



# **Oregon Public Employees Retirement System**

**Legislatively Adopted Budget  
2007-2009**

# 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

11410 SW 68<sup>th</sup> Parkway, Tigard, Oregon 97223

**AGENCY NAME**

**AGENCY ADDRESS**



**SIGNATURE**

Executive Director

**TITLE**

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

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# BUDGET NARRATIVE

\*CORRECTED COPY\*

74<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY

MEASURE: HB 5040-A

JOINT COMMITTEE ON WAYS AND MEANS

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

Vote: 17 – 0 – 4

House – Yeas: D. Edwards, Galizio, Garrard, Hanna, Jenson, Morgan, Nathanson, Shields

– Nays:

– Exc: Nolan

Senate – Yeas: Devlin, Gordly, Johnson, Morse, Nelson, Schrader, Verger, Whitsett, Winters

– Nays:

– Exc: Bates, Carter, Westlund

Prepared By: Bill McGee, Department of Administrative Services

Reviewed By: Dallas Weyand, Legislative Fiscal Office

Meeting Date: 3/23/07

Agency

Public Employees Retirement System

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Biennium

2007-09

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



Senator Kurt Schrader, Co-Chair

Representatives: D. Edwards, Galizio, Garrard, Hanna, Jenson,  
Morgan, Nathanson, Nolan, Shields



Representative Mary Nolan, Co-Chair



Representative Bob Jenson, General Government Subcommittee Chair

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## Budget Summary\*

	2005-07	2007-09			Percentage Committee
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Change from Governor's Budget
Other Funds	78,371,793	82,267,097	81,356,159	-910,938	-1.1%
Other Funds Debt Service	5,720,950	5,709,200	5,709,200	0	0.0%
Other Funds Nonlimited	5,646,765,074	6,286,947,122	6,286,947,122	0	-100.0%
Total	\$ 5,730,857,817	\$ 6,374,923,419	\$ 6,374,012,481	\$ -910,938	-0.0%

## Position Summary

Authorized Positions	406	403	401	-2
Full-time Equivalent (FTE) Positions	390.92	401.63	394.88	-6.75

(1) Includes adjustments through the December 2006 meeting of the Emergency Board

\* Excludes Capital Construction expenditures

## Summary of Revenue Changes

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

The PERS operating budget is funded from investment earnings. Net earnings, if any, are then distributed to employee, employer, and reserve accounts as directed by statute and board crediting decisions. Revenues to fund administrative activities for deferred compensation programs come largely from participant fees.

There were no revenue forecast changes, fee ratifications, revenue source changes or other significant revenue actions approved by the Subcommittee.

## Summary of Subcommittee Action

PERS is responsible for administering retirement programs for public employees, including state, school, and local government workers. PERS distributes \$2.5 billion in retirement benefits annually. The agency manages a number of programs, including the Tier One-Tier Two Retirement programs, the Oregon Public Service Retirement Program (OPSRP) and the Individual Account Program (IAP), three health insurance programs, Social Security Administration activities, and a deferred compensation program.

# BUDGET NARRATIVE

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The Subcommittee approved a budget of \$87,065,359 Other Funds, \$6,286,947,122 Other Funds Non-limited, and 394.88 full-time equivalent (FTE) positions. Other Funds and FTE are increased from the 2007-09 Essential Budget Level (EBL) by 51.1 percent and 50.4 percent respectively while Other Funds Non-limited are unchanged. Compared with the 2005-07 Legislatively Approved Budget, Other Funds and FTE are increased by 3.5 percent and 4.2 percent respectively. The approved budget includes 301 permanent and 100 limited duration positions, almost all of the limited duration positions were established as limited duration in the 2005-07 biennium. These positions are being re-established to continue implementation of the *Strunk* and *City of Eugene* settlements and replacement of the agency's legacy information system, Retirement Information Management System (RIMS), with jClarety.

The Subcommittee reduced Other Funds by \$1,165,484, eliminated four positions, and reduced FTE by 8.75, for the two percent in efficiencies presented by the agency. The Subcommittee restored \$254,546 Other Funds, 2 positions, and 2.00 FTE to improve retirement services to members.

The Subcommittee discussed the agency's progress in implementing the *Strunk/Eugene* decisions, converting from RIMS to jClarety, and managing ongoing workload. PERS was directed to report to the Joint Committee on Ways and Means or Emergency Board, as appropriate, in the first and third quarters of calendar 2008 with updates to its performance measures and other data demonstrating its progress in each of these areas.

## Tier One and Tier Two Plan

The Tier One and Tier Two Plan program unit accounts for 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. As a result of statutory changes to the Tier One and Tier Two plans, this program unit no longer includes employee contributions as those are directed to the Oregon Public Service Retirement Plan (OPSRP) Individual Account Program (IAP). This program unit is made up entirely of Other Funds Nonlimited. The Subcommittee approved the budget requested for this program unit.

## Oregon Public Service Retirement Plan

This program accounts for employee contributions into the IAP, including contributions made by employers on behalf of employees. It also reflects employer contributions for the defined benefit portion of the OPSRP plan. This program unit is made up entirely of Other Funds Nonlimited. The Subcommittee approved the budget requested for this program unit.

## Operations

This program unit includes the operational costs associated with administration of the agency's various retirement related plans and programs.

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The Subcommittee approved Package 802 that reduced the budget for the two percent efficiency reductions identified by PERS. Specific reductions are:

- Elimination of two limited duration imaging positions originally planned for the Strunk/Eugene benefit adjustment work: (\$144,554) Other Funds, (2) positions, and (2.00) FTE:
- Reduction in temporary staffing for year-end processing due to implementation of jClarety: (\$53,000) Other Funds.
- Elimination of filming of records for archival purposes following shift to digital imaging (\$50,000) Other Funds.
- Elimination of published handbook for judge members in favor of website-based program materials (\$8,712) Other Funds.
- Deferral of actuarial audit until 2008 when it will be conducted concurrently with system valuation: (\$105,000) Other Funds.
- Elimination of a contracts and procurement position due to process streamlining: (\$113,284) Other Funds, (1) position, and (1.00) FTE.
- Reduction of Department of Justice costs: (\$87,053) Other Funds by denying hearings when no material facts are in dispute.
- Elimination of a contributions and banking position due to process streamlining: (\$117,387) Other Funds, (1) position, and (1.00) FTE.
- Reduction in frequency of newsletter production and mailings, increasing reliance on website for communications with members and retirees: (\$43,000) Other Funds.
- Implementation of a workforce management program to phase-out Strunk/Eugene project at the end of the biennium by non-positions specific reductions in Personal Services costs and FTE: (\$443,494) Other Funds and (4.75) FTE.

The Subcommittee discussed opportunities to improve services to members as they move into retirement. Package 806 was approved to restore \$254,546 Other Funds from the efficiency savings in Package 802 and establish two permanent full-time Retirement Counselor 2 positions to provide assistance with retirement form completion in areas of the state outside the Willamette Valley. Opportunities for members to have their benefit estimates explained and to review their application forms with a PERS staff member prior to submittal would be provided in conjunction with group presentations and other scheduled travel. PERS will reassign duties of two existing positions and increase use of overtime to expand its face-to-face application assistance to Willamette Valley members. PERS will also work with its stakeholders to improve access to web-based retirement tools and with private-sector vendors to make pre-retirement education workshops more broadly available throughout the state.

The Subcommittee approved funding for limited duration positions to continue the adjustment of 1999 earnings crediting and subsequent year account balances, and all related benefit payments, for some 45,000 retirees and benefit recipients. The project (labeled the *Strunk/Eugene* project) is expected to be substantially complete by the end of the 2007-09 biennium. All positions in this package are limited duration and are continued from the 2005-07 biennium. It also approved funding for continuation of the Retirement Information Management System (RIMS) conversion. This conversion project converts the agency's major information technology system for Tiers 1 and 2 to jClarety (the new system for OPSRP). The 44 month project is projected to be completed in November 2009.

The Subcommittee approved funding to continue labor intensive retirement benefit calculations and processing activities. Of the 25 positions approved, 23 are limited duration. Approximately 6,000 retirements are expected in each year of the 2007-09 biennium, consistent with the current biennium. Until the RIMS conversion is complete, the workload needs to be addressed with additional staffing. The conversion of RIMS, coupled with workflow process improvements will enable PERS to reduce staffing in 2009-11. Also to address workload issues, the

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Subcommittee approved additional staff to improve the collection, preparation, and integrity of data needed for efficient and accurate benefit calculations. The staff are involved in call center operations, employer reporting support, data quality assurance, and member separation processing. Because of the ongoing infrastructure needs, 15 of the 23 positions in this approved are permanent. The Subcommittee also provided resources for operations and infrastructure support. This provides back office support improvements in processing and contracting, human resources, information technology maintenance, document imaging, and workload balancing.

Additionally, the Subcommittee approved \$1 million Other Funds expenditure limitation for legal representation by outside council for litigation, contested cases, and fiduciary responsibilities. PERS is required by statute to obtain outside council for these types of issues. No positions are included in the package. It is expected that legal costs will decrease after all litigation and other issues resulting from the 2003 reform legislation has been settled.

## Debt Service

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

## Summary of Performance Measure Action

The Subcommittee approved performance measures as submitted by the agency, with the exception of Key Performance Measure #8, Employer Satisfaction. The Subcommittee directed that this measure be made part of Key Performance Measure #6, Customer Satisfaction.

See attached Legislatively Adopted 2007-09 Key Performance Measures form.

# BUDGET NARRATIVE

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5040-A

Public Employees Retirement System  
Bill McGee 503-378-2078

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2007-09 GOVERNOR'S BUDGET *	\$0	\$0	\$87,976,297	\$6,286,947,122	\$0	\$0	\$6,374,923,419	403	401.63
<b>SUBCOMMITTEE ADJUSTMENTS</b>									
Package 802									
Eliminate 0911072, 0911073, 9100121, 0137050			(363,475)				(363,475)	(4)	(4.00)
Reconciliation Personal Services and FTE			(443,494)				(443,494)	0	(4.75)
Services and Supplies			(358,515)				(358,515)		
Package 806									
Personal Services			214,946				214,946	2	2.00
Services and Supplies			39,600				39,600		
<b>TOTAL ADJUSTMENTS</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$910,938)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$910,938)</b>	<b>(2)</b>	<b>(6.75)</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$0</b>	<b>\$0</b>	<b>\$87,065,359</b>	<b>\$6,286,947,122</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,374,012,481</b>	<b>401</b>	<b>394.88</b>
% Change from Governor's Budget	0.00%	0.00%	-1.04%	0.00%	0.00%	0.00%	-0.01%	-0.50%	-1.68%

\* Excludes Capital Construction expenditures

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# BUDGET NARRATIVE

## LEGISLATIVELY ADOPTED 2007-09 KEY PERFORMANCE MEASURES

**NAME OF AGENCY: PUBLIC EMPLOYEE RETIREMENT SYSTEM**

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

2007-09 KPM#	Legislatively Adopted KPMs for 2007-09	Changes to 2005-07	Target 2008	Target 2009
1	TIMELY RETIREMENT PAYMENTS: Percent of initial service retirements paid within 45 days from retirement date	New Wording	80%	80%
2	TOTAL BENEFIT ADMIN COSTS: Total benefit administration costs per member	New Wording, New Data	\$120	\$120
3	STAFF TO MEMBER RATIO: Ratio of FTE staff to members	New Wording, New Data	1:825	1:835
4	AVERAGE DOLLARS DEFERRED: Average monthly deferral per state employee deferred compensation participant	New Wording, New Data	\$409	\$430
5	LEVEL OF PARTICIPATION: Percent of state employees participating in the deferred compensation program	New Data	38%	39%
6	CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	No Change	80%	80%
7	TIMELY BENEFIT ESTIMATES: Percent of benefit estimates processed within 30 days	New Measure	95%	95%
8	BOARD OF DIRECTORS BEST PRACTICES: Percent of total best practices criteria met by the PERS board.	New Measure	TBD	TBD

2005-07 KPM#	<i>PROPOSED DELETIONS of 2005-07 Key Performance Measures (KPMs)</i>	Target 2008	Target 2009
2	TOTAL BENEFIT ADMIN COSTS: Total benefit administration costs per member, not including special projects		
8	EMPLOYER SATISFACTION: Percent of employer customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise and availability of information	New Measure	80%

Final 2007-09 Key Performance Measures (KPM's)

LFO- Revised 2007-09 Budget Form 107BF04b

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## LEGISLATIVELY ADOPTED 2007-09 KEY PERFORMANCE MEASURES

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**NAME OF AGENCY: PUBLIC EMPLOYEE RETIREMENT SYSTEM**

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

For links to high-level outcomes and Oregon Benchmarks reference the agency's Budget Form 107BF04a.

