	0.00%
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TOTAL AVAILABLE REVENUES	\$78,073	\$78,073	\$0	0.00%
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EXPENDITURES**SERVICES & SUPPLIES****4100 Instate Travel**

3400 Other Funds Ltd	3,624	3,624	0	0.00%
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4125 Out of State Travel

3400 Other Funds Ltd	730	730	0	0.00%
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4150 Employee Training

3400 Other Funds Ltd	6,618	6,618	0	0.00%
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4175 Office Expenses

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Inflation & Price List Adjustments

Operations

Pkg Group: ESS Pkg Type: 030 Pkg Number: 030

Description	Governor's Rec. Budget (Y-01) Essential Packages	Leg. Adopted Budget (Z-01) Essential Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	40,543	40,543	0	0.00%
4200 Telecommunications				
3400 Other Funds Ltd	12,847	12,847	0	0.00%
4225 State Gov. Service Charges				
3400 Other Funds Ltd	(487,490)	(487,490)	0	0.00%
4250 Data Processing				
3400 Other Funds Ltd	72,463	72,463	0	0.00%
4275 Publicity and Publications				
3400 Other Funds Ltd	6,860	6,860	0	0.00%
4300 Professional Services				
3400 Other Funds Ltd	236,460	236,460	0	0.00%
4325 Attorney General				
3400 Other Funds Ltd	140,101	140,101	0	0.00%
4350 Dispute Resolution Services				
3400 Other Funds Ltd	1,728	1,728	0	0.00%
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	1,361	1,361	0	0.00%
4400 Dues and Subscriptions				
3400 Other Funds Ltd	1,189	1,189	0	0.00%

Public Employees Retirement System, Oregon**Agency Number: 45900****Package Comparison Report - Detail****Cross Reference Number: 45900-300-00-00-00000****2005-07 Biennium****Package: Inflation & Price List Adjustments****Operations****Pkg Group: ESS Pkg Type: 030 Pkg Number: 030**

Description	Governor's Rec. Budget (Y-01) Essential Packages	Leg. Adopted Budget (Z-01) Essential Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	9,556	9,556	0	0.00%
4450 Fuels and Utilities				
3400 Other Funds Ltd	2,837	2,837	0	0.00%
4475 Facilities Maintenance				
3400 Other Funds Ltd	16,984	16,984	0	0.00%
4650 Other Services and Supplies				
3400 Other Funds Ltd	62	62	0	0.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	13,891	13,891	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	80,364	80,364	0	0.00%
TOTAL SERVICES & SUPPLIES	\$80,364	\$80,364	\$0	0.00%
CAPITAL OUTLAY				
5100 Office Furniture and Fixtures				
3400 Other Funds Ltd	723	723	0	0.00%
5200 Technical Equipment				
3400 Other Funds Ltd	1,471	1,471	0	0.00%
CAPITAL OUTLAY				

Public Employees Retirement System, Oregon**Agency Number: 45900****Package Comparison Report - Detail****Cross Reference Number: 45900-300-00-00-00000****2005-07 Biennium****Package: Inflation & Price List Adjustments****Operations****Pkg Group: ESS Pkg Type: 030 Pkg Number: 030**

Description	Governor's Rec. Budget (Y-01) Essential Packages	Leg. Adopted Budget (Z-01) Essential Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	2,194	2,194	0	0.00%
TOTAL CAPITAL OUTLAY	\$2,194	\$2,194	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	82,558	82,558	0	0.00%
TOTAL EXPENDITURES	\$82,558	\$82,558	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(4,485)	(4,485)	0	0.00%
TOTAL ENDING BALANCE	(\$4,485)	(\$4,485)	\$0	0.00%

Public Employees Retirement System, Oregon
Agency Number: 45900
Package Comparison Report - Detail
Cross Reference Number: 45900-300-00-00-00000
2005-07 Biennium
Package: Technical Adjustments
Operations
Pkg Group: ESS Pkg Type: 060 Pkg Number: 060

Description	Governor's Rec. Budget (Y-01) Essential Packages	Leg. Adopted Budget (Z-01) Essential Packages	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	(497,556)	(497,556)	0	0.00%
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4315 IT Professional Services

3400 Other Funds Ltd	497,556	497,556	0	0.00%
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4700 Expendable Prop 250 - 5000

3400 Other Funds Ltd	(429,300)	(429,300)	0	0.00%
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4715 IT Expendable Property

3400 Other Funds Ltd	429,300	429,300	0	0.00%
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SERVICES & SUPPLIES

3400 Other Funds Ltd	-	-	0	0.00%
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TOTAL SERVICES & SUPPLIES

-	-	\$0	0.00%
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EXPENDITURES

3400 Other Funds Ltd	-	-	0	0.00%
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TOTAL EXPENDITURES

-	-	\$0	0.00%
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ENDING BALANCE

3400 Other Funds Ltd	-	-	0	0.00%
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TOTAL ENDING BALANCE

-	-	\$0	0.00%
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Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Analyst Adjustments

Operations

Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	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	(9,897,085)	(9,890,850)	6,235	0.06%
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REVENUE CATEGORIES

3400 Other Funds Ltd	(9,897,085)	(9,890,850)	6,235	0.06%
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TOTAL REVENUE CATEGORIES	(\$9,897,085)	(\$9,890,850)	\$6,235	0.06%
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AVAILABLE REVENUES

3400 Other Funds Ltd	(9,897,085)	(9,890,850)	6,235	0.06%
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TOTAL AVAILABLE REVENUES	(\$9,897,085)	(\$9,890,850)	\$6,235	0.06%
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EXPENDITURES**PERSONAL SERVICES****SALARIES & WAGES****3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	(662,976)	(662,976)	0	0.00%
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SALARIES & WAGES

3400 Other Funds Ltd	(662,976)	(662,976)	0	0.00%
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TOTAL SALARIES & WAGES	(\$662,976)	(\$662,976)	\$0	0.00%
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OTHER PAYROLL EXPENSES

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Analyst Adjustments

Operations

Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	(224)	(224)	0	0.00%
3220 Public Employees Retire Cont				
3400 Other Funds Ltd	(102,893)	(96,994)	5,899	5.73%
3230 Social Security Taxes				
3400 Other Funds Ltd	(50,720)	(50,720)	0	0.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	(497)	(497)	0	0.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	(129,528)	(129,192)	336	0.26%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	(283,862)	(277,627)	6,235	2.20%
TOTAL OTHER PAYROLL EXPENSES	(\$283,862)	(\$277,627)	\$6,235	2.20%
PERSONAL SERVICES				
3400 Other Funds Ltd	(946,838)	(940,603)	6,235	0.66%
TOTAL PERSONAL SERVICES	(\$946,838)	(\$940,603)	\$6,235	0.66%
SERVICES & SUPPLIES				
4175 Office Expenses				
3400 Other Funds Ltd	(246,129)	(246,129)	0	0.00%

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Analyst Adjustments

Operations

Pkg Group: POL Pkg Type: 090 Pkg Number: 090

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4300 Professional Services				
3400 Other Funds Ltd	(8,657,237)	(8,657,237)	0	0.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	(46,881)	(46,881)	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	(8,950,247)	(8,950,247)	0	0.00%
TOTAL SERVICES & SUPPLIES	(\$8,950,247)	(\$8,950,247)	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	(9,897,085)	(9,890,850)	6,235	0.06%
TOTAL EXPENDITURES	(\$9,897,085)	(\$9,890,850)	\$6,235	0.06%
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	\$0	0.00%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	(7)	(7)	0	0.00%
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	(7.00)	(7.00)	0.00	0.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: PERS Restructure and Support

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 101

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	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	2,519,691	2,505,748	(13,943)	(0.55%)
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REVENUE CATEGORIES

3400 Other Funds Ltd	2,519,691	2,505,748	(13,943)	(0.55%)
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TOTAL REVENUE CATEGORIES	\$2,519,691	\$2,505,748	(\$13,943)	(0.55%)
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AVAILABLE REVENUES

3400 Other Funds Ltd	2,519,691	2,505,748	(13,943)	(0.55%)
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TOTAL AVAILABLE REVENUES	\$2,519,691	\$2,505,748	(\$13,943)	(0.55%)
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EXPENDITURES**PERSONAL SERVICES****SALARIES & WAGES****3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	1,447,848	1,447,848	0	0.00%
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SALARIES & WAGES

3400 Other Funds Ltd	1,447,848	1,447,848	0	0.00%
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TOTAL SALARIES & WAGES	\$1,447,848	\$1,447,848	\$0	0.00%
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OTHER PAYROLL EXPENSES

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Public Employees Retirement System, Oregon
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Cross Reference Number: 45900-300-00-00-00000
2005-07 Biennium
Package: PERS Restructure and Support
Operations
Pkg Group: POL Pkg Type: POL Pkg Number: 101