**LEGISLATIVE FISCAL OFFICE RECOMMENDATION:** LFO recommends that there be just one customer service measures, so KPM 6 & 8 should be merged, or the department can elect to report on just one of the measures. For their annual report, this agency can disaggregate the data and report on each segment if they wish

**SUB-COMMITTEE ACTION:** The Subcommittee approved the LFO recommendation.

Final 2007-09 Key Performance Measures (KPM's)

LFO- Revised 2007-09 Budget Form 107BF04b

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# BUDGET NARRATIVE

74<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY

MEASURE: SB 5549-A

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. Nolan  
Carrier – Senate: Sen. Schrader

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

**Vote:** 19 – 0 – 3

House – Yeas: D. Edwards, Galizio, Garrard, Hanna, Jenson, Morgan, Nathanson, Nolan, Shields

– Nays:

– Exc:

Senate – Yeas: Bates, Brown, Courtney, Devlin, Johnson, Morse, Schrader, Verger, Westlund, Whitsett

– Nays:

– Exc: Gordly, Nelson, Winters

**Prepared By:** Linda Gilbert, Department of Administrative Services

**Reviewed By:** Sheila Baker, Legislative Fiscal Office

**Meeting Date:** 6/24/07

**Agency**

Emergency Board

Various Agencies

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**Biennium**

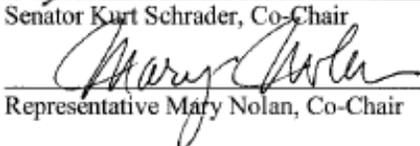
2007-09

2005-07

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

  
\_\_\_\_\_  
Senator Kurt Schrader, Co-Chair

**Representatives:** D. Edwards, Galizio, Garrard, Hanna, Jenson,  
Morgan, Nathanson, Nolan, Shields

  
\_\_\_\_\_  
Representative Mary Nolan, Co-Chair

Capital Construction and Bonding Subcommittee

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# BUDGET NARRATIVE

## Budget Summary\*

	2005-07		2007-09		Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
<b><u>Emergency Board</u></b>					
General Fund - General Purpose	\$ 0	\$ 30,000,000	\$ 30,000,000	\$ 0	0.0%
<b><u>General Fund - Special Purpose Appropriations</u></b>					
State Employee Compensation	\$ 0	\$ 130,000,000	\$ 125,000,000	\$ (5,000,000)	-3.8%
Department of Justice	\$ 0	\$ 0	\$ 1,000,000	\$ +1,000,000	+100.0%
Oregon State Police	\$ 0	\$ 0	\$ 9,000,000	\$ +9,000,000	+100.0%
Legislative Administration	\$ 0	\$ 0	\$ 600,000	\$ +600,000	+100.0%
Legislative Administration	\$ 0	\$ 0	\$ 550,000	\$ +550,000	+100.0%
Government Standards and Practices	\$ 0	\$ 0	\$ 700,000	\$ +700,000	+100.0%
Department of Education	\$ 0	\$ 0	\$ 800,000	\$ +800,000	+100.0%
Secretary of State	\$ 0	\$ 0	\$ 1,800,000	\$ +1,800,000	+100.0%
Various agencies	\$ 0	\$ 0	\$ 2,500,000	\$ +2,500,000	+100.0%
<b><u>Administrative Services, Department of</u></b>					
General Fund	\$ 0	\$ 0	\$ 2,800,000	\$ +2,800,000	+100.0%
Other Funds	\$ 0	\$ 0	\$ (78,110,202)	\$ (78,110,202)	-100.0%
<b><u>Columbia River Gorge Commission</u></b>					
General Fund	\$ 0	\$ 0	\$ 61,906	\$ +61,906	+100.0%
<b><u>Commission on Children and Families, State</u></b>					
General Fund	\$ 0	\$ 0	\$ 200,000	\$ +200,000	+100.0%
<b><u>Community Colleges and Workforce Development, Department of</u></b>					
General Fund	\$ 0	\$ 0	\$ 600,000	\$ +600,000	+100.0%
Federal Funds	\$ 0	\$ 0	\$ 3,000,000	\$ +3,000,000	+100.0%
<b><u>Department of Corrections</u></b>					
General Fund	\$ 0	\$ 0	\$ (1,000,000)	\$ (1,000,000)	-100.0%
<b><u>Economic and Community Development Department</u></b>					
General Fund	\$ 0	\$ 0	\$ 1,000,000	\$ +1,000,000	+100.0%
<b><u>Education, Department of</u></b>					
General Fund	\$ 0	\$ 0	\$ 460,000	\$ +460,000	+100.0%

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	2005-07		2007-09			Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (1)		Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
<b><u>Energy, Department of</u></b>						
General Fund	\$	0 \$	0 \$	(1,500,000) \$	(1,500,000)	-100.0%
Other Funds	\$	0 \$	0 \$	4,600,000 \$	+4,600,000	+100.0%
<b><u>Geology and Mineral Industries, Department of</u></b>						
General Fund	\$	0 \$	0 \$	139,249 \$	+139,249	+100.0%
Lottery Funds	\$	0 \$	0 \$	1,500,000 \$	+1,500,000	+100.0%
Other Funds	\$	0 \$	0 \$	1,500,000 \$	+1,500,000	+100.0%
<b><u>Governor's Office</u></b>						
Other Funds	\$	0 \$	0 \$	200,000 \$	+200,000	+100.0%
<b><u>Department of Higher Education</u></b>						
General Fund	\$	0 \$	0 \$	1,150,000 \$	+1,150,000	+100.0%
Other Funds	\$	0 \$	0 \$	700,000 \$	+700,000	+100.0%
<b><u>Department of Human Services</u></b>						
General Fund	\$	0 \$	0 \$	5,731,832 \$	+5,731,832	+100.0%
<b><u>Judicial Department, Oregon</u></b>						
General Fund	\$	0 \$	0 \$	1,655,105 \$	+1,655,105	+100.0%
<b><u>Justice, Department of</u></b>						
General Fund	\$	0 \$	0 \$	925,485 \$	+925,485	+100.0%
Other Funds	\$	0 \$	0 \$	3,509,291 \$	+3,509,291	+100.0%
<b><u>Land Conservation and Development, Department of</u></b>						
General Fund	\$	0 \$	0 \$	1,585,146 \$	+1,585,146	+100.0%
<b><u>Legislative Administration Committee</u></b>						
General Fund	\$	0 \$	0 \$	5,106,812 \$	+5,106,812	+100.0%
Other Funds	\$	0 \$	0 \$	770,000 \$	+770,000	+100.0%
<b><u>Liquor Control Commission, Oregon</u></b>						
Other Funds	\$	0 \$	0 \$	1,278,000 \$	+1,278,000	+100.0%
<b><u>Long Term Care Ombudsman</u></b>						
General Fund	\$	0 \$	0 \$	86,664 \$	+86,664	+100.0%
Other Funds	\$	0 \$	0 \$	69,750 \$	+69,750	+100.0%

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	2005-07		2007-09		Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
<b><u>Military Department, Oregon</u></b>					
General Fund	\$ 0	\$ 0	\$ 594,600	\$ +594,600	+100.0%
Other Funds	\$ 0	\$ 0	\$ 6,397,731	\$ +6,397,731	+100.0%
<b><u>Oregon Youth Authority</u></b>					
General Fund	\$ 0	\$ 0	\$ 1,032,668	\$ +1,032,668	+100.0%
Other Funds	\$ 0	\$ 0	\$ 99,999	\$ +99,999	+100.0%
<b><u>Parks and Recreation, Department of</u></b>					
Federal Funds	\$ 0	\$ 0	\$ 600,000	\$ +600,000	+100.0%
<b><u>Public Defense Services Commission</u></b>					
General Fund	\$ 0	\$ 0	\$ 1,950,000	\$ +1,950,000	+100.0%
<b><u>Public Utility Commission</u></b>					
Other Funds	\$ 0	\$ 0	\$ 276,566	\$ +276,566	+100.0%
<b><u>State Lands, Department of</u></b>					
Other Funds	\$ 0	\$ 0	\$ 75,000	\$ +75,000	+100.0%
Federal Funds	\$ 0	\$ 0	\$ 850,000	\$ +850,000	+100.0%
<b><u>State Police, Oregon Department of</u></b>					
General Fund	\$ 0	\$ 0	\$ 661,658	\$ +661,658	+100.0%
Other Funds	\$ 0	\$ 0	\$ (3,229,589)	\$ (3,229,589)	-100.0%
<b><u>Transportation, Oregon Department of</u></b>					
Other Funds	\$ 0	\$ 0	\$ 55,973,434	\$ +55,973,434	+100.0%
<b><u>Treasurer of State</u></b>					
Other Funds	\$ 0	\$ 0	\$ 2	\$ +2	+100.0%
<b><u>Veterans' Affairs, Oregon Department of</u></b>					
General Fund	\$ 0	\$ 0	\$ 29,600	\$ +29,600	+100.0%
<b><u>Water Resources Department</u></b>					
General Fund	\$ 0	\$ 0	\$ 50,000	\$ +50,000	+100.0%

# BUDGET NARRATIVE

	2005-07		2007-09			Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (1)		Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
<b>Various Agencies</b> <sup>(2)</sup>						
General Fund	\$ 0	\$ 0	\$ (6,571,080)	\$ (6,571,080)		-100.0%
Lottery Funds	\$ 0	\$ 0	\$ (122,382)	\$ (122,382)		-100.0%
Other Funds	\$ 0	\$ 0	\$ (4,934,063)	\$ (4,934,063)		-100.0%
Federal Funds	\$ 0	\$ 0	\$ (1,857,476)	\$ (1,857,476)		-100.0%

(1) Includes adjustments through the December 2006 meeting of the Emergency Board

(2) See Agency Adjustments Attachment I

\* Excludes Capital Construction

## Position Summary

### Geology and Mineral Industries, Department of

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) Positions	0.00	0.00	1.00	1.00

### Department of Higher Education

Authorized Positions	0	0	7	7
Full-time Equivalent (FTE) Positions	0.00	0.00	6.50	6.50

### Justice, Department of

Authorized Positions	0	0	17	17
Full-time Equivalent (FTE) Positions	0.00	0.00	20.46	20.46

### Land Conservation and Development, Department of

Authorized Positions	0	0	0	0
Full-time Equivalent (FTE) Positions	0.00	0.00	(5.50)	(5.50)

### Long Term Care Ombudsman

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) Positions	0.00	0.00	0.75	0.75

### Military Department, Oregon

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) Positions	0.00	0.00	1.00	1.00

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# BUDGET NARRATIVE

	2005-07		2007-09		Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (t)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
<b><u>State Lands, Department of</u></b>					
Authorized Positions	0	0	1	1	
Full-time Equivalent (FTE) Positions	0.00	0.00	0.50	0.50	
<b><u>Public Utility Commission</u></b>					
Authorized Positions	0	0	1	1	
Full-time Equivalent (FTE) Positions	0.00	0.00	1.00	1.00	
<b><u>State Police, Department of</u></b>					
Authorized Positions	0	0	(10)	(10)	
Full-time Equivalent (FTE) Positions	0.00	0.00	(8.14)	(8.14)	
<b><u>Transportation, Oregon Department of</u></b>					
Authorized Positions	0	0	(1)	(1)	
Full-time Equivalent (FTE) Positions	0.00	0.00	(1.00)	(1.00)	

## **2005-07 Supplemental Appropriations**

	2003-05		2005-07	
	Legislatively Approved Budget	Governor's Budget	Committee Recommendation	Difference from Governor's Budget
<b><u>Emergency Board</u></b>				
General Fund - General Purpose	\$ 0	\$ 0	\$(1,657,119)	\$(1,657,119)
<b><u>Education, Department of</u></b>				
Other Funds	\$ 0	\$ 0	\$ 100,000	+\$ 100,000
<b><u>State Police, Oregon Department of</u></b>				
General Fund	\$ 0	\$ 0	\$(661,658)	\$(661,658)

# BUDGET NARRATIVE

## Summary of Subcommittee Action

Senate Bill 5549 appropriates General Fund to the Emergency Board for general purpose and targeted special purpose appropriations, and makes other adjustments to individual agency budget and position authority as described below.

Other omnibus adjustments reflect reductions in the hourly rate for Department of Justice attorney charges, adjusted treasury debt management charges that reflect updated information on agencies' relative debt levels and new debt issuances, and reductions in Public Employee Retirement System (PERS) rates. The PERS rate for state agencies is reduced from 12.98 percent as assumed in the Governor's budget to the final rate of 12.71 percent. The rate for judges is reduced from 27.14 percent to 25.70 percent. The combined result of these changes in assessments and charges on agency budgets are presented in Attachment 1. Total savings are \$6.6 million General Fund, \$0.1 million Lottery Funds, \$ 4.9 million Other Funds and \$1.9 million Federal Funds.

## Emergency Board

The Emergency Board allocates General Fund and provides Other Funds and Federal Funds expenditure limitation to state agencies for unanticipated needs in approved agency budgets when the Legislature is not in session. The Subcommittee appropriated \$30 million General Fund to the Emergency Board for general purposes.

The Subcommittee made nine special purpose appropriations to the Emergency Board, totaling \$141,950,000:

- \$125,000,000 to finance negotiated increases in state employee salary and benefit changes. This special purpose appropriation expires July 1, 2008 if not allocated before that date.
- \$1,000,000 for the Department of Justice for the on-going legal costs associated with the state's defense of the revenue stream generated from the Master Settlement Agreement entered into with major tobacco companies. This appropriation is in addition to \$1 million appropriated for this purpose to the Department of Justice in Senate Bill 5520-A. If allocated, the funds may be used for staff as well as outside counsel.
- \$9,000,000 for Oregon State Police, Oregon Wireless Interoperability Network (OWIN), to be used to assist in funding any further costs for the OWIN project for the 2007-09 biennium after review by the Legislature or the Emergency Board.
- \$600,000 for the Legislative Administration Committee to support the Interim Committee on Court Facilities.
- \$550,000 for the Legislative Administration Committee, for planning, debt service, and relocation costs of legislative and executive branch agencies during renovation of the Capitol building.
- \$700,000 for the Government Standards and Practices Commission to support development of an electronic report filing system.
- \$800,000 for the Department of Education for local option equalization grants.
- \$1,800,000 for the Secretary of State for costs associated with a statewide special election to be held in November, 2007.
- \$2,500,000 for state agencies' continuous improvement projects.

# BUDGET NARRATIVE

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The \$125 million special purpose appropriation to the Emergency Board for negotiated salary and benefit increases for state employees is to be spread proportionately among represented, nonrepresented, management, and executive service employees. It is understood that there may be differences in how each proportional share is spent and that the Executive Branch may choose to focus the new and existing management and executive service compensation funds on recruitment and retention issues. Any increases granted in excess of the proportional share must be paid for by agencies. The Executive Branch is expected to report to the Emergency Board, at the time of distribution of the special purpose appropriation, on: actual compensation changes, any changes that require agencies to cover additional costs and the agency plans on how such costs will be paid for, and the amount of rollup for the 2009-11 biennium as a result of decisions made by the Executive Branch on final compensation packages granted to employees.

Unless otherwise noted, if these special purpose appropriations are not allocated by the Emergency Board before December 1, 2008, any remaining funds become available to the Emergency Board for general purposes.

## Adjustments to Approved Budgets

### Administrative Services, Department of

The Subcommittee approved a \$2.8 million General Fund appropriation to be paid to the Oregon Historical Society. This funding will enable the Society to extend museum and public access hours, digitize photos and other holdings, and host regional workshops.

The bill reduces three Other Funds expenditure limitations to resolve an inadvertent double count in Senate Bill 5502 (2007), the primary DAS budget bill: State Data Center is reduced by \$20,283,644; State Services Division by \$4,773,888, and other operating expenses by \$53,052,670.

### Columbia River Gorge Commission

The Subcommittee appropriated \$61,906 General Fund to enable the Commission to hire a project manager to assess and track the condition of the Columbia River Gorge's scenic, cultural, recreational and environmental resources and to provide public outreach.

### Commission on Children and Families, State

An additional \$200,000 General Fund is appropriated to the State Commission on Children and Families for the Children's Relief Nursery in Multnomah County. These funds are to be used to support the organization's work with the Center for Family Success with at-risk TANF families and children of incarcerated parents.