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	704	704	0	0.00%
3220 Public Employees Retire Cont				
3400 Other Funds Ltd	224,705	211,818	(12,887)	(5.74%)
3230 Social Security Taxes				
3400 Other Funds Ltd	110,761	110,761	0	0.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	1,562	1,562	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	8,554	8,554	0	0.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	407,088	406,032	(1,056)	(0.26%)
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	753,374	739,431	(13,943)	(1.85%)
TOTAL OTHER PAYROLL EXPENSES	\$753,374	\$739,431	(\$13,943)	(1.85%)
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	449	449	0	0.00%
P.S. BUDGET ADJUSTMENTS				

Public Employees Retirement System, Oregon
Agency Number: 45900
Package Comparison Report - Detail
Cross Reference Number: 45900-300-00-00-00000
2005-07 Biennium
Package: PERS Restructure and Support
Operations
Pkg Group: POL Pkg Type: POL Pkg Number: 101

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	449	449	0	0.00%
TOTAL P.S. BUDGET ADJUSTMENTS	\$449	\$449	\$0	0.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	2,201,671	2,187,728	(13,943)	(0.63%)
TOTAL PERSONAL SERVICES	\$2,201,671	\$2,187,728	(\$13,943)	(0.63%)
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	23,300	23,300	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	110,000	110,000	0	0.00%
4300 Professional Services				
3400 Other Funds Ltd	133,720	133,720	0	0.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	51,000	51,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	318,020	318,020	0	0.00%
TOTAL SERVICES & SUPPLIES	\$318,020	\$318,020	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	2,519,691	2,505,748	(13,943)	(0.55%)

Public Employees Retirement System, Oregon**Agency Number: 45900****Package Comparison Report - Detail****Cross Reference Number: 45900-300-00-00-00000****2005-07 Biennium****Package: PERS Restructure and Support****Operations****Pkg Group: POL Pkg Type: POL Pkg Number: 101**

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL EXPENDITURES	\$2,519,691	\$2,505,748	(\$13,943)	(0.55%)
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	\$0	0.00%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	22	22	0	0.00%
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	22.00	22.00	0.00	0.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Legal Services

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 102

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	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	1,000,000	1,000,000	0	0.00%
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REVENUE CATEGORIES

3400 Other Funds Ltd	1,000,000	1,000,000	0	0.00%
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TOTAL REVENUE CATEGORIES	\$1,000,000	\$1,000,000	\$0	0.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	1,000,000	1,000,000	0	0.00%
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TOTAL AVAILABLE REVENUES	\$1,000,000	\$1,000,000	\$0	0.00%
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EXPENDITURES**SERVICES & SUPPLIES****4300 Professional Services**

3400 Other Funds Ltd	1,000,000	1,000,000	0	0.00%
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SERVICES & SUPPLIES

3400 Other Funds Ltd	1,000,000	1,000,000	0	0.00%
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TOTAL SERVICES & SUPPLIES	\$1,000,000	\$1,000,000	\$0	0.00%
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EXPENDITURES

3400 Other Funds Ltd	1,000,000	1,000,000	0	0.00%
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Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Legal Services

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 102

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL EXPENDITURES	\$1,000,000	\$1,000,000	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	\$0	0.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Resolve Accumulated Workload

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	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	2,841,307	2,826,215	(15,092)	(0.53%)
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REVENUE CATEGORIES

3400 Other Funds Ltd	2,841,307	2,826,215	(15,092)	(0.53%)
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TOTAL REVENUE CATEGORIES	\$2,841,307	\$2,826,215	(\$15,092)	(0.53%)
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AVAILABLE REVENUES

3400 Other Funds Ltd	2,841,307	2,826,215	(15,092)	(0.53%)
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TOTAL AVAILABLE REVENUES	\$2,841,307	\$2,826,215	(\$15,092)	(0.53%)
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EXPENDITURES**PERSONAL SERVICES****SALARIES & WAGES****3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	1,555,632	1,555,632	0	0.00%
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SALARIES & WAGES

3400 Other Funds Ltd	1,555,632	1,555,632	0	0.00%
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TOTAL SALARIES & WAGES	\$1,555,632	\$1,555,632	\$0	0.00%
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OTHER PAYROLL EXPENSES

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Resolve Accumulated Workload

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	832	832	0	0.00%
3220 Public Employees Retire Cont				
3400 Other Funds Ltd	241,430	227,586	(13,844)	(5.73%)
3230 Social Security Taxes				
3400 Other Funds Ltd	119,015	119,015	0	0.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	1,846	1,846	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	9,334	9,334	0	0.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	481,104	479,856	(1,248)	(0.26%)
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	853,561	838,469	(15,092)	(1.77%)
TOTAL OTHER PAYROLL EXPENSES	\$853,561	\$838,469	(\$15,092)	(1.77%)
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	264,014	264,014	0	0.00%
P.S. BUDGET ADJUSTMENTS				

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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2005-07 Biennium

Package: Resolve Accumulated Workload

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	264,014	264,014	0	0.00%
TOTAL P.S. BUDGET ADJUSTMENTS	\$264,014	\$264,014	\$0	0.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	2,673,207	2,658,115	(15,092)	(0.56%)
TOTAL PERSONAL SERVICES	\$2,673,207	\$2,658,115	(\$15,092)	(0.56%)
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	28,100	28,100	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	140,000	140,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	168,100	168,100	0	0.00%
TOTAL SERVICES & SUPPLIES	\$168,100	\$168,100	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	2,841,307	2,826,215	(15,092)	(0.53%)
TOTAL EXPENDITURES	\$2,841,307	\$2,826,215	(\$15,092)	(0.53%)
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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2005-07 Biennium

Package: Resolve Accumulated Workload

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL ENDING BALANCE	-	-	\$0	0.00%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	26	26	0	0.00%
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	26.00	26.00	0.00	0.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: PERS Reform Legislation Implementation

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 104

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	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	4,042,282	1,831,166	(2,211,116)	(54.70%)
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REVENUE CATEGORIES

3400 Other Funds Ltd	4,042,282	1,831,166	(2,211,116)	(54.70%)
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TOTAL REVENUE CATEGORIES	\$4,042,282	\$1,831,166	(\$2,211,116)	(54.70%)
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AVAILABLE REVENUES

3400 Other Funds Ltd	4,042,282	1,831,166	(2,211,116)	(54.70%)
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TOTAL AVAILABLE REVENUES	\$4,042,282	\$1,831,166	(\$2,211,116)	(54.70%)
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EXPENDITURES**PERSONAL SERVICES****SALARIES & WAGES****3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	2,115,024	779,808	(1,335,216)	(63.13%)
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SALARIES & WAGES

3400 Other Funds Ltd	2,115,024	779,808	(1,335,216)	(63.13%)
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TOTAL SALARIES & WAGES	\$2,115,024	\$779,808	(\$1,335,216)	(63.13%)
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OTHER PAYROLL EXPENSES

Public Employees Retirement System, Oregon
Agency Number: 45900
Package Comparison Report - Detail
Cross Reference Number: 45900-300-00-00-00000
2005-07 Biennium
Package: PERS Reform Legislation Implementation
Operations
Pkg Group: POL Pkg Type: POL Pkg Number: 104

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	1,088	384	(704)	(64.71%)
3220 Public Employees Retire Cont				
3400 Other Funds Ltd	328,249	114,084	(214,165)	(65.24%)
3230 Social Security Taxes				
3400 Other Funds Ltd	161,806	59,657	(102,149)	(63.13%)
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	2,414	852	(1,562)	(64.71%)
3260 Mass Transit Tax				
3400 Other Funds Ltd	12,690	12,690	0	0.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	629,136	221,472	(407,664)	(64.80%)
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	1,135,383	409,139	(726,244)	(63.96%)
TOTAL OTHER PAYROLL EXPENSES	\$1,135,383	\$409,139	(\$726,244)	(63.96%)
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	194	(20,762)	(20,956)	(10,802.06%)
P.S. BUDGET ADJUSTMENTS				

Public Employees Retirement System, Oregon
Agency Number: 45900
Package Comparison Report - Detail
Cross Reference Number: 45900-300-00-00-00000
2005-07 Biennium
Package: PERS Reform Legislation Implementation
Operations
Pkg Group: POL Pkg Type: POL Pkg Number: 104

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	194	(20,762)	(20,956)	(10,802.06%)
TOTAL P.S. BUDGET ADJUSTMENTS	\$194	(\$20,762)	(\$20,956)	(10,802.06%)
PERSONAL SERVICES				
3400 Other Funds Ltd	3,250,601	1,168,185	(2,082,416)	(64.06%)
TOTAL PERSONAL SERVICES	\$3,250,601	\$1,168,185	(\$2,082,416)	(64.06%)
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	42,800	24,100	(18,700)	(43.69%)
4175 Office Expenses				
3400 Other Funds Ltd	170,000	60,000	(110,000)	(64.71%)
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	578,881	578,881	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	791,681	662,981	(128,700)	(16.26%)
TOTAL SERVICES & SUPPLIES	\$791,681	\$662,981	(\$128,700)	(16.26%)
EXPENDITURES				
3400 Other Funds Ltd	4,042,282	1,831,166	(2,211,116)	(54.70%)
TOTAL EXPENDITURES	\$4,042,282	\$1,831,166	(\$2,211,116)	(54.70%)