### Department of Corrections

The General Fund appropriation for the Department of Corrections is reduced by \$1,000,000, from the agency's Operations Division.

### Community Colleges and Workforce Development, Department of

A General Fund appropriation of \$600,000 is made to the Department of Community Colleges and Workforce Development to be distributed equally to the Sabin-Schellenberg Skills Center of the North Clackamas School District #12 and the Portland Community College Skills Center.

# BUDGET NARRATIVE

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The Department's Federal Funds expenditure limitation is increased by \$3.0 million to accommodate receipt of a Workforce Innovation in Regional Economic Development (WIRED) grant from the U.S. Department of Labor. The total grant amount of \$5.0 million will be expended over the 2007-09 and the 2009-11 biennia. The Department was given approval to apply for the grant by the Joint Committee on Ways and Means in April 2007. The Department of Labor began the WIRED initiative in February 2006 to assist regional workforce investment efforts in expanding high-skill and high-wage employment opportunities. Funds may be used to expand job training services and information and to provide training to individual workers. The funds awarded to Oregon will be distributed to regional workforce agencies serving the Portland and Salem metropolitan areas.

## Economic and Community Development Department

An appropriation of \$1.0 million General Fund is made to the Oregon Arts Commission/Cultural Trust for the Creative Oregon Initiative, to increase support for Oregon's arts, cultural, and creative sectors by providing technical assistance, leadership development, and capacity building for medium to large arts organizations.

## Department of Education

\$160,000 General Fund is appropriated to the Department of Education, to be directed to the Classroom Law Project to further the mission of expanding civics education in Oregon with an emphasis on staff development.

An additional \$300,000 General Fund appropriation is made for the administration of a budget note for a study on alternative methods to funding transportation costs for students. The Department is to report to the interim Joint Committee on Ways and Means or the Emergency Board on the options available, along with recommendations on suggested changes, before the 2009 legislative session.

## Energy, Department of

The Other Funds expenditure limitation provided for the Department of Energy's Public Purpose Fund (OMSI) in Senate Bill 5512 (2007) is increased by \$4.6 million for the purpose of OMSI debt service. The General Fund appropriated to the Department in the same bill is decreased by \$1.5 million.

## Geology and Mineral Industries, Department of

The Subcommittee approved funding for the Light Imaging and Detection Radar (LIDAR) system. The \$139,249 General Fund appropriation is for a full-time limited duration Information Systems Specialist 6 position (1.00 full-time equivalent) for the system; the Lottery Funds and Other Funds expenditure limitations are increased by \$1,500,000 each, for a total of \$3,139,249. This is a one-time expenditure. The Lottery Funds are Measure 66 Capital funds from the Oregon Watershed Enhancement Board. The addition of the funds is expected to increase LIDAR mapping and possibly leverage other sources of funding.

## Governor's Office

\$200,000 Other Funds expenditure limitation is supplied for support of the Education System Design Team, per House Bill 3141. The revenue will be transferred from the State School Fund.

# BUDGET NARRATIVE

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## Department of Higher Education

The Subcommittee approved a \$1.0 million General Fund appropriation for the Oregon Solutions program at Portland State University. All of the funds provided in this appropriation shall be allocated to support the Oregon Solutions program, and none shall be used to support other activities of the University or the Department. The Subcommittee also added a \$150,000 General Fund appropriation for the NEW Leadership Oregon program at Portland State University, to fund a Program Director position.

The Other Funds expenditure limitation for the Oregon State University Forest Research Laboratory is increased by \$700,000 and 7 positions (6.50 full-time equivalent) to accommodate an increase in the Forest Products Harvest Tax included in House Bill 2115. The tax rate is increased from 67 cents per million board feet to 92 cents per million board feet for calendar years 2008 and 2009.

## Department of Human Services

The Subcommittee recommended an additional General Fund appropriation in the amount of \$1,511,832 to enhance nursing facility Certified Nursing Assistant staffing levels. This restores full General Fund support for a policy package proposed by the Governor to implement recommendations from the Nursing Facility Staffing Commission.

The Subcommittee recommended an additional \$4,000,000 for the In-Home Care Workers program. It also added \$220,000 General Fund for community-based, non-profit Centers for Independent Living, who help persons with severe disabilities maintain or increase their level of independence.

## Judicial Department

The Subcommittee approved a one-time \$700,000 General Fund appropriation for the purpose of a grant to the Oregon State Bar for legal aid services. In addition, \$955,105 General Fund is approved for judges' salaries. Senate Bill 5518, the main appropriation bill for the Judicial Department, provided \$7.5 million General Fund to increase judges' salaries by 14 percent effective July 1, 2007 and an additional three percent July 1, 2008. This additional funding brings the first year increase to 16 percent.

## Justice, Department of

The Department of Justice's Other Funds limitation is increased by \$2,215,294 to provide legal case review for the Department of Human Service's child welfare staff and to provide consistent legal representation in shelter case and pre-judicial hearings. This amount is in addition to the \$2.6 million Other Funds limitation included in the Department of Justice budget bill (Senate Bill 5520) for this purpose. The combined amount corresponds to the General Fund and federal funding available for this purpose in the Department of Human Services budget. No positions are added, but the 16 positions established in Senate Bill 5520 are increased by 5.71 full-time equivalent with these added resources.

House Bill 2469 establishes a child support pass-through which requires the Department of Justice to pay the first \$50 of child support collected each month (up to \$200 per family) directly to the family for those households receiving Temporary Assistance to Needy Families (TANF). Currently all of the child support payment is used to offset the cost of the child support program at the Department of Justice. With the pass-through payment to families, it is estimated that the child support program will lose a total of \$925,485 revenue in the nine months after the October 2008 effective date of this change. This bill reduces the Other Funds limitation by \$925,485 and backfills the lost revenue with \$925,485 General Fund.

# BUDGET NARRATIVE

The budget bill for the Department of Justice (Senate Bill 5520) did not include Other Funds expenditure limitation for the agency's responsibilities in reviewing and processing Ballot Measure 37 claims. This bill provides a total \$2,219,482 Other Funds expenditure limitation for this purpose, for 17 positions (14.75 full-time equivalent). These amounts reflect the amount available in the budget for the Department of Land Conservation and Development for legal costs for Ballot Measure 37 claims. There is also a \$1.5 million General Fund special purpose appropriation to the Emergency Board for the Department of Land Conservation and Development (DLCD) for this purpose. If the Emergency Board allocates that \$1.5 million to DLCD, the Department of Justice will need to return to the Emergency Board for further expenditure limitation authority.

## Land Conservation and Development, Department of

The Subcommittee approved an additional \$1,985,146 General Fund appropriation to meet expected costs associated with processing Ballot Measure 37 claims. The appropriation is associated with House Bill 3546, which extends from 180 days to 540 days the period for government entities to review and act upon claims submitted pursuant to Ballot Measure 37 (2004) after November 1, 2006, before the property owner is entitled to just compensation and may file a civil action. In order to incorporate the provisions of House Bill 3546, positions approved in House Bill 5033 in Package 101 were adjusted as follows, reducing a net 5.50 full-time equivalent positions:

- Change one limited-duration, full-time Principal Executive Manager D position and one limited-duration, full-time Administrative Specialist 2 position, phased-in effective July 1, 2007, to permanent status.
- Establish one limited-duration, full-time Office Specialist 1 position, phased-in effective July 1, 2007, and phased-out effective June 30, 2008 (0.50 full-time equivalent); one permanent, full-time Operations and Policy Analyst 1, phased-in effective July 1, 2007 (1.00 full-time equivalent); four limited-duration, full-time Program Analyst 2 positions, phased-in July 1, 2007, and phased-out June 30, 2008 (2.00 full-time equivalent); two permanent, full-time Planner 3 positions, phased-in July 1, 2007 (2.00 full-time equivalent).
- Reduce months on six limited-duration, full-time positions, so that they are phased-in July 1, 2007, and phased-out effective June 30, 2008 (reduction of 3.00 full-time equivalent). The positions consist of one Administrative Specialist 1, one Administrative Specialist 2, and four Planner 3 positions.
- Eliminate three limited duration, full-time Program Technician 2 positions and five limited-duration, full-time Planner 3 positions (reduction of 8.00 full-time equivalent).

Concurrently, funding for the "Big Look" was decreased by \$400,000 General Fund. The Department is directed to provide minimal staff support for activities related to the "Big Look". The Department may redirect staff to other activities.

## Legislative Administration Committee

The Legislative Administration Committee is appropriated \$3,999,943 General Fund for debt service costs for the Capitol Renovation project, and \$1,106,869 General Fund for other costs associated with the project, including relocation costs. Other Funds expenditure limitation is increased by \$770,000 for Certificates of Participation cost of issuance expense.

The funding for debt service and other related costs for the renovation of the Capitol wings is based on what is known today about the potential project costs. Final plans and costs are dependent on actual contracts, and approved budgets and staffing levels for the legislative agencies. In addition, there will be relocation costs for legislative and Executive Branch staff that will need to move out of the Capitol building in order for the

# BUDGET NARRATIVE

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renovation project to be completed. Therefore, to cover the possibility of other adjustments to the total cost for the project, \$550,000 is appropriated to the Emergency Board in a special purpose appropriation for potential costs when final plans are approved

## Oregon Liquor Control Commission

The Other Funds expenditure limitation for OLCC is increased to accommodate \$1,278,000 in carryforward funds that are dedicated to completion of the Information Technology infrastructure enhancement.

## Long Term Care Ombudsman

To respond to the increasing number of Oregonians residing in long-term care facilities, the Subcommittee approved a \$86,664 General Fund appropriation and added \$69,750 Other Funds expenditure limitation for a second permanent, full-time Deputy State Long Term Care Ombudsman position, to begin January 1, 2008. This will allow the agency to increase the number of volunteer ombudsman by as many as 30. Increasing the staff and number of volunteer ombudsman is expected to decrease the average time to close non-abuse complaint cases and increase the percentage of facilities visited at least once a quarter.

## Military Department, Oregon

The Military Department, for the Office of Emergency Management 9-1-1 program, receives an increase of \$6,303,131 Other Funds expenditure limitation to distribute 2005-07 revenues collected to support public safety answering points.

The Subcommittee funded a limited duration Emergency Management policy advisor position (1.00 full-time equivalent) under the Department's Emergency Management Program. The funding for the position includes \$94,600 General Fund and an equal amount of Other Funds expenditure limitation.

The Subcommittee also appropriated \$500,000 General Fund for the Oregon Military Emergency Financial Assistance Program. This program provides hardship grants and loans to guard members and immediate family members of the Oregon National Guard on active duty. Expenditures from the Emergency Financial Assistance Fund are made as Other Funds. The Department has existing Other Funds limitation within its base budget for this program. The \$500,000 is a one-time appropriation to be phased-out of the Department's budget for the 2009-11 biennium.

The Subcommittee instructed the Department of Revenue to report to the Department of Administrative Services Budget and Management Division and the Legislative Fiscal Office on the amount(s) of 2006 and 2007 state income tax check-off revenue transferred to the Oregon Military Emergency Financial Assistance Program. Check-off revenue is the dedicated source of funding for the program.

## Oregon Youth Authority

Earlier in the session it became known that the OYA would need to restructure its capital construction request to incorporate more recent information with respect to rehabilitating and reopening the Oak Creek youth correctional facility in Albany. The Public Safety Subcommittee approved the agency's operating budget without funding the costs associated with the capital construction projects, with the understanding that OYA would present an updated capital construction plan. The updated plan has been approved as part of House Bill 5006, the Capital Construction bill. Senate Bill 5549 includes the related \$632,668 General Fund debt service on Certificates of Participation to be issued for these projects during the 2007-09 biennium, and added \$99,999 Other Funds expenditure limitation to cover the COPs cost of issuance.

# BUDGET NARRATIVE

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An additional \$400,000 General Fund is appropriated for special payments to be targeted to youth gang intervention services in east Multnomah County. This amount is in addition to the \$3.4 million General Fund included for Multnomah County youth gang services in Senate Bill 5544.

## Parks and Recreation, Oregon Department of

The Subcommittee approved an increase of \$600,000 Federal Funds expenditure limitation to expend a Coastal and Estuarine Land Conservation Program (CELP) grant. The CELP provides funding for public land purchases to achieve conservation purposes. The grant will be used to acquire 319 acres along Beaver Creek in Lincoln County. This land is upstream from Ona Beach state park. The acquisition would help conserve wetlands and the Beaver Creek Watershed, as well as provide recreational opportunities through a water trail. The acquisition is consistent with Oregon Parks and Recreation Commission's Investment Strategy and Acquisition Plan.

## Public Defense Services Commission

The Subcommittee approved a supplemental General Fund appropriation of \$1,950,000, which will establish a juvenile appellate unit and increase funding for contracted attorneys.

## Public Utility Commission

In an action affecting this agency and the Department of Transportation, the Oregon Board of Maritime Pilots is transferred to the Public Utility Commission. The Subcommittee added \$276,566 Other Funds expenditure limitation and one position (1.00 full-time equivalent) to this budget to accommodate the transfer.

## State Lands, Department of

The Subcommittee approved increases in expenditure limitations for Federal and Other Funds grants that may be received before either an Emergency Board meeting or the 2008 Special Session. The Department received approval to apply for these grants. The South Slough National Estuarine Research Reserve (SSNERR) may receive grant funds for an estuary monitoring grant, for example. So, \$100,000 Federal Funds expenditure limitation and one limited duration Natural Resource Specialist 3 position (0.50 full-time equivalent) is added. SSNERR also has a history of success in obtaining grants from parties other than the Federal government, so \$75,000 Other Funds expenditure limitation is added. Also, the Department may be successful in its application for a federal grant to preserve the Fender's Blue Butterfly. The grant request is for \$750,000 Federal Funds and would be passed through to the Trust for Public Land to acquire 1,400 acres of land in the Eola Hills west of Salem.

The expenditure limitations above are approved with the understanding that the Department of Administrative Services will unschedule the funds until official notice of awards are received and the agency demonstrates the need to expend the funds as required to the Legislative Fiscal Office and the Department of Administrative Services.

## State Police, Oregon Department of

The budget bill for the Oregon State Police (OSP) (Senate Bill 5533) included \$3,679,588 Other Funds expenditure limitation for staff and other costs for the planning and development of the Oregon Wireless Interoperability Network project. The budget bill for OSP assumed that this was to be limitation with two years of duration. Since this is a major capital construction project, it is more appropriate for this limitation to be six years in duration, the standard for capital construction projects. House Bill 5006, the Capital Construction bill, includes the necessary six-year limitation to replace that in the OSP budget bill.