Public Employees Retirement System, Oregon**Agency Number: 45900****Package Comparison Report - Detail****Cross Reference Number: 45900-300-00-00-00000****2005-07 Biennium****Package: PERS Reform Legislation Implementation****Operations****Pkg Group: POL Pkg Type: POL Pkg Number: 104**

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	\$0	0.00%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	34	12	(22)	(64.71%)
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	34.00	12.00	(22.00)	(64.71%)

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Information Technology Initiatives

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 105

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	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	3,011,210	3,000,995	(10,215)	(0.34%)
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REVENUE CATEGORIES

3400 Other Funds Ltd	3,011,210	3,000,995	(10,215)	(0.34%)
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TOTAL REVENUE CATEGORIES	\$3,011,210	\$3,000,995	(\$10,215)	(0.34%)
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AVAILABLE REVENUES

3400 Other Funds Ltd	3,011,210	3,000,995	(10,215)	(0.34%)
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TOTAL AVAILABLE REVENUES	\$3,011,210	\$3,000,995	(\$10,215)	(0.34%)
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EXPENDITURES**PERSONAL SERVICES****SALARIES & WAGES****3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	1,055,856	1,055,856	0	0.00%
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SALARIES & WAGES

3400 Other Funds Ltd	1,055,856	1,055,856	0	0.00%
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TOTAL SALARIES & WAGES	\$1,055,856	\$1,055,856	\$0	0.00%
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OTHER PAYROLL EXPENSES

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Information Technology Initiatives

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 105

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	544	544	0	0.00%
3220 Public Employees Retire Cont				
3400 Other Funds Ltd	163,868	154,469	(9,399)	(5.74%)
3230 Social Security Taxes				
3400 Other Funds Ltd	80,777	80,777	0	0.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	1,207	1,207	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	6,335	6,335	0	0.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	314,568	313,752	(816)	(0.26%)
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	567,299	557,084	(10,215)	(1.80%)
TOTAL OTHER PAYROLL EXPENSES	\$567,299	\$557,084	(\$10,215)	(1.80%)
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	(263,995)	(263,995)	0	0.00%
P.S. BUDGET ADJUSTMENTS				

Public Employees Retirement System, Oregon
Agency Number: 45900
Package Comparison Report - Detail
Cross Reference Number: 45900-300-00-00-00000
2005-07 Biennium
Package: Information Technology Initiatives
Operations
Pkg Group: POL Pkg Type: POL Pkg Number: 105

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(263,995)	(263,995)	0	0.00%
TOTAL P.S. BUDGET ADJUSTMENTS	(\$263,995)	(\$263,995)	\$0	0.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	1,359,160	1,348,945	(10,215)	(0.75%)
TOTAL PERSONAL SERVICES	\$1,359,160	\$1,348,945	(\$10,215)	(0.75%)
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	93,050	93,050	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	75,000	75,000	0	0.00%
4250 Data Processing				
3400 Other Funds Ltd	1,207,000	1,207,000	0	0.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	26,000	26,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	1,401,050	1,401,050	0	0.00%
TOTAL SERVICES & SUPPLIES	\$1,401,050	\$1,401,050	\$0	0.00%
CAPITAL OUTLAY				
5550 Data Processing Software				

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Information Technology Initiatives

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 105

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	147,000	147,000	0	0.00%
5600 Data Processing Hardware				
3400 Other Funds Ltd	104,000	104,000	0	0.00%
CAPITAL OUTLAY				
3400 Other Funds Ltd	251,000	251,000	0	0.00%
TOTAL CAPITAL OUTLAY	\$251,000	\$251,000	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	3,011,210	3,000,995	(10,215)	(0.34%)
TOTAL EXPENDITURES	\$3,011,210	\$3,000,995	(\$10,215)	(0.34%)
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	\$0	0.00%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	17	17	0	0.00%
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	17.00	17.00	0.00	0.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Ratification of Fee Revenue

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 106

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

REVENUE CATEGORIES**CHARGES FOR SERVICES****0410 Charges for Services**

3400 Other Funds Ltd	480,000	480,000	0	0.00%
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TRANSFERS IN**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	(480,000)	(480,000)	0	0.00%
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REVENUE CATEGORIES

3400 Other Funds Ltd	-	-	0	0.00%
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TOTAL REVENUE CATEGORIES

-	-	\$0	0.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	-	-	0	0.00%
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TOTAL AVAILABLE REVENUES

-	-	\$0	0.00%
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ENDING BALANCE

3400 Other Funds Ltd	-	-	0	0.00%
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TOTAL ENDING BALANCE

-	-	\$0	0.00%
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Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: RIMS Replacement

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 107

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	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	15,117,125	15,112,243	(4,882)	(0.03%)
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REVENUE CATEGORIES

3400 Other Funds Ltd	15,117,125	15,112,243	(4,882)	(0.03%)
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TOTAL REVENUE CATEGORIES	\$15,117,125	\$15,112,243	(\$4,882)	(0.03%)
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AVAILABLE REVENUES

3400 Other Funds Ltd	15,117,125	15,112,243	(4,882)	(0.03%)
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TOTAL AVAILABLE REVENUES	\$15,117,125	\$15,112,243	(\$4,882)	(0.03%)
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EXPENDITURES**PERSONAL SERVICES****SALARIES & WAGES****3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	516,216	516,216	0	0.00%
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SALARIES & WAGES

3400 Other Funds Ltd	516,216	516,216	0	0.00%
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TOTAL SALARIES & WAGES	\$516,216	\$516,216	\$0	0.00%
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OTHER PAYROLL EXPENSES

Public Employees Retirement System, Oregon
Agency Number: 45900
Package Comparison Report - Detail
Cross Reference Number: 45900-300-00-00-00000
2005-07 Biennium
Package: RIMS Replacement
Operations
Pkg Group: POL Pkg Type: POL Pkg Number: 107

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	192	192	0	0.00%
3220 Public Employees Retire Cont				
3400 Other Funds Ltd	80,116	75,522	(4,594)	(5.73%)
3230 Social Security Taxes				
3400 Other Funds Ltd	39,490	39,490	0	0.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	426	426	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	3,079	3,079	0	0.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	111,024	110,736	(288)	(0.26%)
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	234,327	229,445	(4,882)	(2.08%)
TOTAL OTHER PAYROLL EXPENSES	\$234,327	\$229,445	(\$4,882)	(2.08%)
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	62	62	0	0.00%
P.S. BUDGET ADJUSTMENTS				

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2005-07 Biennium

Package: RIMS Replacement

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 107

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	62	62	0	0.00%
TOTAL P.S. BUDGET ADJUSTMENTS	\$62	\$62	\$0	0.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	750,605	745,723	(4,882)	(0.65%)
TOTAL PERSONAL SERVICES	\$750,605	\$745,723	(\$4,882)	(0.65%)
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	8,100	8,100	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	30,000	30,000	0	0.00%
4250 Data Processing				
3400 Other Funds Ltd	968,147	968,147	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	12,650,397	12,650,397	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	21,000	21,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	13,677,644	13,677,644	0	0.00%
TOTAL SERVICES & SUPPLIES	\$13,677,644	\$13,677,644	\$0	0.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: RIMS Replacement

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 107

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
CAPITAL OUTLAY				
5550 Data Processing Software				
3400 Other Funds Ltd	300,019	300,019	0	0.00%
5600 Data Processing Hardware				
3400 Other Funds Ltd	388,857	388,857	0	0.00%
CAPITAL OUTLAY				
3400 Other Funds Ltd	688,876	688,876	0	0.00%
TOTAL CAPITAL OUTLAY	\$688,876	\$688,876	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	15,117,125	15,112,243	(4,882)	(0.03%)
TOTAL EXPENDITURES	\$15,117,125	\$15,112,243	(\$4,882)	(0.03%)
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	\$0	0.00%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	6	6	0	0.00%
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	6.00	6.00	0.00	0.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: LFO Analyst Adjustments

Operations

Pkg Group: POL Pkg Type: LFO Pkg Number: 801

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	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	-	(66,510)	(66,510)	100.00%
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REVENUE CATEGORIES

3400 Other Funds Ltd	-	(66,510)	(66,510)	100.00%
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TOTAL REVENUE CATEGORIES	-	(\$66,510)	(\$66,510)	100.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	-	(66,510)	(66,510)	100.00%
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TOTAL AVAILABLE REVENUES	-	(\$66,510)	(\$66,510)	100.00%
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EXPENDITURES**PERSONAL SERVICES****P.S. BUDGET ADJUSTMENTS****3465 Reconciliation Adjustment**

3400 Other Funds Ltd	-	1,545	1,545	100.00%
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P.S. BUDGET ADJUSTMENTS

3400 Other Funds Ltd	-	1,545	1,545	100.00%
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TOTAL P.S. BUDGET ADJUSTMENTS	-	\$1,545	\$1,545	100.00%
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PERSONAL SERVICES

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Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2005-07 Biennium

Package: LFO Analyst Adjustments

Operations

Pkg Group: POL Pkg Type: LFO Pkg Number: 801

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	1,545	1,545	100.00%
TOTAL PERSONAL SERVICES	-	\$1,545	\$1,545	100.00%
SERVICES & SUPPLIES				
4325 Attorney General				
3400 Other Funds Ltd	-	(68,054)	(68,054)	100.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	-	(68,054)	(68,054)	100.00%
TOTAL SERVICES & SUPPLIES	-	(\$68,054)	(\$68,054)	100.00%
EXPENDITURES				
3400 Other Funds Ltd	-	(66,509)	(66,509)	100.00%
TOTAL EXPENDITURES	-	(\$66,509)	(\$66,509)	100.00%
ENDING BALANCE				
3400 Other Funds Ltd	-	(1)	(1)	100.00%
TOTAL ENDING BALANCE	-	(\$1)	(\$1)	100.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Assessment and Rate Adjustments

Operations

Pkg Group: POL Pkg Type: LFO Pkg Number: 804

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	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	-	(94,955)	(94,955)	100.00%
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REVENUE CATEGORIES

3400 Other Funds Ltd	-	(94,955)	(94,955)	100.00%
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TOTAL REVENUE CATEGORIES	-	(\$94,955)	(\$94,955)	100.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	-	(94,955)	(94,955)	100.00%
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TOTAL AVAILABLE REVENUES	-	(\$94,955)	(\$94,955)	100.00%
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EXPENDITURES**PERSONAL SERVICES****P.S. BUDGET ADJUSTMENTS****3465 Reconciliation Adjustment**

3400 Other Funds Ltd	-	2,975	2,975	100.00%
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P.S. BUDGET ADJUSTMENTS

3400 Other Funds Ltd	-	2,975	2,975	100.00%
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TOTAL P.S. BUDGET ADJUSTMENTS	-	\$2,975	\$2,975	100.00%
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PERSONAL SERVICES

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Public Employees Retirement System, Oregon
Agency Number: 45900
Package Comparison Report - Detail
Cross Reference Number: 45900-300-00-00-00000
2005-07 Biennium
Package: Assessment and Rate Adjustments
Operations
Pkg Group: POL Pkg Type: LFO Pkg Number: 804

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	2,975	2,975	100.00%
TOTAL PERSONAL SERVICES	-	\$2,975	\$2,975	100.00%
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	-	(37,724)	(37,724)	100.00%
4200 Telecommunications				
3400 Other Funds Ltd	-	(44,589)	(44,589)	100.00%
4225 State Gov. Service Charges				
3400 Other Funds Ltd	-	42,071	42,071	100.00%
4250 Data Processing				
3400 Other Funds Ltd	-	(51,703)	(51,703)	100.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	-	(8,943)	(8,943)	100.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	-	(100,888)	(100,888)	100.00%
TOTAL SERVICES & SUPPLIES	-	(\$100,888)	(\$100,888)	100.00%
EXPENDITURES				
3400 Other Funds Ltd	-	(97,913)	(97,913)	100.00%
TOTAL EXPENDITURES	-	(\$97,913)	(\$97,913)	100.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Assessment and Rate Adjustments

Operations

Pkg Group: POL Pkg Type: LFO Pkg Number: 804

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
ENDING BALANCE				
3400 Other Funds Ltd	-	2,958	2,958	100.00%
TOTAL ENDING BALANCE	-	\$2,958	\$2,958	100.00%

Public Employees Retirement System, Oregon**Agency Number: 45900**

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Additional Ways and Means Adjustments

Operations

Pkg Group: POL Pkg Type: LFO Pkg Number: 810

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	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	-	3,929,664	3,929,664	100.00%
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REVENUE CATEGORIES

3400 Other Funds Ltd	-	3,929,664	3,929,664	100.00%
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TOTAL REVENUE CATEGORIES	-	\$3,929,664	\$3,929,664	100.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	-	3,929,664	3,929,664	100.00%
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TOTAL AVAILABLE REVENUES	-	\$3,929,664	\$3,929,664	100.00%
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EXPENDITURES**PERSONAL SERVICES****SALARIES & WAGES****3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	-	1,916,112	1,916,112	100.00%
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SALARIES & WAGES

3400 Other Funds Ltd	-	1,916,112	1,916,112	100.00%
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TOTAL SALARIES & WAGES	-	\$1,916,112	\$1,916,112	100.00%
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OTHER PAYROLL EXPENSES

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Additional Ways and Means Adjustments

Operations

Pkg Group: POL Pkg Type: LFO Pkg Number: 810

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	-	1,056	1,056	100.00%
3220 Public Employees Retire Cont				
3400 Other Funds Ltd	-	280,324	280,324	100.00%
3230 Social Security Taxes				
3400 Other Funds Ltd	-	146,588	146,588	100.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	-	2,343	2,343	100.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	-	609,048	609,048	100.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	-	1,039,359	1,039,359	100.00%
TOTAL OTHER PAYROLL EXPENSES	-	\$1,039,359	\$1,039,359	100.00%
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	-	30,143	30,143	100.00%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	-	30,143	30,143	100.00%
TOTAL P.S. BUDGET ADJUSTMENTS	-	\$30,143	\$30,143	100.00%

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2005-07 Biennium

Package: Additional Ways and Means Adjustments

Operations

Pkg Group: POL Pkg Type: LFO Pkg Number: 810

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
PERSONAL SERVICES				
3400 Other Funds Ltd	-	2,985,614	2,985,614	100.00%
TOTAL PERSONAL SERVICES	-	\$2,985,614	\$2,985,614	100.00%
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	-	29,050	29,050	100.00%
4175 Office Expenses				
3400 Other Funds Ltd	-	165,000	165,000	100.00%
4315 IT Professional Services				
3400 Other Funds Ltd	-	750,000	750,000	100.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	-	944,050	944,050	100.00%
TOTAL SERVICES & SUPPLIES	-	\$944,050	\$944,050	100.00%
EXPENDITURES				
3400 Other Funds Ltd	-	3,929,664	3,929,664	100.00%
TOTAL EXPENDITURES	-	\$3,929,664	\$3,929,664	100.00%
ENDING BALANCE				
3400 Other Funds Ltd	-	-	0	0.00%

Public Employees Retirement System, Oregon**Agency Number: 45900****Package Comparison Report - Detail****Cross Reference Number: 45900-300-00-00-00000****2005-07 Biennium****Package: Additional Ways and Means Adjustments****Operations****Pkg Group: POL Pkg Type: LFO Pkg Number: 810**

Description	Governor's Rec. Budget (Y-01) Policy Packages	Leg. Adopted Budget (Z-01) Policy Packages	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

TOTAL ENDING BALANCE	-	-	\$0	0.00%
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AUTHORIZED POSITIONS

8150 Class/Unclass Positions	-	33	33	100.00%
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AUTHORIZED FTE

8250 Class/Unclass FTE Positions	-	33.00	33.00	100.00%
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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	MENNZ0118	AA	EXECUTIVE SUPPORT SPECIALIST 1	1	1.00	24.00	2,158.00		51,792			51,792
000	MESNZ0119	AA	EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	3,154.00		75,696			75,696
000	MESNZ7008	AA	PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	6,048.00		145,152			145,152
000	MESNZ7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	3	3.00	72.00	6,659.00		479,448			479,448
000	MESNZ7010	IA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	7,703.00		184,872			184,872
000	MESNZ7012	AA	PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	5,486.00		131,664			131,664
000	MESNZ7014	AA	PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	24.00	6,048.00		145,152			145,152
000	MMN X0851	AA	PRINCIPAL CONTRIBUTOR 1	4	4.00	96.00	4,220.75		405,192			405,192
000	MMN X0852	AA	PRINCIPAL CONTRIBUTOR 2	1	1.00	24.00	5,486.00		131,664			131,664
000	MMN X1117	AA	RESEARCH ANALYST 3	1	1.00	24.00	3,720.00		89,280			89,280
000	MMN X1319	AA	HUMAN RESOURCE ASSISTANT	2	2.00	48.00	2,630.00		126,240			126,240
000	MMN X1320	AA	HUMAN RESOURCE ANALYST 1	1	1.00	24.00	3,009.00		72,216			72,216
000	MMN X1321	AA	HUMAN RESOURCE ANALYST 2	1	1.00	24.00	3,383.00		81,192			81,192
000	MMN X1339	AA	TRAINING & DEVELOPMENT SPEC 2	1	1.00	24.00	3,720.00		89,280			89,280
000	MMN X5617	AA	INTERNAL AUDITOR 2	1	1.00	24.00	4,745.00		113,880			113,880
000	MMN X5618	AA	INTERNAL AUDITOR 3	1	1.00	24.00	4,745.00		113,880			113,880
000	MMS X0852	AA	PRINCIPAL CONTRIBUTOR 2	1	1.00	24.00	3,903.00		93,672			93,672
000	MMS X7000	AA	PRINCIPAL EXECUTIVE/MANAGER A	2	2.00	48.00	3,482.50		167,160			167,160
000	MMS X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	7	7.00	168.00	3,518.00		591,024			591,024
000	MMS X7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	9	9.00	216.00	5,090.90		1,107,937			1,107,937
000	MMS X7008	AA	PRINCIPAL EXECUTIVE/MANAGER E	2	2.00	48.00	6,048.00		290,304			290,304
000	MMS X7008	IA	PRINCIPAL EXECUTIVE/MANAGER E	3	3.00	72.00	6,007.33		432,528			432,528
000	OA C0102	AA	OFFICE ASSISTANT 2	6	6.00	144.00	1,620.16		233,304			233,304
000	OA C0103	AA	OFFICE SPECIALIST 1	3	3.00	72.00	2,093.00		150,696			150,696