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# BUDGET NARRATIVE

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OSP anticipated receiving 29 patrol vehicles by the end of the 2005-07 biennium. Prior to delivery, however, the manufacturer identified possible equipment defects and recalled all of the vehicles for further inspection, thus delaying delivery until after the start of the new biennium. The cost of the vehicles, \$661,658 General Fund, is disappropriated from the 2005-07 biennium and appropriated for the 2007-09 biennium.

Other Funds expenditure limitation for the Office of the State Fire Marshal is increased by \$449,999 for a web-based incident reporting system, funded with a combination of Fire Insurance Premium Tax, Hazardous Substance fee, and Petroleum Load Fee revenues. The Department of Administrative Services (DAS) is requested to unschedule the \$449,999 until the Office of the State Fire Marshal presents information to the Legislative Fiscal Office and DAS Budget and Management Division on updated costs, long range plans for the use of the revenue sources, and how the project fits into the overall strategic information management plan of the Oregon State Police.

## Transportation, Oregon Department of

In an action affecting this agency and the Public Utility Commission, the Oregon Board of Maritime Pilots is transferred from the Department of Transportation. The Subcommittee reduced this Department's Other Funds expenditure limitation by \$276,566, and eliminated one position (1.00 full-time equivalent) to accommodate the transfer.

To implement provisions in Senate Bill 994, the Department's Other Funds expenditure limitation is increased by \$56,250,000 to distribute funds to counties in prescribed amounts on or before November 1, 2008. If the Secure Rural Schools (PL 106.393) program is re-authorized, or equivalent federal funding becomes available, counties are required to provide 10.89 percent (collectively about \$5.9 million) to match the money received. If PL 106-393 is not re-authorized, the Oregon Transportation Commission may determine how counties may match the funds provided. Each county is required to use the money to finance transportation projects that they select in consultation with the cities within the county and other advisory groups.

## Treasurer of State

The Subcommittee added a \$1 Other Funds expenditure limitation for state treasury operations and a \$1 Other Funds expenditure limitation for the Oregon 529 college savings network for relocation costs resulting from the Capitol renovation. The office may return to the Emergency Board for additional limitation when the actual costs are known.

## Veterans' Affairs, Oregon Department of

A General Fund appropriation of \$29,600 was approved under ORS 406.310 for the Department's payment to the Military Order of the Purple Heart, which has assisted Oregon veterans working with the federal Veterans Administration. This appropriation allows the Department to include the Order with the other national service organizations (American Legion, Disabled American Veterans, and the Veterans of Foreign Wars) with whom the State partners.

## Water Resources Department

The Subcommittee approved a one-time \$25,000 General Fund appropriation to support the Umatilla Basin Project Phase II feasibility study and \$25,000 General Fund for the Walla Walla Instream Flow project.

# BUDGET NARRATIVE

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## Adjustments to 2005-07 Budgets

### State Police, Oregon Department of

The Oregon State Police anticipated receiving 29 patrol vehicles by the end of the 2005-07 biennium. Prior to delivery, however, the manufacturer identified possible equipment defects and recalled all of the vehicles for further inspection, thus delaying delivery until after the start of the new biennium. The cost of the vehicles \$661,658 General Fund, is disappropriated from the 2005-07 biennium and appropriated for the 2007-09 biennium.

### Emergency Board

The Subcommittee reduced the 2005-07 general purpose Emergency Fund by \$1,657,119.

### Department of Education

The Department's Other Funds expenditure limitation is increased by \$100,000 to backfill unexpected current biennium costs.

# BUDGET NARRATIVE

	Agency Adjustments Assesments/Charges			SB 5549-A Attachment 1
	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
<b>Consumer and Business Services</b>				
Board of Accountancy	0	(3,067)	0	0
Board of Tax Practitioners	0	(1,804)	0	0
Construction Contractors Board	0	(24,899)	0	0
Board of Licensed Professional Counselors and Therapists	0	(1,670)	0	0
Psychologist Examiners	0	(2,373)	0	0
State Board of Chiropractic Examiners	0	(3,154)	0	0
Board of Clinical Social Workers	0	(1,445)	0	0
Oregon Board of Dentistry	0	(4,362)	0	0
Board of Examiners of Licensed Dietitians	0	(102)	0	0
State Mortuary and Cemetery Board	0	(1,954)	0	0
Board of Naturopathic Examiners	0	(837)	0	0
Board of Examiners of Nursing Home Administrators	0	(375)	0	0
Occupational Therapy Licensing Board	0	(562)	0	0
State Board of Pharmacy	0	(7,673)	0	0
State Board of Pharmacy	0	0	0	(360)
Board of Radiologic Technology	0	(874)	0	0
State Board of Examiners for Speech-Language Pathology and Audiology	0	(639)	0	0
Oregon State Veterinary Medical Licensing Board	0	(1,204)	0	0
Health Licensing Agency	0	(7,901)	0	0
Bureau of Labor and Industries	(22,434)	0	0	0
Bureau of Labor and Industries	0	(11,934)	0	0
Bureau of Labor and Industries	0	0	0	(2,320)
Public Utility Commission - Utility program	0	(25,239)	0	0
Public Utility Commission - Residential Service Protection Fund	0	(1,387)	0	0
Public Utility Commission - Policy and administration	0	(36,557)	0	0
Public Utility Commission	0	0	0	(700)
Department of Consumer and Business Services	0	(319,561)	0	0
Real Estate Agency	0	(10,631)	0	0
Oregon State Board of Nursing	0	(12,344)	0	0
<b>Economic and Community Development</b>				
Economic and Community Development Department - Oregon Arts Commission	(1,429)	0	0	0
Economic and Community Development Department - Administration of department programs (operations)	0	(19,918)	0	0
Economic and Community Development Department - Arts and Cultural Trust	0	(1,015)	0	0
Economic and Community Development Department - Administration of department programs (operations)	0	0	(31,382)	0
Economic and Community Development Department - Administration of department and community development programs (program services)	0	0	0	(1,660)
Housing and Community Services Department	(351)	0	0	0

# BUDGET NARRATIVE

	Agency Adjustments Assesments/Charges			SB 5549-A Attachment 1
	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
Housing and Community Services Department	0	(36,583)	0	0
Housing and Community Services Department	0	0	0	(10,174)
Department of Veterans' Affairs - For services provided by the Department of Veterans' Affairs	(2,650)	0	0	0
Department of Veterans' Affairs	0	(62,595)	0	0
Employment Department	(5,609)	0	0	0
Employment Department	0	(158,558)	0	0
Employment Department	0	0	0	(165,738)
<b>Education</b>				
Teacher Standards and Practices Commission	0	(8,133)	0	0
Oregon Student Assistance Commission	(4,495)	0	0	0
Oregon Student Assistance Commission	0	(3,763)	0	0
Department of Higher Education - Education and general services of higher education	(970,904)	0	0	0
Department of Higher Education - Agricultural Experiment Station and the branch experiment stations of Oregon State University	(99,537)	0	0	0
Department of Higher Education - Extension Service of Oregon State University	(76,512)	0	0	0
Department of Higher Education - Forest Research Laboratory of Oregon State University	(11,188)	0	0	0
Department of Higher Education - Debt-related costs	5,159	0	0	0
Department of Higher Education - Education and general services of higher education	0	(1,435,993)	0	0
Department of Higher Education - Agricultural Experiment Station and the branch experiment stations of Oregon State University	0	(4,827)	0	0
Department of Higher Education - Extension Service of Oregon State University	0	(26,371)	0	0
Department of Higher Education - Forest Research Laboratory of Oregon State University	0	(9,349)	0	0
Department of Community Colleges and Workforce Development - Operations	3,118	0	0	0
Department of Community Colleges and Workforce Development - Department of Community Colleges and Workforce Development	0	(1,836)	0	0
Department of Community Colleges and Workforce Development - Oregon Youth Conservation Corps	0	(714)	0	0
Department of Community Colleges and Workforce Development - Federal Funds	0	0	0	(10,737)
Department of Education - Operations	(62,006)	0	0	0
Department of Education - Oregon State Schools for the Deaf and for the Blind	(29,196)	0	0	0
Department of Education - Operations	0	(10,722)	0	0
Department of Education - Oregon State Schools for the Deaf and for the Blind	0	(3,179)	0	0
Department of Education - Youth Corrections Education Program	0	(6,077)	0	0
Department of Education - Operations	0	0	0	(37,009)
Department of Education - Oregon State Schools for the Deaf and for the Blind	0	0	0	(666)
Department of Education - Youth Corrections Education Program	0	0	0	(96)
<b>Administrative</b>				
Advocacy Commissions Office	(422)	0	0	0
Department of Administrative Services - Operating expenses of the State Services Division	(2,715)	0	0	0

# BUDGET NARRATIVE

**Agency Adjustments  
Assesments/Charges**

SB 5549-A  
Attachment 1

	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
Department of Administrative Services - Other operating expenses	(3,036)	0	0	0
Department of Administrative Services - Operating expenses of the State Data Center	0	(68,873)	0	0
Department of Administrative Services - Operating expenses of the State Services Division	0	(235,433)	0	0
Department of Administrative Services - Other operating expenses	0	(291,888)	0	0
Treasurer of State - Administrative expenses of State Treasury operations	0	(39,818)	0	0
Treasurer of State - Administrative expenses of the Oregon 529 College Savings Network	0	(1,825)	0	0
Oregon Racing Commission	0	(5,430)	0	0
Public Employees Retirement System - Administrative and operating expenses	0	(105,013)	0	0
Secretary of State - Executive Office, BSD, ISD, HRD	(3,079)	0	0	0
Secretary of State - Elections Division	(11,905)	0	0	0
Secretary of State - Archives Division	(4,245)	0	0	0
Secretary of State - Executive Office, BSD, ISD, HRD	0	(14,000)	0	0
Secretary of State - Audits Division	0	(22,576)	0	0
Secretary of State - Archives Division	0	(1,522)	0	0
Secretary of State - Corporation Division	0	(8,611)	0	0
Secretary of State - Help America Vote Act	0	0	0	(1,618)
Oregon Liquor Control Commission - Administrative expenses	0	(138,456)	0	0
Department of Revenue	(184,792)	0	0	0
Department of Revenue	0	(35,637)	0	0
Employment Relations Board	(2,573)	0	0	0
Employment Relations Board	0	(424)	0	0
Employment Relations Board	0	(1,984)	0	0
Office of Governor	(16,350)	0	0	0
Office of Governor	0	0	(3,407)	0
Office of Governor	0	(4,036)	0	0
Oregon Government Standards and Practices Commission	(2,150)	0	0	0
State Library	(1,955)	0	0	0
State Library	0	(6,633)	0	0
State Library	0	0	0	(1,458)
<b>Human Services</b>				
Long Term Care Ombudsman	(197)	0	0	0
Long Term Care Ombudsman	0	(2,425)	0	0
Commission for the Blind	(1,925)	0	0	0
Commission for the Blind	0	(649)	0	0
Commission for the Blind	0	0	0	(16,447)
Psychiatric Security Review Board	(1,648)	0	0	0
Board of Medical Examiners for the State of Oregon	0	(16,490)	0	0
Office of Private Health Partnerships	(11,413)	0	0	0
Department of Human Services - Department-wide Support Services	(145,195)	0	0	0
Department of Human Services - Children, Adults and Families	(554,075)	0	0	0

Attachment 1

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# BUDGET NARRATIVE

**Agency Adjustments  
Assesments/Charges**

SB 5549-A  
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	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
Department of Human Services - Health Services	(370,727)	0	0	0
Department of Human Services - Seniors and People with Disabilities	(173,332)	0	0	0
Department of Human Services - Department-wide Support Services	0	(28,653)	0	0
Department of Human Services - Children, Adults and Families	0	(22,523)	0	0
Department of Human Services - Health Services	0	(77,950)	0	0
Department of Human Services - Seniors and People with Disabilities	0	(6,493)	0	0
Department of Human Services - Health Services	0	0	(2)	0
Department of Human Services - Department-wide Support Services	0	0	0	(168,130)
Department of Human Services - Children, Adults and Families	0	0	0	(609,544)
Department of Human Services - Health Services	0	0	0	(173,304)
Department of Human Services - Seniors and People with Disabilities	0	0	0	(266,989)
State Commission on Children and Families	(7,217)	0	0	0
State Commission on Children and Families	0	(1,387)	0	0
State Commission on Children and Families	0	0	0	(787)
<b>Judicial Branch</b>				
Commission of Judicial Fitness and Disability	(180)	0	0	0
Judicial Department - Operations	(876,092)	0	0	0
Judicial Department - Mandated payments	(5,250)	0	0	0
Judicial Department	0	(44,974)	0	0
Judicial Department	0	0	0	(694)
Public Defense Services Commission - Office of Public Defense Services	(14,462)	0	0	0
Public Defense Services Commission - Public Defense Administration	(4,746)	0	0	0
Public Defense Services Commission - Indigent Defense Services Division	0	(1,089)	0	0
<b>Legislative Branch</b>				
Legislative Administration Committee - General program	(27,562)	0	0	0
Legislative Administration Committee	0	(693)	0	0
Legislative Assembly - Expenses of the Seventy-fourth Legislative Assembly	(12,602)	0	0	0
Legislative Assembly - Expenses of the Seventy-fifth Legislative Assembly	(26,883)	0	0	0
Legislative Counsel Committee	(14,308)	0	0	0
Legislative Counsel Committee	0	(2,112)	0	0
Legislative Fiscal Officer	(10,390)	0	0	0
Legislative Revenue Officer	(3,190)	0	0	0
Commission on Indian Services	(567)	0	0	0
<b>Natural Resources</b>				
State Marine Board - Administration and education	0	(2,898)	0	0
State Marine Board - Marine law enforcement	0	(672)	0	0
State Marine Board - Facilities construction and maintenance and land acquisition	0	(1,470)	0	0