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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	C0104	AA OFFICE SPECIALIST 2	14	14.00	336.00	2,096.42		704,400			704,400
000	OA	C0107	AA ADMINISTRATIVE SPECIALIST 1	7	7.00	168.00	2,279.42		382,944			382,944
000	OA	C0108	AA ADMINISTRATIVE SPECIALIST 2	4	4.00	96.00	2,818.80		271,296			271,296
000	OA	C0118	AA EXECUTIVE SUPPORT SPECIALIST 1	3	3.00	72.00	2,503.75		173,400			173,400
000	OA	C0211	AA ACCOUNTING TECHNICIAN 2	2	2.00	48.00	2,330.50		111,864			111,864
000	OA	C0212	AA ACCOUNTING TECHNICIAN 3	5	5.00	120.00	2,926.80		351,216			351,216
000	OA	C0323	AA PUBLIC SERVICE REP 3	9	9.00	216.00	2,166.40		471,480			471,480
000	OA	C0405	AA MAIL SERVICES ASSISTANT	1	1.00	24.00	1,714.00		41,136			41,136
000	OA	C0435	AA PROCUREMENT AND CONTRACT ASST	2	2.00	48.00	2,857.50		137,160			137,160
000	OA	C0532	AA WORD PROCESSING TECHNICIAN 3	1	1.00	24.00	2,019.00		48,456			48,456
000	OA	C0812	AA PROGRAM TECHNICIAN 1	11	10.75	258.00	3,361.72		871,512			871,512
000	OA	C0813	AA PROGRAM TECHNICIAN 2	1	1.00	24.00	3,370.00		80,880			80,880
000	OA	C0817	AA PROGRAM REPRESENTATIVE 2	1	1.00	24.00	4,265.00		102,360			102,360
000	OA	C0841	AA RETIREMENT COUNSELOR 1	41	41.00	984.00	2,656.83		2,619,768			2,619,768
000	OA	C0842	AA RETIREMENT COUNSELOR 2	32	32.00	768.00	3,179.18		2,441,616			2,441,616
000	OA	C0854	AA PROJECT MANAGER 1	5	5.00	120.00	4,069.00		488,280			488,280
000	OA	C1117	AA RESEARCH ANALYST 3	1	1.00	24.00	3,370.00		80,880			80,880
000	OA	C1215	AA ACCOUNTANT 1	3	3.00	72.00	2,627.33		189,168			189,168
000	OA	C1216	AA ACCOUNTANT 2	6	6.00	144.00	3,507.16		505,032			505,032
000	OA	C1217	AA ACCOUNTANT 3	5	5.00	120.00	4,278.20		513,384			513,384
000	OA	C1218	AA ACCOUNTANT 4	1	1.00	24.00	5,157.00		123,768			123,768
000	OA	C1243	AA FISCAL ANALYST 1	1	1.00	24.00	2,790.00		66,960			66,960
000	OA	C1244	AA FISCAL ANALYST 2	1	1.00	24.00	3,370.00		80,880			80,880
000	OA	C1245	AA FISCAL ANALYST 3	1	1.00	24.00	5,157.00		123,768			123,768
000	OA	C1338	AA TRAINING & DEVELOPMENT SPEC 1	1	1.00	24.00	3,370.00		80,880			80,880

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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	C1482	IA INFO SYSTEMS SPECIALIST 2	4	4.00	96.00	3,073.00		295,008			295,008
000	OA	C1484	IA INFO SYSTEMS SPECIALIST 4	22	22.00	528.00	3,748.81		1,979,376			1,979,376
000	OA	C1485	IA INFO SYSTEMS SPECIALIST 5	3	3.00	72.00	3,947.66		284,232			284,232
000	OA	C1486	IA INFO SYSTEMS SPECIALIST 6	5	5.00	120.00	4,732.00		567,840			567,840
000	OA	C1487	IA INFO SYSTEMS SPECIALIST 7	8	8.00	192.00	4,711.12		904,536			904,536
000	OA	C1488	IA INFO SYSTEMS SPECIALIST 8	6	6.00	144.00	5,283.50		760,824			760,824
000	OA	C1492	AA INFORMATION SPECIALIST	2	2.00	48.00	3,562.50		171,000			171,000
000	OA	C2510	AA ELECTRONIC PUB DESIGN SPEC 1	2	2.00	48.00	2,727.00		130,896			130,896
000	OA	C2511	AA ELECTRONIC PUB DESIGN SPEC 2	1	1.00	24.00	3,370.00		80,880			80,880
000	OA	C5247	AA COMPLIANCE SPECIALIST 2	2	1.50	36.00	3,970.00		141,780			141,780
000				269	268.25	6438.00	3,378.64		21,882,085			21,882,085

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
090	OA	C1484	IA INFO SYSTEMS SPECIALIST 4	1-	1.00-	24.00-	3,197.00		76,728-			76,728-
090	OA	C1485	IA INFO SYSTEMS SPECIALIST 5	2-	2.00-	48.00-	3,570.00		171,360-			171,360-
090	OA	C1487	IA INFO SYSTEMS SPECIALIST 7	3-	3.00-	72.00-	4,227.00		304,344-			304,344-
090	OA	C1488	IA INFO SYSTEMS SPECIALIST 8	1-	1.00-	24.00-	4,606.00		110,544-			110,544-
090				7-	7.00-	168.00-	3,946.28		662,976-			662,976-

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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	X0855 AA	PROJECT MANAGER 2	1	1.00	24.00	3,720.00		89,280			89,280
101	MMN	X1322 AA	HUMAN RESOURCE ANALYST 3	1	1.00	24.00	3,720.00		89,280			89,280
101	MMN	X1338 AA	TRAINING & DEVELOPMENT SPEC 1	1	1.00	24.00	2,874.00		68,976			68,976
101	MMS	X7000 AA	PRINCIPAL EXECUTIVE/MANAGER A	1	1.00	24.00	2,790.00		66,960			66,960
101	MMS	X7002 AA	PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	3,062.00		73,488			73,488
101	MMS	X7008 AA	PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	4,308.00		103,392			103,392
101	OA	C0104 AA	OFFICE SPECIALIST 2	5	5.00	120.00	1,949.00		233,880			233,880
101	OA	C0437 AA	PROCUREMENT & CONTRACT SPEC 2	1	1.00	24.00	3,370.00		80,880			80,880
101	OA	C0438 AA	PROCUREMENT & CONTRACT SPEC 3	1	1.00	24.00	3,698.00		88,752			88,752
101	OA	C0812 AA	PROGRAM TECHNICIAN 1		.00	.00	2,790.00					
101	OA	C0841 AA	RETIREMENT COUNSELOR 1	4	4.00	96.00	2,430.00		233,280			233,280
101	OA	C0842 AA	RETIREMENT COUNSELOR 2	5	5.00	120.00	2,664.00		319,680			319,680
101				22	22.00	528.00	2,744.21		1,447,848			1,447,848

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
103	OA	C0841	AA RETIREMENT COUNSELOR 1	19	19.00	456.00	2,430.00		1,108,080			1,108,080
103	OA	C0842	AA RETIREMENT COUNSELOR 2	7	7.00	168.00	2,664.00		447,552			447,552
103				26	26.00	624.00	2,493.00		1,555,632			1,555,632

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
104	MMN	X1320	AA HUMAN RESOURCE ANALYST 1	1	1.00	24.00	2,874.00		68,976			68,976
104	OA	C0104	AA OFFICE SPECIALIST 2	2	2.00	48.00	1,949.00		93,552			93,552
104	OA	C0405	AA MAIL SERVICES ASSISTANT	1	1.00	24.00	1,582.00		37,968			37,968
104	OA	C0810	AA PROJECT COORDINATOR		.00	.00	3,208.00					
104	OA	C0812	AA PROGRAM TECHNICIAN 1	1	1.00	24.00	2,790.00		66,960			66,960
104	OA	C0841	AA RETIREMENT COUNSELOR 1		.00	.00	2,430.00					
104	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	2,664.00		63,936			63,936
104	OA	C1482	IA INFO SYSTEMS SPECIALIST 2	2	2.00	48.00	2,575.00		123,600			123,600
104	OA	C1484	IA INFO SYSTEMS SPECIALIST 4	2	2.00	48.00	3,197.00		153,456			153,456
104	OA	C1485	IA INFO SYSTEMS SPECIALIST 5	2	2.00	48.00	3,570.00		171,360			171,360
104				12	12.00	288.00	2,591.94		779,808			779,808

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
105	MMS	X7002 AA	PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	3,062.00		73,488			73,488
105	OA	C0102 AA	OFFICE ASSISTANT 2	6	6.00	144.00	1,513.00		217,872			217,872
105	OA	C0103 AA	OFFICE SPECIALIST 1	2	2.00	48.00	1,714.00		82,272			82,272
105	OA	C0810 AA	PROJECT COORDINATOR	1	1.00	24.00	3,208.00		76,992			76,992
105	OA	C0812 AA	PROGRAM TECHNICIAN 1	3	3.00	72.00	2,790.00		200,880			200,880
105	OA	C1486 IA	INFO SYSTEMS SPECIALIST 6	2	2.00	48.00	3,818.00		183,264			183,264
105	OA	C1488 IA	INFO SYSTEMS SPECIALIST 8	2	2.00	48.00	4,606.00		221,088			221,088
105				17	17.00	408.00	2,587.88		1,055,856			1,055,856

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
107	MMS	X7006 AA	PRINCIPAL EXECUTIVE/MANAGER D	3	3.00	72.00	3,903.00		281,016			281,016
107	OA	C0813 AA	PROGRAM TECHNICIAN 2	2	2.00	48.00	3,370.00		161,760			161,760
107	OA	C5247 AA	COMPLIANCE SPECIALIST 2	1	1.00	24.00	3,060.00		73,440			73,440
107				6	6.00	144.00	3,584.83		516,216			516,216

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
810	MMS	X0112 AA	SUPPORT SERVICES SUPERVISOR 1	1	1.00	24.00	2,158.00		51,792			51,792
810	OA	C0103 AA	OFFICE SPECIALIST 1	1	1.00	24.00	1,714.00		41,136			41,136
810	OA	C0104 AA	OFFICE SPECIALIST 2	2	2.00	48.00	1,949.00		93,552			93,552
810	OA	C0107 AA	ADMINISTRATIVE SPECIALIST 1	1	1.00	24.00	2,115.00		50,760			50,760
810	OA	C0501 AA	DATA ENTRY OPERATOR	2	2.00	48.00	1,651.00		79,248			79,248
810	OA	C0532 AA	WORD PROCESSING TECHNICIAN 3	1	1.00	24.00	2,019.00		48,456			48,456
810	OA	C0812 AA	PROGRAM TECHNICIAN 1	2	2.00	48.00	2,790.00		133,920			133,920
810	OA	C0841 AA	RETIREMENT COUNSELOR 1	13	13.00	312.00	2,430.00		758,160			758,160
810	OA	C0842 AA	RETIREMENT COUNSELOR 2	7	7.00	168.00	2,664.00		447,552			447,552
810	OA	C0854 AA	PROJECT MANAGER 1	1	1.00	24.00	3,208.00		76,992			76,992
810	OA	C1492 AA	INFORMATION SPECIALIST	1	1.00	24.00	3,060.00		73,440			73,440
810	OA	C5246 AA	COMPLIANCE SPECIALIST 1	1	1.00	24.00	2,546.00		61,104			61,104
810				33	33.00	792.00	2,419.33		1,916,112			1,916,112
				378	377.25	9054.00	3,132.17		28,490,581			28,490,581
				378	377.25	9054.00	3,132.17		28,490,581			28,490,581

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
				378	377.25	9054.00	3,132.17		28,490,581			28,490,581

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	MENNZ0118	AA	EXECUTIVE SUPPORT SPECIALIST 1	1	1.00	24.00	2,158.00		51,792			51,792
000	MESNZ0119	AA	EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	3,154.00		75,696			75,696
000	MESNZ7008	AA	PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	6,048.00		145,152			145,152
000	MESNZ7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	3	3.00	72.00	6,659.00		479,448			479,448
000	MESNZ7010	IA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	7,703.00		184,872			184,872
000	MESNZ7012	AA	PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	5,486.00		131,664			131,664
000	MESNZ7014	AA	PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	24.00	6,048.00		145,152			145,152
000	MMN X0851	AA	PRINCIPAL CONTRIBUTOR 1	4	4.00	96.00	4,220.75		405,192			405,192
000	MMN X0852	AA	PRINCIPAL CONTRIBUTOR 2	1	1.00	24.00	5,486.00		131,664			131,664
101	MMN X0855	AA	PROJECT MANAGER 2	1	1.00	24.00	3,720.00		89,280			89,280
000	MMN X1117	AA	RESEARCH ANALYST 3	1	1.00	24.00	3,720.00		89,280			89,280
000	MMN X1319	AA	HUMAN RESOURCE ASSISTANT	2	2.00	48.00	2,630.00		126,240			126,240
104	MMN X1320	AA	HUMAN RESOURCE ANALYST 1	2	2.00	48.00	2,941.50		141,192			141,192
000	MMN X1321	AA	HUMAN RESOURCE ANALYST 2	1	1.00	24.00	3,383.00		81,192			81,192
101	MMN X1322	AA	HUMAN RESOURCE ANALYST 3	1	1.00	24.00	3,720.00		89,280			89,280
101	MMN X1338	AA	TRAINING & DEVELOPMENT SPEC 1	1	1.00	24.00	2,874.00		68,976			68,976
000	MMN X1339	AA	TRAINING & DEVELOPMENT SPEC 2	1	1.00	24.00	3,720.00		89,280			89,280
000	MMN X5617	AA	INTERNAL AUDITOR 2	1	1.00	24.00	4,745.00		113,880			113,880
000	MMN X5618	AA	INTERNAL AUDITOR 3	1	1.00	24.00	4,745.00		113,880			113,880
810	MMS X0112	AA	SUPPORT SERVICES SUPERVISOR 1	1	1.00	24.00	2,158.00		51,792			51,792
000	MMS X0852	AA	PRINCIPAL CONTRIBUTOR 2	1	1.00	24.00	3,903.00		93,672			93,672
000	MMS X7000	AA	PRINCIPAL EXECUTIVE/MANAGER A	3	3.00	72.00	3,251.66		234,120			234,120
000	MMS X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	9	9.00	216.00	3,416.66		738,000			738,000
107	MMS X7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	12	12.00	288.00	4,816.76		1,388,953			1,388,953

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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	MMS	X7008	AA PRINCIPAL EXECUTIVE/MANAGER E	3	3.00	72.00	5,468.00		393,696			393,696
000	MMS	X7008	IA PRINCIPAL EXECUTIVE/MANAGER E	3	3.00	72.00	6,007.33		432,528			432,528
105	OA	C0102	AA OFFICE ASSISTANT 2	12	12.00	288.00	1,566.58		451,176			451,176
810	OA	C0103	AA OFFICE SPECIALIST 1	6	6.00	144.00	1,903.50		274,104			274,104
000	OA	C0104	AA OFFICE SPECIALIST 2	23	23.00	552.00	2,031.56		1,125,384			1,125,384
810	OA	C0107	AA ADMINISTRATIVE SPECIALIST 1	8	8.00	192.00	2,258.87		433,704			433,704
000	OA	C0108	AA ADMINISTRATIVE SPECIALIST 2	4	4.00	96.00	2,818.80		271,296			271,296
000	OA	C0118	AA EXECUTIVE SUPPORT SPECIALIST 1	3	3.00	72.00	2,503.75		173,400			173,400
000	OA	C0211	AA ACCOUNTING TECHNICIAN 2	2	2.00	48.00	2,330.50		111,864			111,864
000	OA	C0212	AA ACCOUNTING TECHNICIAN 3	5	5.00	120.00	2,926.80		351,216			351,216
000	OA	C0323	AA PUBLIC SERVICE REP 3	9	9.00	216.00	2,166.40		471,480			471,480
000	OA	C0405	AA MAIL SERVICES ASSISTANT	2	2.00	48.00	1,648.00		79,104			79,104
000	OA	C0435	AA PROCUREMENT AND CONTRACT ASST	2	2.00	48.00	2,857.50		137,160			137,160
101	OA	C0437	AA PROCUREMENT & CONTRACT SPEC 2	1	1.00	24.00	3,370.00		80,880			80,880
101	OA	C0438	AA PROCUREMENT & CONTRACT SPEC 3	1	1.00	24.00	3,698.00		88,752			88,752
810	OA	C0501	AA DATA ENTRY OPERATOR	2	2.00	48.00	1,651.00		79,248			79,248
000	OA	C0532	AA WORD PROCESSING TECHNICIAN 3	2	2.00	48.00	2,019.00		96,912			96,912
104	OA	C0810	AA PROJECT COORDINATOR	1	1.00	24.00	3,208.00		76,992			76,992
000	OA	C0812	AA PROGRAM TECHNICIAN 1	17	16.75	402.00	3,104.45		1,273,272			1,273,272
107	OA	C0813	AA PROGRAM TECHNICIAN 2	3	3.00	72.00	3,370.00		242,640			242,640
000	OA	C0817	AA PROGRAM REPRESENTATIVE 2	1	1.00	24.00	4,265.00		102,360			102,360
000	OA	C0841	AA RETIREMENT COUNSELOR 1	77	77.00	1848.00	2,538.26		4,719,288			4,719,288
000	OA	C0842	AA RETIREMENT COUNSELOR 2	52	52.00	1248.00	2,943.42		3,720,336			3,720,336
000	OA	C0854	AA PROJECT MANAGER 1	6	6.00	144.00	3,925.50		565,272			565,272
000	OA	C1117	AA RESEARCH ANALYST 3	1	1.00	24.00	3,370.00		80,880			80,880