# BUDGET NARRATIVE

**Agency Adjustments  
Assessments/Charges**

**SB 5549-A  
Attachment 1**

	<b>General Fund Total</b>	<b>Other Funds Total</b>	<b>Lottery Funds Total</b>	<b>Federal Funds Total</b>
State Marine Board - Facilities construction and maintenance and land acquisition	0	0	0	(119)
Department of Energy	0	(29,960)	0	0
Department of Energy	0	0	0	(3,977)
Department of Geology and Mineral Industries	(4,573)	0	0	0
Department of Geology and Mineral Industries	0	(5,039)	0	0
Department of Geology and Mineral Industries	0	0	0	(1,449)
State Parks and Recreation Department - Administration	0	(5,478)	0	0
State Parks and Recreation Department - Grant programs	0	(951)	0	0
State Parks and Recreation Department - Operations	0	(36,262)	0	0
State Parks and Recreation Department - Facility repair and maintenance	0	(20)	0	0
State Parks and Recreation Department - Heritage conservation	0	(344)	0	0
State Parks and Recreation Department - Oregon State Fair Operations	0	(2,972)	0	0
State Parks and Recreation Department - Heritage conservation	0	(1,525)	0	0
State Parks and Recreation Department - Administration	0	0	(8,374)	0
State Parks and Recreation Department - Grant programs	0	0	(291)	0
State Parks and Recreation Department - Operations	0	0	(2,650)	0
State Parks and Recreation Department - Facility repair and maintenance	0	0	(2,268)	0
State Parks and Recreation Department - Heritage conservation	0	0	(2,158)	0
State Parks and Recreation Department - Oregon State Fair Operations	0	0	(1,607)	0
State Parks and Recreation Department - Recreation programs and planning	0	0	(799)	0
State Parks and Recreation Department - Operations	0	0	0	(86)
State Parks and Recreation Department - Heritage conservation	0	0	0	(508)
Land Use Board of Appeals	(2,321)	0	0	0
Land Use Board of Appeals	0	(83)	0	0
Water Resources Department	(44,904)	0	0	0
Water Resources Department - Water resources program	0	(8,242)	0	0
Water Resources Department - Water Development Fund loan administration	0	(302)	0	0
Oregon Watershed Enhancement Board	0	0	(8,412)	0
Department of State Lands - Common School Fund programs	(296)	0	0	0
Department of State Lands - South Slough National Estuarine Research	0	(1,093)	0	0
Department of State Lands - Common School Fund programs	0	(27,828)	0	0
Department of State Lands - Oregon Wetlands Mitigation Bank Revolving Fund Account	0	(114)	0	0
Department of State Lands - South Slough National Estuarine Research	0	0	0	(922)
Department of State Lands - Common School Fund programs	0	0	0	(597)
State Department of Agriculture - Administration and Support Services	(2,805)	0	0	0
State Department of Agriculture - Food Safety	(7,326)	0	0	0
State Department of Agriculture - Natural Resources	(5,833)	0	0	0
State Department of Agriculture - Agricultural Development	(3,218)	0	0	0
State Department of Agriculture - Administration and Support Services	0	(10,016)	0	0
State Department of Agriculture - Food Safety	0	(25,087)	0	0

# BUDGET NARRATIVE

**Agency Adjustments  
Assesments/Charges**

**SB 5549-A  
Attachment 1**

	<b>General Fund Total</b>	<b>Other Funds Total</b>	<b>Lottery Funds Total</b>	<b>Federal Funds Total</b>
State Department of Agriculture - Natural Resources	0	(16,729)	0	0
State Department of Agriculture - Agricultural Development	0	(13,562)	0	0
State Department of Agriculture	0	0	(11,693)	0
State Department of Agriculture - Food Safety	0	0	0	(41)
State Department of Agriculture - Natural Resources	0	0	0	(4,126)
Department of Environmental Quality - Air quality	(9,187)	0	0	0
Department of Environmental Quality - Water quality	(45,163)	0	0	0
Department of Environmental Quality - Waste management and cleanup	(2,917)	0	0	0
Department of Environmental Quality - Cross media	(1,131)	0	0	0
Department of Environmental Quality - Air quality	0	(47,792)	0	0
Department of Environmental Quality - Water quality	0	(58,270)	0	0
Department of Environmental Quality - Waste management and cleanup	0	(65,893)	0	0
Department of Environmental Quality - Cross media	0	(2,001)	0	0
Department of Environmental Quality - Agency management	0	(29,118)	0	0
Department of Environmental Quality - Parks and Natural Resources Fund	0	0	(25,277)	0
Department of Environmental Quality - Air quality	0	0	0	(7,314)
Department of Environmental Quality - Water quality	0	0	0	(12,110)
Department of Environmental Quality - Waste management and cleanup	0	0	0	(16,281)
Department of Environmental Quality - Cross media	0	0	0	(586)
State Department of Fish and Wildlife - Fish Division, Fish propagation	(7,108)	0	0	0
State Department of Fish and Wildlife - Fish Division, Fish natural production	(5,489)	0	0	0
State Department of Fish and Wildlife - Fish Division, Fish marine resources	(2,500)	0	0	0
State Department of Fish and Wildlife - Wildlife Division, Wildlife game	(306)	0	0	0
State Department of Fish and Wildlife - Wildlife Division, Wildlife habitat	(1,480)	0	0	0
State Department of Fish and Wildlife - Wildlife Division, Wildlife diversity	(1,780)	0	0	0
State Department of Fish and Wildlife - Administrative Division	(1,075)	0	0	0
State Department of Fish and Wildlife - Fish Division, Fish propagation	0	(11,350)	0	0
State Department of Fish and Wildlife - Fish Division, Fish natural production	0	(25,684)	0	0
State Department of Fish and Wildlife - Fish Division, Fish marine resources	0	(9,483)	0	0
State Department of Fish and Wildlife - Fish Division, Fish interjurisdictional fisheries	0	(18,748)	0	0
State Department of Fish and Wildlife - Wildlife Division, Wildlife game	0	(29,006)	0	0
State Department of Fish and Wildlife - Wildlife Division, Wildlife habitat	0	(5,934)	0	0
State Department of Fish and Wildlife - Wildlife Division, Wildlife diversity	0	(515)	0	0
State Department of Fish and Wildlife - Administrative Division	0	(26,330)	0	0
State Department of Fish and Wildlife - Capital improvement	0	(163)	0	0
State Department of Fish and Wildlife - Fish Division, fish natural production	0	0	(12,391)	0
State Department of Fish and Wildlife - Wildlife Division - wildlife habitat	0	0	(2,224)	0
State Department of Fish and Wildlife - Fish Division, Fish propagation	0	0	0	(33,923)
State Department of Fish and Wildlife - Fish Division, Fish natural production	0	0	0	(35,664)
State Department of Fish and Wildlife - Fish Division, Fish marine resources	0	0	0	(6,435)

Attachment 1

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# BUDGET NARRATIVE

**Agency Adjustments  
Assesments/Charges**

**SB 5549-A  
Attachment 1**

	<u>General Fund Total</u>	<u>Other Funds Total</u>	<u>Lottery Funds Total</u>	<u>Federal Funds Total</u>
State Department of Fish and Wildlife - Fish Division, Fish interjurisdictional fisheries	0	0	0	(10,918)
State Department of Fish and Wildlife - Wildlife Division, Wildlife game	0	0	0	(3,201)
State Department of Fish and Wildlife - Wildlife Division, Wildlife habitat	0	0	0	(9,772)
State Department of Fish and Wildlife - Wildlife Division, Wildlife diversity	0	0	0	(1,650)
State Department of Fish and Wildlife - Administrative Division	0	0	0	(1,344)
State Forestry Department - Agency administration	(3,528)	0	0	0
State Forestry Department - Protection from fire	(14,689)	0	0	0
State Forestry Department - Private Forests	(11,752)	0	0	0
State Forestry Department - Agency administration	0	(4,520)	0	0
State Forestry Department - Protection from fire	0	(33,232)	0	0
State Forestry Department - State-owned forest lands	0	(33,066)	0	0
State Forestry Department - Private Forests	0	(8,404)	0	0
State Forestry Department - Forest nursery	0	(1,835)	0	0
State Forestry Department - Equipment pool	0	(3,919)	0	0
State Forestry Department - Facilities maintenance and development	0	(194)	0	0
State Forestry Department - Agency administration	0	0	0	(410)
State Forestry Department - Protection from fire	0	0	0	(7,119)
State Forestry Department - Private forests	0	0	0	(2,023)
State Forestry Department - Urban forests	0	0	0	(224)
Department of Land Conservation and Development - Planning program	(103,755)	0	0	0
Department of Land Conservation and Development - Planning program	0	(660)	0	0
Department of Land Conservation and Development - Planning program	0	0	0	(3,455)
<b>Public Safety</b>				
Board of Parole and Post-Prison Supervision	(18,943)	0	0	0
Department of State Police - Patrol services, criminal investigations and gaming enforcement	(175,518)	0	0	0
Department of State Police - Fish and wildlife enforcement	(7,614)	0	0	0
Department of State Police - Forensics services and State Medical Examiner	(41,378)	0	0	0
Department of State Police - Administrative services, information management and Office of the State Fire Marshal	(64,537)	0	0	0
Department of State Police - Oregon Wireless Interoperability Network	(1,772)	0	0	0
Department of State Police - Patrol services, criminal investigations and gaming enforcement	0	(40,021)	0	0
Department of State Police - Fish and wildlife enforcement	0	(23,633)	0	0
Department of State Police - Forensics services and State Medical Examiner	0	(77)	0	0
Department of State Police - Administrative services, information management and Office of the State Fire Marshal	0	(33,816)	0	0
Department of State Police - Oregon Wireless Interoperability Network	0	(4,718)	0	0
Department of State Police - Patrol services, criminal investigations and gaming enforcement	0	0	0	(373)
Department of State Police - Fish and wildlife enforcement	0	0	0	(856)
Department of State Police - Forensics services and State Medical Examiner	0	0	0	(1,089)

# BUDGET NARRATIVE

Agency Adjustments Assesments/Charges	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
Department of State Police - Administrative services, information management and Office of the State Fire Marshal	0	0	0	(1,548)
Department of State Police - fish and wildlife enforcement activities	0	0	(9,447)	0
Department of Corrections - Operations	(1,318,593)	0	0	0
Department of Corrections - Administration, public services, general services and human resources	(129,062)	0	0	0
Department of Corrections - Transitional services	(70,125)	0	0	0
Department of Corrections - Community corrections	(13,286)	0	0	0
Department of Corrections - Operations	0	(41,407)	0	0
Department of Corrections - Administration and general services	0	(10,376)	0	0
Department of Corrections - Transitional services	0	(158)	0	0
Oregon Criminal Justice Commission	(1,193)	0	0	0
Oregon Criminal Justice Commission	(144)	0	0	0
Department of Justice for district attorneys	(15,778)	0	0	0
Department of Justice	(353,552)	0	0	0
Department of Justice	0	(285,826)	0	0
Department of Justice	0	0	0	(126,522)
Oregon Military Department - Administration section	(7,573)	0	0	0
Oregon Military Department - Operations section	(12,529)	0	0	0
Oregon Military Department - Community Support section	(1,397)	0	0	0
Oregon Military Department - Administration section	0	(1,817)	0	0
Oregon Military Department - Operations section	0	(3,454)	0	0
Oregon Military Department - Community Support section	0	(2,302)	0	0
Oregon Military Department - Operations section	0	0	0	(69,155)
Oregon Military Department - Community Support section	0	0	0	(5,532)
Oregon Military Department - Emergency Mgt	(2,200)	0	0	0
Oregon Military Department - Emergency Mgt.	0	(3,886)	0	0
Oregon Military Department - Emergency Mgt.	0	0	0	(5,704)
Department of Public Safety Standards and Training - Operations	0	(48,796)	0	0
Oregon Youth Authority - Operations	(279,533)	0	0	0
Oregon Youth Authority	0	(5,488)	0	0
Oregon Youth Authority	0	0	0	(8,843)
<b>Transportation</b>				
Department of Transportation - Maintenance and emergency relief programs	0	(153,476)	0	0
Department of Transportation - Preservation program	0	(29,392)	0	0
Department of Transportation - Bridge program	0	(22,388)	0	0
Department of Transportation - Highway safety program	0	(5,693)	0	0
Department of Transportation - Operations program	0	(23,429)	0	0
Department of Transportation - Modernization program	0	(25,096)	0	0
Department of Transportation - Special programs	0	(108,458)	0	0

# BUDGET NARRATIVE

Agency Adjustments  
Assesments/Charges

SB 5549-A  
Attachment I

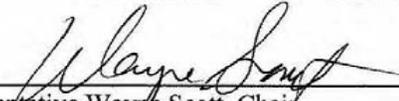
	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
Department of Transportation - Local government program	0	(2,960)	0	0
Department of Transportation - Driver and motor vehicle services	0	(99,458)	0	0
Department of Transportation - Motor carrier transportation	0	(36,038)	0	0
Department of Transportation - Transportation program development	0	(42,566)	0	0
Department of Transportation - Public transit	0	(12,399)	0	0
Department of Transportation - Rail	0	(4,063)	0	0
Department of Transportation - Transportation safety	0	(2,235)	0	0
Department of Transportation - Oregon Board of Maritime Pilots	0	(580)	0	0
Department of Transportation - Central services	0	208,526	0	0
Department of Transportation - Motor carrier transportation	0	0	0	(496)
Department of Transportation - Transportation program development	0	0	0	(2,373)
Department of Transportation - Public Transit	0	0	0	(904)
Department of Transportation - Transportation Safety	0	0	0	(1,325)
Department of Transportation - Driver and motor vehicle services	0	0	0	(71)
Oregon Department of Aviation - Operations	0	(1,869)	0	0
Oregon Department of Aviation - Aircraft registration	0	(86)	0	0
Oregon Department of Aviation - Search and rescue	0	(86)	0	0
<b>Totals - all agencies</b>	<b>(6,571,080)</b>	<b>(4,934,063)</b>	<b>(122,382)</b>	<b>(1,857,476)</b>

# BUDGET NARRATIVE

## Budget Report and Measure Summary – 73<sup>rd</sup> 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
	Legislatively Approved	Governor's Budget	Committee	Difference from	Change from
	Budget (1)		Recommendation	Governor's Budget	Governor's Budget
<b><u>Budget Summary*</u></b>					
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

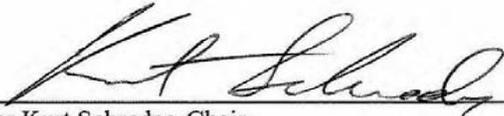
# BUDGET NARRATIVE

## Budget Report and Measure Summary – 73<sup>rd</sup> 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

  
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 Senator Kurt Schrader, Chair

**Reviewed By:** Dallas Weyand, Legislative Fiscal Office

**Date:** May 11, 2005

	2003-05		2005-07		Percentage Committee Change from
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
<b><u>Budget Summary*</u></b>					
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%
<b><u>Position Summary</u></b>					
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 NARRATIVE

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## 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.

# BUDGET NARRATIVE

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## 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.

# BUDGET NARRATIVE

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

# BUDGET NARRATIVE

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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.