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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	C1215	AA ACCOUNTANT 1	3	3.00	72.00	2,627.33		189,168			189,168
000	OA	C1216	AA ACCOUNTANT 2	6	6.00	144.00	3,507.16		505,032			505,032
000	OA	C1217	AA ACCOUNTANT 3	5	5.00	120.00	4,278.20		513,384			513,384
000	OA	C1218	AA ACCOUNTANT 4	1	1.00	24.00	5,157.00		123,768			123,768
000	OA	C1243	AA FISCAL ANALYST 1	1	1.00	24.00	2,790.00		66,960			66,960
000	OA	C1244	AA FISCAL ANALYST 2	1	1.00	24.00	3,370.00		80,880			80,880
000	OA	C1245	AA FISCAL ANALYST 3	1	1.00	24.00	5,157.00		123,768			123,768
000	OA	C1338	AA TRAINING & DEVELOPMENT SPEC 1	1	1.00	24.00	3,370.00		80,880			80,880
104	OA	C1482	IA INFO SYSTEMS SPECIALIST 2	6	6.00	144.00	2,907.00		418,608			418,608
000	OA	C1484	IA INFO SYSTEMS SPECIALIST 4	23	23.00	552.00	3,682.60		2,056,104			2,056,104
104	OA	C1485	IA INFO SYSTEMS SPECIALIST 5	3	3.00	72.00	3,731.85		284,232			284,232
000	OA	C1486	IA INFO SYSTEMS SPECIALIST 6	7	7.00	168.00	4,470.85		751,104			751,104
000	OA	C1487	IA INFO SYSTEMS SPECIALIST 7	5	5.00	120.00	4,579.09		600,192			600,192
105	OA	C1488	IA INFO SYSTEMS SPECIALIST 8	7	7.00	168.00	5,057.66		871,368			871,368
000	OA	C1492	AA INFORMATION SPECIALIST	3	3.00	72.00	3,395.00		244,440			244,440
000	OA	C2510	AA ELECTRONIC PUB DESIGN SPEC 1	2	2.00	48.00	2,727.00		130,896			130,896
000	OA	C2511	AA ELECTRONIC PUB DESIGN SPEC 2	1	1.00	24.00	3,370.00		80,880			80,880
810	OA	C5246	AA COMPLIANCE SPECIALIST 1	1	1.00	24.00	2,546.00		61,104			61,104
000	OA	C5247	AA COMPLIANCE SPECIALIST 2	3	2.50	60.00	3,666.66		215,220			215,220
				378	377.25	9054.00	3,132.17		28,490,581			28,490,581

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
				378	377.25	9054.00	3,132.17		28,490,581			28,490,581

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	RNG P	S T P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
0501159	000926440	300-04-00-00000	090 0 PF	OA C1484 IA	25 02		1-	1.00-	3,197.00	24.00-		76,728-			
EST DATE: 2005/07/01 EXP DATE: 9999/01/01															
0501160	000926450	300-04-00-00000	090 0 PF	OA C1485 IA	28 02		1-	1.00-	3,570.00	24.00-		85,680-			
EST DATE: 2005/07/01 EXP DATE: 9999/01/01															
0501161	000926460	300-04-00-00000	090 0 PF	OA C1485 IA	28 02		1-	1.00-	3,570.00	24.00-		85,680-			
EST DATE: 2005/07/01 EXP DATE: 9999/01/01															
0501162	000926470	300-04-00-00000	090 0 PF	OA C1487 IA	31 02		1-	1.00-	4,227.00	24.00-		101,448-			
EST DATE: 2005/07/01 EXP DATE: 9999/01/01															
0501164	000926490	300-04-00-00000	090 0 PF	OA C1487 IA	31 02		1-	1.00-	4,227.00	24.00-		101,448-			
EST DATE: 2005/07/01 EXP DATE: 9999/01/01															
0501165	000926500	300-04-00-00000	090 0 PF	OA C1487 IA	31 02		1-	1.00-	4,227.00	24.00-		101,448-			
EST DATE: 2005/07/01 EXP DATE: 9999/01/01															
0501166	000926510	300-04-00-00000	090 0 PF	OA C1488 IA	33 02		1-	1.00-	4,606.00	24.00-		110,544-			
EST DATE: 2005/07/01 EXP DATE: 9999/01/01															
			090				7-	7.00-		168.00-		662,976-			

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POSITION NUMBER	AUTH NO	ORG STRUC	PKG	F POS 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
0710101	000947590	300-01-00-00000	101	0 LF	MMN X1322 AA	29	02	1	1.00	3,720.00	24.00		89,280			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710102	000947600	300-01-00-00000	101	0 PF	MMN X1338 AA	23	02	1	1.00	2,874.00	24.00		68,976			
EST DATE: 2005/07/01 EXP DATE: 9999/01/01																
0710103	000947620	300-02-00-00000	101	0 LF	OA C0104 AA	15	02	1	1.00	1,949.00	24.00		46,776			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710104	000947630	300-02-00-00000	101	0 LF	OA C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710105	000947640	300-02-00-00000	101	0 LF	OA C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710106	000947650	300-02-00-00000	101	0 LF	OA C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710107	000947660	300-02-00-00000	101	0 LF	OA C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710108	000947670	300-02-00-00000	101	0 LF	OA C0842 AA	22	02	1	1.00	2,664.00	24.00		63,936			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710109	000947680	300-02-00-00000	101	0 LF	OA C0842 AA	22	02	1	1.00	2,664.00	24.00		63,936			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710110	000947690	300-02-00-00000	101	0 LF	OA C0842 AA	22	02	1	1.00	2,664.00	24.00		63,936			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710111	000947700	300-02-00-00000	101	0 LF	MMS X7002 AA	26X	02	1	1.00	3,062.00	24.00		73,488			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710112	000947710	300-02-00-00000	101	0 LF	OA C0842 AA	22	02	1	1.00	2,664.00	24.00		63,936			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710113	000947720	300-02-00-00000	101	0 LF	OA C0104 AA	15	02	1	1.00	1,949.00	24.00		46,776			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710114	000947730	300-02-00-00000	101	0 LF	OA C0104 AA	15	02	1	1.00	1,949.00	24.00		46,776			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710115	000947740	300-02-00-00000	101	0 LF	OA C0104 AA	15	02	1	1.00	1,949.00	24.00		46,776			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710116	000947750	300-02-00-00000	101	0 LF	OA C0104 AA	15	02	1	1.00	1,949.00	24.00		46,776			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	RNG P	S T POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
0710117	000947760	300-03-00-00000	101 0 PF	MMS X7008 AA	33X 02	1	1.00	4,308.00	24.00		103,392			
EST DATE: 2005/07/01 EXP DATE: 9999/01/01														
0710118	000947770	300-03-00-00000	101 0 LF	OA C0438 AA	29 02	1	1.00	3,698.00	24.00		88,752			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710119	000947780	300-03-00-00000	101 0 LF	OA C0437 AA	27 02	1	1.00	3,370.00	24.00		80,880			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710120	000947790	300-05-00-00000	101 0 PF	OA C0812 AA	23 02		.00	2,790.00	.00					
EST DATE: 2005/07/01 EXP DATE: 9999/01/01														
0710121	000947610	300-02-00-00000	101 0 LF	OA C0842 AA	22 02	1	1.00	2,664.00	24.00		63,936			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710122	000948610	300-02-00-00000	101 0 LF	MMS X7000 AA	24X 02	1	1.00	2,790.00	24.00		66,960			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710123	000963230	300-03-00-00000	101 0 LF	MMN X0855 AA	29 02	1	1.00	3,720.00	24.00		89,280			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
						22	22.00		528.00		1,447,848			

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POSITION NUMBER	AUTH NO	ORG STRUC	PKG	F POS 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
0710308	000948080	300-05-00-00000	103	0 LF	OA	C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710309	000948090	300-05-00-00000	103	0 LF	OA	C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710310	000948100	300-05-00-00000	103	0 LF	OA	C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710311	000948110	300-05-00-00000	103	0 LF	OA	C0842 AA	22	02	1	1.00	2,664.00	24.00		63,936			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710312	000948120	300-05-00-00000	103	0 LF	OA	C0842 AA	22	02	1	1.00	2,664.00	24.00		63,936			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710313	000947870	300-07-00-00000	103	0 LF	OA	C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710314	000947880	300-07-00-00000	103	0 LF	OA	C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710315	000947890	300-07-00-00000	103	0 LF	OA	C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710316	000947900	300-07-00-00000	103	0 LF	OA	C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710317	000947910	300-07-00-00000	103	0 LF	OA	C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710318	000947920	300-07-00-00000	103	0 LF	OA	C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710319	000947930	300-07-00-00000	103	0 LF	OA	C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710320	000947940	300-07-00-00000	103	0 LF	OA	C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710321	000947950	300-07-00-00000	103	0 LF	OA	C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710322	000947960	300-02-00-00000	103	0 LF	OA	C0842 AA	22	02	1	1.00	2,664.00	24.00		63,936			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710323	000947970	300-02-00-00000	103	0 LF	OA	C0842 AA	22	02	1	1.00	2,664.00	24.00		63,936			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	

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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
0710324	000947980	300-02-00-00000	103 0 LF	OA C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30															
0710325	000947990	300-02-00-00000	103 0 LF	OA C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30															
0710326	000948000	300-02-00-00000	103 0 LF	OA C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30															
0710327	000948010	300-02-00-00000	103 0 LF	OA C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30															
0710328	000948020	300-02-00-00000	103 0 LF	OA C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30															
0710329	000948030	300-02-00-00000	103 0 LF	OA C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30															
0710330	000948040	300-02-00-00000	103 0 LF	OA C0841 AA	20	02	1	1.00	2,430.00	24.00		58,320			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30															
0710331	000948050	300-06-00-00000	103 0 LF	OA C0842 AA	22	02	1	1.00	2,664.00	24.00		63,936			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30															
0710332	000948060	300-06-00-00000	103 0 LF	OA C0842 AA	22	02	1	1.00	2,664.00	24.00		63,936			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30															
0710333	000948070	300-06-00-00000	103 0 LF	OA C0842 AA	22	02	1	1.00	2,664.00	24.00		63,936			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30															
					103			26	26.00		624.00	1,555,632			

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POSITION NUMBER	AUTH NO	ORG STRUC	PKG	F POS 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
0710401	000948130	300-01-00-00000	104	0 LF	MMN X1320 AA	23	02	1	1.00	2,874.00	24.00		68,976			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710402	000948140	300-03-00-00000	104	0 LF	OA C0405 AA	10	02	1	1.00	1,582.00	24.00		37,968			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710403	000948170	300-02-00-00000	104	0 LF	OA C0812 AA	23	02		.00	2,790.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710404	000948180	300-02-00-00000	104	0 LF	OA C0841 AA	20	02		.00	2,430.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710405	000948190	300-02-00-00000	104	0 LF	OA C0841 AA	20	02		.00	2,430.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710406	000948200	300-02-00-00000	104	0 LF	OA C0841 AA	20	02		.00	2,430.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710407	000948210	300-02-00-00000	104	0 LF	OA C0841 AA	20	02		.00	2,430.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710408	000948220	300-02-00-00000	104	0 LF	OA C0841 AA	20	02		.00	2,430.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710409	000948230	300-02-00-00000	104	0 LF	OA C0841 AA	20	02		.00	2,430.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710410	000948240	300-02-00-00000	104	0 LF	OA C0841 AA	20	02		.00	2,430.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710411	000948250	300-02-00-00000	104	0 LF	OA C0842 AA	22	02		.00	2,664.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710412	000948260	300-02-00-00000	104	0 LF	OA C0842 AA	22	02		.00	2,664.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710413	000948270	300-02-00-00000	104	0 LF	OA C0842 AA	22	02		.00	2,664.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710414	000948290	300-02-00-00000	104	0 LF	OA C0104 AA	15	02		.00	1,949.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710415	000948300	300-02-00-00000	104	0 LF	OA C0812 AA	23	02		.00	2,790.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																
0710416	000948310	300-02-00-00000	104	0 LF	OA C0841 AA	20	02		.00	2,430.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	RNG P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
0710417	000948330	300-02-00-00000	104 0 LF	OA C0841 AA	20	02	.00	2,430.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710418	000948350	300-02-00-00000	104 0 LF	OA C0841 AA	20	02	.00	2,430.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710419	000948360	300-02-00-00000	104 0 LF	OA C0842 AA	22	02	.00	2,664.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710420	000948370	300-02-00-00000	104 0 LF	OA C0842 AA	22	02	.00	2,664.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710421	000948380	300-02-00-00000	104 0 LF	OA C0842 AA	22	02	.00	2,664.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710422	000948390	300-02-00-00000	104 0 LF	OA C0842 AA	22	02	.00	2,664.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710423	000948430	300-02-00-00000	104 0 LF	OA C0104 AA	15	02	.00	1,949.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710424	000948440	300-02-00-00000	104 0 LF	OA C0810 AA	26	02	.00	3,208.00	.00					
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710425	000948460	300-02-00-00000	104 0 LF	OA C0842 AA	22	02	1	1.00	2,664.00	24.00	63,936			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710426	000948470	300-02-00-00000	104 0 LF	OA C0104 AA	15	02	1	1.00	1,949.00	24.00	46,776			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710427	000948490	300-02-00-00000	104 0 LF	OA C0104 AA	15	02	1	1.00	1,949.00	24.00	46,776			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710428	000948510	300-07-00-00000	104 0 LF	OA C0812 AA	23	02	1	1.00	2,790.00	24.00	66,960			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710429	000948540	300-04-00-00000	104 0 LF	OA C1482 IA	21	02	1	1.00	2,575.00	24.00	61,800			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710430	000948560	300-04-00-00000	104 0 LF	OA C1482 IA	21	02	1	1.00	2,575.00	24.00	61,800			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710431	000948570	300-04-00-00000	104 0 LF	OA C1484 IA	25	02	1	1.00	3,197.00	24.00	76,728			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710432	000948580	300-04-00-00000	104 0 LF	OA C1484 IA	25	02	1	1.00	3,197.00	24.00	76,728			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														

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0710433	000948590	300-04-00-00000	104	0 LF	OA	C1485 IA	28	02	1	1.00	3,570.00	24.00		85,680			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
0710434	000948600	300-04-00-00000	104	0 LF	OA	C1485 IA	28	02	1	1.00	3,570.00	24.00		85,680			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
									12	12.00		288.00		779,808			

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POSITION NUMBER	AUTH NO	ORG STRUC	PKG	F POS 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
0710510	000950520	300-04-00-00000	105	0 LF	OA	C1488 IA	33	02	1	1.00	4,606.00	24.00		110,544			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30																	
			105						17	17.00		408.00		1,055,856			

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	RNG P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
0710701	000963280	300-04-00-00000	107 0 LF	MMS X7006 AA	31X 02	1	1.00	3,903.00	24.00		93,672			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710702	000963290	300-04-00-00000	107 0 LF	MMS X7006 AA	31X 02	1	1.00	3,903.00	24.00		93,672			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710703	000963300	300-04-00-00000	107 0 LF	MMS X7006 AA	31X 02	1	1.00	3,903.00	24.00		93,672			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710704	000963310	300-04-00-00000	107 0 LF	OA C0813 AA	27 02	1	1.00	3,370.00	24.00		80,880			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710705	000963320	300-04-00-00000	107 0 LF	OA C0813 AA	27 02	1	1.00	3,370.00	24.00		80,880			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
0710706	000963330	300-04-00-00000	107 0 LF	OA C5247 AA	25 02	1	1.00	3,060.00	24.00		73,440			
EST DATE: 2005/07/01 EXP DATE: 2007/06/30														
			107			6	6.00		144.00		516,216			
						76	76.00		1824.00		4,692,384			
						76	76.00		1824.00		4,692,384			

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POSITION NUMBER	AUTH NO	ORG STRUC	PKG Y TYP	F POS CLASS COMP	RNG P	S T P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
							76	76.00		1824.00		4,692,384			

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