# BUDGET NARRATIVE

## 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
<b>SUBCOMMITTEE ADJUSTMENTS</b>									
<b>Operations - 300</b>									
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	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	0	0	944,050	0	0	0	944,050	0	0.00
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

Agency Request

Governor's Recommended

Legislatively Adopted

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# BUDGET NARRATIVE

## LEGISLATIVELY ADOPTED PERFORMANCE MEASURES, 2005-07

Agency Name: <b>PUBLIC EMPLOYEES RETIREMENT SYSTEM</b>
<b>Agency Mission:</b> 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.
<b>Related Oregon Benchmarks (OBMs) or High-Level Outcomes (HLOs):</b> 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	

Agency Request

Governor's Recommended

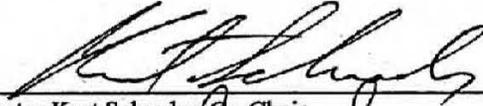
Legislatively Adopted

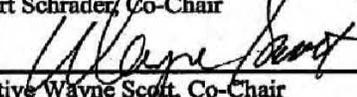
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# BUDGET NARRATIVE

## Budget Report and Measure Summary – 73<sup>rd</sup> Legislative Assembly Joint Committee on Ways and Means

<b>Agency</b>	<b>Budget Page</b>	<b>LFO Analysis Page</b>	<b>Bill Number</b>	<b>Biennium</b>
Department of Administrative Services Various Agencies	-	-	HB 5176-A	2005-07
<b>Senators:</b>	Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson, Schrader, Westlund, Winters			
<b>Representatives:</b>	Avakian, Hanna, Hansen, Kropf, March, Morgan Richardson, Scott, G. Smith, Whisnant			
<b>Prepared By:</b>	Linda Ames, Department of Administrative Services			
<b>Reviewed By:</b>	Dallas Weyand, Legislative Fiscal Office			
<b>Date:</b>	August 2, 2005			

  
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 Senator Kurt Schrader, Co-Chair

  
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 Representative Wayne Scott, Co-Chair

Subcommittee on Capital Construction and Bonding

<b>Budget Summary*</b>	2003-05		2005-07		Percentage Committee Change from
	Legislatively Approved Budget	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Governor's Budget
<b>Department of Administrative Services</b>					
Other Funds	0	0	(35,665,294)	-35,665,294	0.0%
<b>Various Agencies: Assessments/Charge Adjustments</b>					
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%
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (17,979,305)</b>	<b>\$ -17,979,305</b>	<b>0.0%</b>

\* Excludes Capital Construction expenditures

# BUDGET NARRATIVE

## 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.

5176-A  
2 of 3

# BUDGET NARRATIVE

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- 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.

# BUDGET NARRATIVE

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5178-A

Department of Administrative Services  
Linda Ames -- 503-378-4356

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
<b>SUBCOMMITTEE ADJUSTMENTS</b>									
Information Resources Management Division - 004 Pkg. 085: 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
<b>TOTAL ADJUSTMENTS</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$35,665,294)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$35,665,294)</b>	<b>0</b>	<b>0.00</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$35,665,294)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$35,665,294)</b>	<b>0</b>	<b>0.00</b>
% 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

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\_\_\_\_ Agency Request

\_\_\_\_ Governor's Recommendation

  X   Legislatively Adopted

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# BUDGET NARRATIVE

## Agency Adjustments Assessments/Charges

## HB 5170-A Attachment 1

	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
<b>ADMINISTRATIVE</b>				
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
<b>CONSUMER AND BUSINESS SERVICES</b>				
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

Assessments-1

\_\_\_ Agency Request

\_\_\_ Governor's Recommendation

   Legislatively Adopted

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# BUDGET NARRATIVE

## 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
<b>ECONOMIC AND COMMUNITY DEVELOPMENT</b>				
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
<b>EDUCATION</b>				
Teacher Standards and Practices Commission	0	-7,548	0	0
Oregon Student Assistance Commission	-12,495	-21,938	0	0

Assessments-2

\_\_\_ Agency Request

\_\_\_ Governor's Recommendation

   Legislatively Adopted

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# BUDGET NARRATIVE

## 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
<b>HUMAN SERVICES</b>				
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	-48,665
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
<b>JUDICIAL BRANCH</b>				
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
<b>LEGISLATIVE BRANCH</b>				
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 Request

\_\_\_ Governor's Recommendation

\_\_\_ Legislatively Adopted

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# BUDGET NARRATIVE

## 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
<b>NATURAL RESOURCES</b>				
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 Request

\_\_\_ Governor's Recommended

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# BUDGET NARRATIVE

## Agency Adjustments Assessments/Charges

HB 517 - A  
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	-20,845
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	0	16,292	0	0
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
<b>PUBLIC SAFETY</b>				
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

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# BUDGET NARRATIVE

## 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
<b>TRANSPORTATION</b>				
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	-170,871	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
<b>STATEWIDE TOTAL</b>	<b>-5,490,091</b>	<b>-7,374,960</b>	<b>-349,312</b>	<b>-4,764,942</b>

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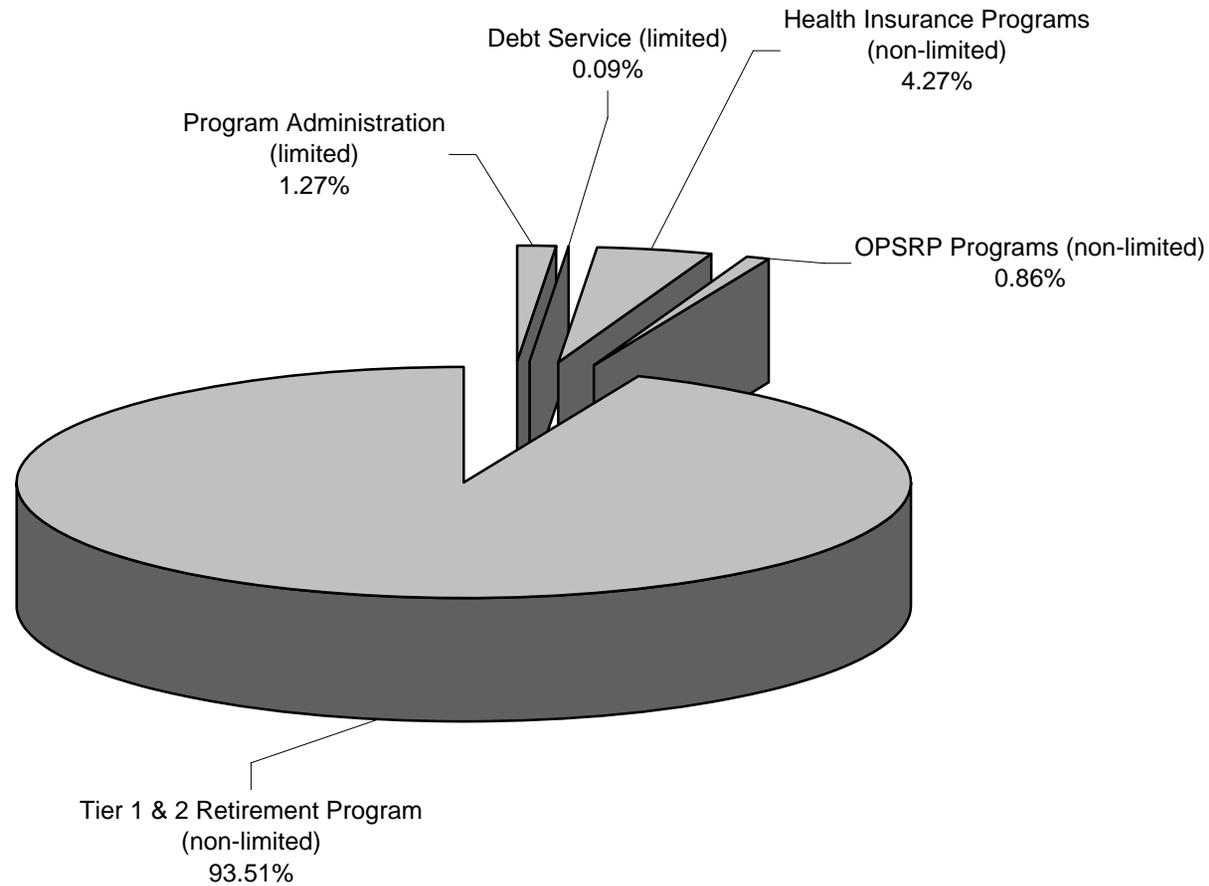
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# BUDGET NARRATIVE

## Expenditures by Activity Agency Summary 2007-09 Legislatively Adopted Budget



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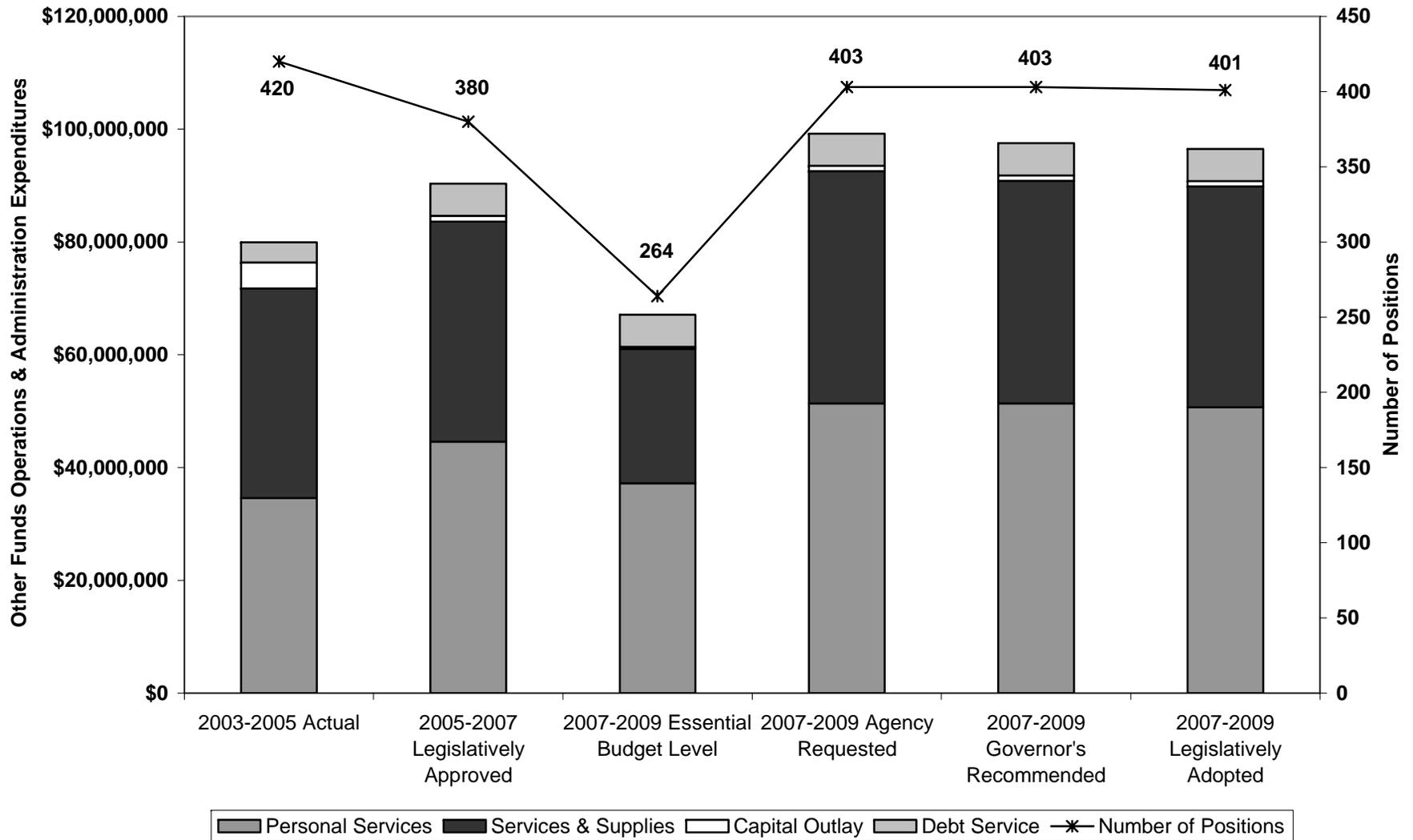
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# BUDGET NARRATIVE

## PERS Expenditure & Position Number Comparison



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# BUDGET NARRATIVE

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## Public Employees Retirement System

### Agency Summary

The Public Employees Retirement System (PERS) provides a full range of retirement services to public employers and public employees throughout the State of Oregon. These services are provided to approximately 885 state and local government entities across the State. The agency administers the Tier One and Tier Two Retirement Program (ORS 238), the Oregon Public Service Retirement Program (ORS 238A), the Individual Account Program, the Oregon Savings Growth Plan (a deferred compensation program), the Public Employee Benefit Equalization Fund, Social Security Administration program, and the Retiree Health Insurance program. PERS also administers the financing of two projects that were funded by Certificates of Participation.

### Mission Statement and Statutory Authority

Mission statement of PERS:

*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:

- **Trustworthy:** We build trust internally and with all stakeholders.
- **Transparent:** Our work is transparent, direct and open.
- **Member-focused:** We care about our members. We ensure that members receive their legitimate benefits. We seek to understand and meet member needs.
- **Inclusive:** We uphold our stakeholders' right to provide input into decisions that affect them.
- **Objective:** We administer the law objectively, not subject to political pressure or improper influence.
- **Straightforward:** We strive for simplicity. We aim to make our benefits and services easy to understand, straightforward to administer, and efficient to implement.
- **Data-protective:** We maintain and improve the integrity of member data through our processes, business rules, decision making, and any quick fixes.
- **Aligned:** We're focused on our objectives. We keep strategy and resources aligned, and deliver results, even as priorities change.
- **Clear:** Our communications are clear, consistent and concise, and meet stakeholder needs.
- **Courageous:** We're willing to make hard decisions in order to implement our strategy and to deliver according to the charter of the organization.
- **Competitive:** We understand the financial implications of all our decisions and aim to operate competitively.
- **Careful:** We anticipate and manage risks to support financial stability for members, employers and taxpayers.

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PERS was created by the 1945 Oregon Legislature and commenced operation July 1, 1946. Statutory references for the agency are:

- Public Employees Retirement System (Tier One and Tier Two)
  - ORS 237.950 to 237.9800, 238.005 to 238.480, and 238.500 to 238.750
- Retiree Health Insurance Program (RHIP)
  - ORS 238. 410, 238.415 and 238.420
- Oregon Public Service Retirement Program (OPSRP)
  - ORS 238A.005 to 238A.475
- Individual Account Program (IAP)
  - ORS 238A.300 to 238A.430
- Deferred Compensation Program
  - ORS 243.401 to 243.507
- Public Employee Benefit Equalization Fund
  - ORS 238.485 to 238.492
- Social Security Administration Program
  - ORS 237.410 to 237.520

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

## **2007-13 Six-Year Agency Plan**

PERS continues to be a retirement system and an agency in transition. In the 2005-07 biennium, the agency made considerable progress implementing the new programs, Oregon Public Service Retirement Program (OPSRP) and Individual Account Program (IAP), but still faces significant challenges. One of the continuing issues for the agency is fully transitioning from the outdated and inefficient retirement information technology (IT) platform, the Retirement Information Management System (RIMS), to a new, more responsive IT platform, jClarety. The planning stage of this project began in the 2003-05 biennium, with initial new system implementation beginning in 2004. This project is expected to continue through 2009, due to the complexity of business processes and scope of the information being transferred from the legacy system to the new integrated application.

Furthermore, the 2003 PERS reform legislation, which included the creation of a third pension program, Oregon Public Service Retirement Program (OPSRP), and the member-funded Individual Account Program (IAP), resulted in a retirement system with more components, which require additional services by the agency and its staff. PERS continues to prioritize the implementation of the new programs and mandated benefit changes in a timely manner, while also complying with related court rulings.

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These factors, combined with an aging member base, continue to accelerate demand for retirement and other member services. At times, the agency's organizational structure, management resources, and information technology systems have been stretched to the point that member and employer services have failed to meet customer expectations and agency performance objectives. Addressing those needs is the key focus of the agency's six-year plan.

During the 2003-05 biennium, PERS implemented numerous initiatives to address and resolve the agency's structural and service problems. The agency succeeded in revising PERS' mission and objectives, formally assessing the agency's system of central services, reviewing and revising performance measures, and forming a Business Transition Team. The primary focus of 2003-05 was to assess, reorganize, and stabilize the agency and its operations in the short-term, which deferred development of long-term strategic and tactical plans to the 2005-07 and 2007-09 biennia.

At the end of 2005, the PERS Board approved seven overall goals of the agency for both the short-term and long-term within the strategic planning period of 2007-2013:

- Produce timely and accurate payment of PERS benefits
- Deliver high-quality customer service
- Optimize organizational effectiveness and efficiency
- Develop cost-efficient and cost-effective business processes
- Ensure agency staff have the skill set required to support strategic outcomes
- Provide a secured information environment
- Deliver clear, concise, and accurate agency communications

During the 2007-09 biennium, PERS plans to build upon past efforts, improve staff efficiencies, and enhance member and stakeholder services. PERS has a number of long-term initiatives that are central to fulfilling the agency's mission and objectives. These include:

- 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 convert the Retirement Information Management System (RIMS) to a dynamic, web-based system using the jClarety software system.
- Continually assess and restructure the PERS organization to better use the anticipated efficiencies gained from the implementation of jClarety and the conversion of the Retirement Information Management System (RIMS). These changes will evolve as business processes are converted from one system to another. A key PERS Board and agency long-term objective is to reduce the number of temporary and limited duration staff and stabilize the overall administrative costs needed to provide PERS' core retirement services.
- Simplify agency processes through operational changes, greater automation, and conversion of current IT systems. Work with the Legislature to simplify plan components and service delivery requirements; and avoid additional complexity at the administrative level.

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# BUDGET NARRATIVE

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## 2007-09 Two Year Agency Plan

### Agency Programs

The program operations of PERS have a significant impact on Oregon's economy. PERS provides retirement services to roughly 10 percent of Oregon's population, and the agency distributes \$2.5 billion in benefits annually to Oregonians who served in the public sector. The individual programs administered by the PERS agency are described as follows:

### Tier One and Tier Two Program

The Tier One and Tier Two Program (ORS 238) is a statutorily created program funded with Other Fund revenues that provides retirement services to approximately 190,000 non-retired members and 103,000 retirees and beneficiaries who became employees with a participating public employer prior to August 29, 2003. Active Tier One and Tier Two membership will decline over time as the program is now closed to new members. However, due to the aging demographics of the Tier One and Tier Two membership, agency retirement workloads will increase over the next 8 to 10 years. The Tier One and Tier Two Program's services include:

- Providing information to members regarding retirement, disability, and death benefits, providing benefit estimates, and explaining plan options for members and beneficiaries. PERS projects that between 12,000 and 16,000 members will retire during the next biennium.
- Maintaining data and accounts for active members that include recording changes in employment, crediting interest and purchased service time, and generating annual member account statements. Under the 2003 legislative reforms, employee contributions from Tier One and Tier Two members were redirected into a separate Individual Account Program (IAP) effective January 1, 2004.
- Calculating and paying benefits. PERS issues approximately \$2.5 billion in benefit payments annually to over 100,000 retirees and their beneficiaries.

### Retiree Health Insurance Services

PERS serves as a group sponsor, providing health insurance services to approximately 49,000 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.

Retiree 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 eligible age or older. All PERS' employers fund this subsidy through contributions. Approximately 36,400 persons receive this subsidy.

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## *Retirement Health Insurance Premium Account (RHIPA)*

This program subsidizes the cost of insurance premiums in PERS-sponsored health plans for those retired former State of Oregon employees who are not yet of Medicare age, and who did not stay enrolled in the state employee health insurance plans sponsored by the Public Employee Benefit Board. 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 860 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 health insurance-related administrative activities such 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 (BEF)**

The Legislature created the Benefit Equalization Fund (BEF) in 1997 to allow a full payment of PERS' pension benefits to retirees whose benefits would otherwise be capped by Internal Revenue Code (IRC) Section 415, that limits benefits in excess of approximately \$129,000 per year (for a general service retiree at age 58). The BEF began paying members affected by IRC 415 in 1998. The fund serves approximately 100 members. Benefit changes for new retirees related to PERS' reforms, combined with periodic adjustments to the IRC 415 cap, will slow the growth of and eventually shrink the BEF. Fees 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 certain agency activity. However, delegated responsibilities also 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**

The Deferred Compensation Program offered by PERS provides the opportunity for public employees to voluntarily save additional funds to supplement their retirement benefits. This program, also known as the Oregon Savings Growth Plan (OSGP), is available to both state and local government employees. This program benefits participants by providing an incentive for saving additional funds to be used at retirement, while reducing current taxable income. It presently serves approximately 21,000 current and former state and local employees. Plan assets are valued at approximately \$870 million. Deferred compensation participants fund all costs of plan administration.

A third-party administrator provides the OSGP record keeping and investment account services. Investment alternatives are selected with assistance of Oregon State Treasury staff with oversight from the Oregon Investment Council (OIC). Agency staff manages the third-party administrators'

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contracts, 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 OSGP.

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

## **Oregon Public Service Retirement Plan (OPSRP)**

The Oregon Public Service Retirement Plan (OPSRP), authorized by the 2003 Legislature (ORS 238A) and financed with Other Funds, provides both defined contribution-type and defined benefit pension programs. Public employees hired on or after August 29, 2003, and inactive Tier One and Tier-Two members who return to employment following a six-month or greater break in service, participate in the OPSRP Pension Program. As of July 2006, the OPSRP Pension Program had approximately 25,000 members. All active Tier One, Tier Two, and OPSRP members also participate in the OPSRP Individual Account Program (IAP).

### *OPSRP Individual Account Program*

The Individual Account Program (IAP) is a defined contribution-type retirement savings program that requires all active members (Tier One, Tier Two, and OPSRP) to contribute 6 percent of their salary into a supplemental retirement savings account invested as part of the Oregon Public Employees Retirement Fund (OPERF) regular account under the oversight of the Oregon Investment Council (OIC). The Individual Account Program (IAP) program became effective on January 1, 2004.

At retirement, members can choose to receive their IAP account balance in a lump-sum payment, or in equal installments over a 5, 10, 15, or 20 year period. A third-party administrator provides record keeping services. Member contributions, and earnings on those contributions, fund the administrative costs related to the IAP. Under the IAP, there is no guarantee of a certain investment return or retirement amount. Members make contributions that are invested and subject to market fluctuation. Employers may or may not also make contributions. When a member retires, he or she receives the accumulated contributions plus or minus any earnings or losses that accrue while the account is active.

### *OPSRP Pension Program*

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

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## Debt Service

Certificates of Participation (COPs) were issued to finance two PERS' projects. Although PERS has significant resources available to fund such projects, the capital markets were utilized due to interest costs being less than the potential investment opportunity costs related to alternative financing methods. The revenue source that services the Certificates of Participation (COPs) is Other Funds. These two projects are:

### *PERS Headquarters Building*

In the mid-1990's, PERS recognized that the former headquarters location in Portland no longer served the long-term needs of the agency. As a result, PERS, in cooperation with Department of Administrative Services (DAS) State Facilities, built a headquarters building in Tigard in 1997 with land and construction costs financed through the issuance of a COP. Investment earnings on the PERS' fund will be used to repay the remaining COP balance (\$5.825 million as of 06-30-06) in May 2017.

### *Oregon Public Service Retirement Plan Information Technology Project*

The Legislature recognized that initial revenues from the IAP and OPSRP Pension Program would not suffice to cover related program start-up expenses. As a result, PERS was authorized to borrow funds from the Tier One and Tier Two Program 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 jClarety based systems to support the OPSRP programs. OPSRP contributions and earnings primarily service the COP debt. The final payment will occur on May 1, 2009.

## Environmental Factors

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

- Retirement program changes and an aging member population continue to increase the demand for PERS retirement services.
- The continued deterioration of PERS' outdated information technology systems has caused reduced service levels, workload backlogs, declining accuracy, and inefficient utilization of agency resources. This factor is being addressed through the RIMS Conversion Project (RCP).
- Oregon Supreme Court rulings on two prominent cases, known as the *Strunk* and *Eugene* cases and the related Board settlement agreement, required the agency to retroactively adjust account balances and the benefits for members and retirees, and to recover any overpaid amounts resulting from those changes. This created a significant workload for PERS and requires additional resources to complete the adjustments and recover any over-paid benefits from members and retirees in a timely manner.

These combined factors present unique challenges that PERS continues to address by stabilizing and improving operations, resolving accumulated workloads, and permanently implementing changes resulting from the 2003 PERS reform legislation and associated court rulings.

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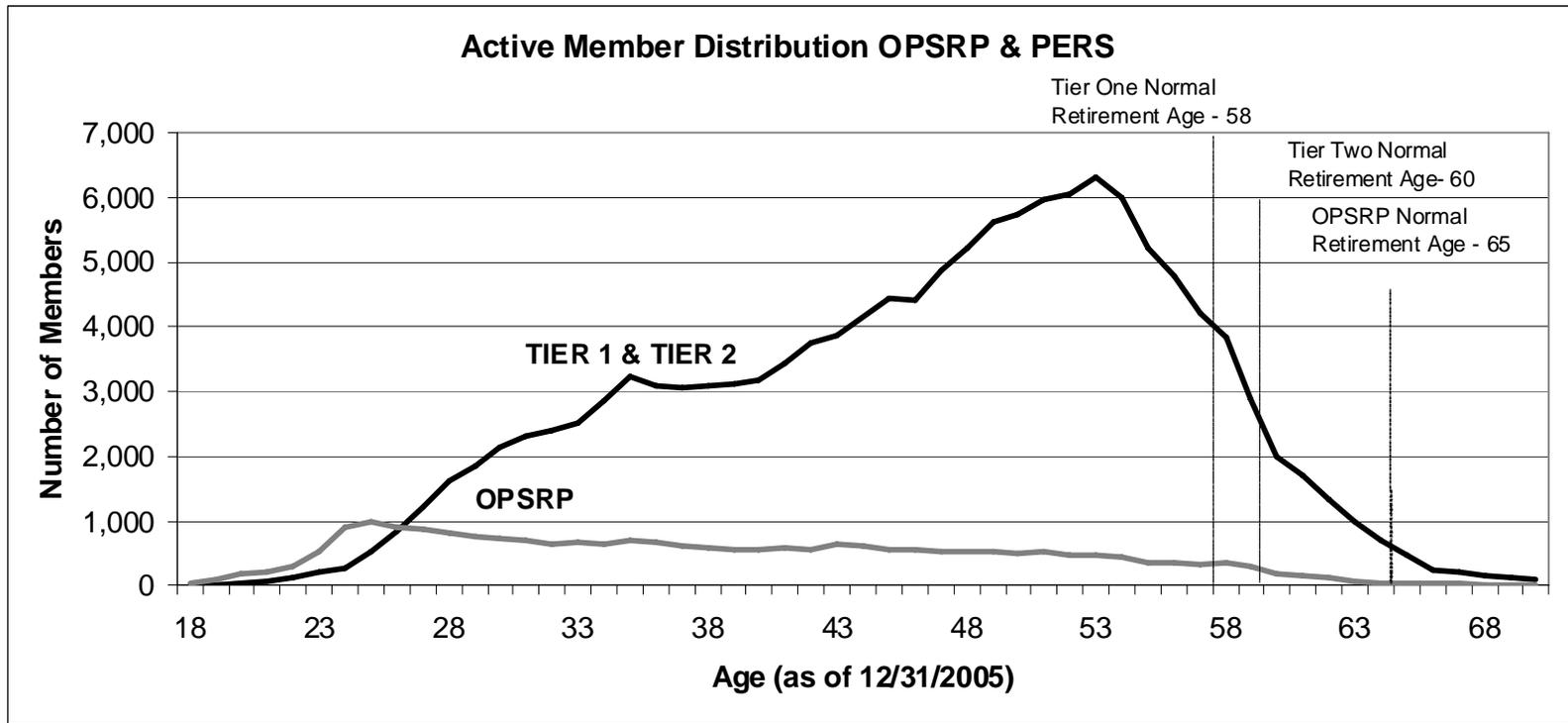
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## **Aging of PERS Membership and Participants**

Membership and participant demographics indicate the demand for PERS' services will continue to increase. PERS currently is equipped to handle approximately 4,000 retirements per year. 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 2007-09 biennium. This demographic trend of increasing retirees is expected to continue through 2013 before leveling out. In 2003, retirements spiked to 12,000 due to benefit changes brought on by the 2003 Legislative reform. As of June 30, 2006, approximately 49,000 members (about 25 percent of active and inactive members) were eligible for immediate retirement.

Member retirement typically impacts other activities and services. As a member approaches retirement, requests for estimates and retirement information increase significantly. The retirement process itself triggers significant data compilation and verification to support the benefit calculation, the notice of entitlement, and resolve any subsequent contest of benefits. In addition, many retiring members choose to participate in PERS' Health Insurance Program. Finally, the newly hired replacement employee must be established on PERS' database under OPSRP, where management of their service data and IAP begins. All of these activities are volume driven and compose a major part of PERS' services and related operational demands.

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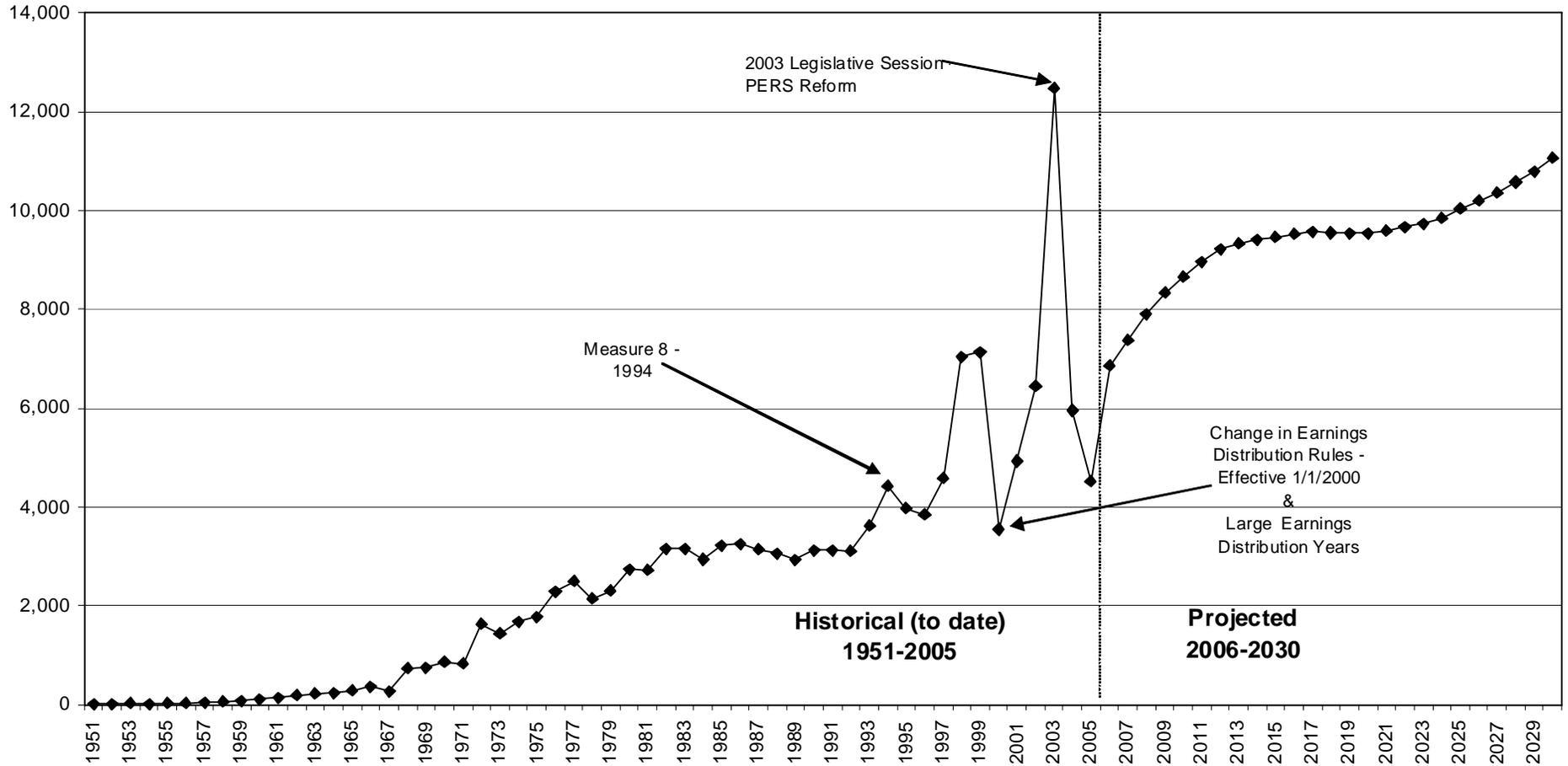
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## Retirement Volume



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## **Complex, Changing Service Delivery Requirements**

PERS' statutes have evolved over the past 60 years and now encompass more than 100 pages. The context, terms, and relationships between statutes have become more complex. A total of 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' retirement system by adding the new OPSRP Pension and Individual Account Programs. The sum of the changes mandated in 2003 had a major effect on PERS' programs and benefit structures, and created multiple special projects. PERS found both its administration and infrastructure wholly inadequate to meet the expectations of stakeholders. The complexity and volume of changes to PERS' statutes 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 2005 legislative session brought minor changes and refinements. PERS also anticipates only minor changes and refinements in the 2007 legislative session.

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.

Statutory changes, federal agencies, and court decisions continue to reshape and refine the agency's ground rules. New legislation, legal interpretations, and regulatory changes require increased flexibility and adaptability from PERS at the administrative level and throughout its business processes and IT systems.

## **Information Technology Base Conversion**

With 264 permanent staff in the base budget, PERS provides a variety of retirement services to 315,000 Oregonians (Tier One, Tier Two, and OPSRP active, dormant and retiree members and their beneficiaries) and approximately 885 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 volumes, revisions to the Tier One and Tier Two Program in 2003, and the addition of the OPSRP Pension Program and IAP.

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 on desktop applications are used to cover the gap. The increase in manual desktop application-supported activity, coupled with growing demand, has stretched staff and other resources. This has impacted service and accuracy levels, as well as contributed to accumulated workload and other adjustments, which further strain resources.

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Beginning in 1997, PERS proposed a number of initiatives to arrest RIMS' decline and to install new technologies that will 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 to continue providing services to its members with the outmoded RIMS system. With Legislative approval of the Oregon Public Service Retirement Plan (OPSRP), PERS implemented a modern pension administration system, based on the jClarety software platform, to administer the new plan. The goal of PERS is to have a single, integrated system to improve member service and efficiency. PERS is currently working to migrate member data from the RIMS system to jClarety, which will serve both the OPSRP Pension and the Tier One and Tier Two Program. The transition to the new system is scheduled to be completed by Fall 2009. During the course of the project, functionality will be transitioned incrementally from RIMS to jClarety to alleviate some of the system deficiencies along the way.

## Agency Initiatives

The core of PERS' two-year plan is to advance and, where scheduled, complete on-going special projects; to facilitate continued structural and operational changes; and to streamline processes within the agency to deliver more accurate and timely customer service to PERS' members and employers.

For the 2007-09 biennium, PERS will be focused on the following initiatives to succeed in propelling the agency forward:

- Continue 2005-07 work to strengthen and stabilize core agency infrastructure
- Improve service levels for all divisions
- Develop quality assurance for core processes
- Improve and streamline existing processes and procedures
- Advance, and where scheduled, complete special projects, including *Strunk* and *Eugene* implementation, IAP remediation and RIMS conversion

PERS developed the following strategies and policy option packages to accomplish these initiatives:

- Strunk/Eugene Project
- RIMS Conversion Project (RCP)
- Retirement Processing Support
- Operations and Infrastructure Support
- Legal Services Support

## Strunk/Eugene Project

Oregon Supreme Court rulings issued in March 2005 (*Strunk*) and August 2005 (*City of Eugene*) triggered a process whereby PERS must re-calculate member account balances and benefits for a large number of members and retirees, and recover any amounts that PERS over-paid based on those

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rulings. In order to comply with the court rulings and the associated *City of Eugene* settlement agreement, PERS is using additional limited duration staff to handle associated account balance recalculations, benefit payment adjustments, and overpayment recoveries.

## *Expected Outcome*

PERS will correct member and retiree account balances, adjust benefit payments, and collect the overpayments to adhere to the Supreme Court rulings and associated settlement agreement, while continuing to provide core retirement services.

## *Request Reference*

Policy Package #110 Strunk/Eugene Project

## **RIMS Conversion Project**

RIMS contains only 50-60 percent of the required functionality for PERS' business processes. Desktop applications and off-line systems have filled in the gaps, leading to broken processes, multiple data sources, inefficient work flows, inaccurate benefit calculations, and inadequate customer/member service. PERS is currently working to transition RIMS functionality into jClarety, thus simplifying the technical and administrative environment at PERS by providing one integrated system for all retirement programs and options.

## *Expected Outcome*

PERS' benefit estimates and payment calculations 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 relying on PERS' staff to provide this information.

## *Request Reference*

Policy Package #111 RIMS Conversion Project (RCP)

## **Retirement Processing**

Because of the decreasing capability of the RIMS system to handle benefit calculations, there has been an upswing in the desktop applications-supported work required to process benefit calculations and payments. During the 2007-09 biennium, there is a continued need for limited duration positions to support these core operation activities while the RIMS Conversion Project(RCP) progresses. PERS anticipates that there will be at least 6,000 annual retirements during the 2007-09 biennium.

## *Expected Outcome*

Temporarily utilizing the limited duration positions allows PERS to handle ongoing workload and new service demands from members and retirees while the RIMS Conversion Project (RCP) progresses, with the anticipation that system efficiency gains will occur as functionality is transitioned from RIMS to jClarety and when the project is completed.

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## *Request Reference*

Policy Package #112 Retirement Processing  
Policy Package #113 Retirement Data Support

## **Operations and Infrastructure Support**

PERS proposes to stabilize and strengthen the core agency infrastructure to ensure that resources are coupled with best practices to increase overall efficiency and effectiveness. The proposal includes a continuation of ongoing improvements in agency procurement and contracting, human resources, technical documentation, technology support, management support, and workload balancing that were initiated during the 2005-07 biennium.

Expenditure limitation and position authority are requested to implement administrative changes to the core infrastructure of PERS. Changes include improved retirement data support; short-term assistance in human resources; and, development of technical documentation. Both packages contain a mix of permanent and limited duration positions, with the majority of the positions already existing in the 2005-07 biennium.

## *Expected Outcome*

If implemented, PERS anticipates meeting current and projected workload volumes while keeping additional backlogs from occurring.

## *Request Reference*

Policy Package #113 Retirement Data Support  
Policy Package #114 Operations and Infrastructure Support

## **Legal Services**

PERS requests a continuation of \$1 million to fund legal services provided by outside counsel, when necessary, for the 2007-09 biennium. While the key Oregon Supreme Court decisions on PERS reform have been issued, litigation continues in a number of forums on specific implementation issues. These legal services are provided by outside counsel independent of the Office of Attorney General.

## *Expected Outcome*

Utilize the continued funding to provide legal services for the agency.

## *Request Reference*

Policy Package # 115 Legal Services

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## Criteria for 2007-09 Budget Development

The overall focus for PERS' 2007-09 budget is to improve the agency's efficiency and effectiveness in the services provided to employers, members and retirees. Agency initiatives (packages) were specifically crafted to increase accountability and responsiveness to employers, members, retirees, and other major stakeholders. Each proposed initiative shares the following goals:

- Become a higher producing and more flexible agency by strengthening and stabilizing the agency's core infrastructure
- Be able to address and respond to increasing workload volumes in all divisions of the agency
- Reverse the decline in member services and customer satisfaction
- Complete projects in a timely and efficient manner

The strategy for attaining these objectives involves completing special, limited-duration projects, e.g., Strunk/Eugene and IAP remediation, while also amplifying existing efforts to improve the agency's operations and processes. These projects are part of a re-structuring push that the agency began planning during the 2003-2005 biennium and implementing during the 2005-07 biennium.

## 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 program 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 a third-party, contracted annual peer group comparison with other public pension systems using various operational performance and cost criteria (i.e., CEM Benchmarking, Inc. survey). The second is a set of performance measures which are reviewed and approved by the Oregon Progress Board.

### Background on Performance Measures: 2003-05 Biennium Review:

In 2003, 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 measures. Upon closer inspection, the majority of PERS' Key Performance Measures (KPMs) had the following weaknesses:

- **Effectiveness of KPMs:** PERS has grown significantly over the previous 10 years in both size of operations and the number of services provided. PERS' KPMs had not been adjusted since the 1995-97 biennium to reflect those changes. As a result, many of the measures were ineffective in communicating the agency's performance.
- **Accuracy of Data:** PERS' internal audit staff were unable to verify the data which formed the basis for several of PERS' KPMs. In addition, the data underlying some of the measures provided deceptive results.

In 2004, PERS decided to revise and update its performance measures to make them accurately represent PERS' administrative operations and performance.

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## Next Phase of Performance Measures

During the 2003-05 biennium, PERS created an interim set of measures that provided the PERS Board, management, the Legislature, and other stakeholders with a representative view of PERS' administrative performance. The 2005 Legislature approved the interim set of measures to be used during the 2005-07 biennium and then refined thereafter.

PERS objectives in developing a set of KPMs are as follows

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

Based on these criteria, PERS has made several refinements, additions, and deletions to the interim set of measures. PERS' 2007-09 Proposed KPMs include:

**1. Retirement Program: Timely Retirement Payments – Percent of initial service retirements paid within 45 days 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 45 days 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 (interruption in cash flow to retirees) 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' long-term goal is to issue 80 percent of all initial benefit payments within 45 days of a member's effective date of retirement.

**2. Retirement Program: Total Benefit Admin Costs – Total benefit administration costs per member.** This is a cost-effectiveness measure, which shows the per member cost of PERS' administration. 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. PERS' long-term goal is to keep its cost per member from increasing, in an environment of rising industry costs.

**3. Retirement Program: Staff to Member Ratio – Ratio of FTE staff to total membership.** This efficiency measure shows the ratio of PERS' staff to the number of members to whom PERS provides services. This measure reflects how efficiently PERS utilizes its staff in providing retirement services. PERS' long-term goal is to gradually increase the number of members served per employee. This will be a difficult challenge in the short run as PERS is requesting a number of limited duration staff to handle the Strunk/Eugene Project. Over time, this goal can be achieved as manual processes are converted to automated processes, which will reduce the need for total staff and resources to handle increased workload.

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**4. Deferred Compensation Program: Average Dollars Deferred – Average monthly deferral per active state employee deferred compensation participant.** This measure reflects the amount of dollars, on average that state employee 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 state employee participants (the higher the value, the more dollars will be deferred). The goal for this KPM is to increase the average monthly deferral by 5 percent per year.

**5. Deferred Compensation Program: Level of Participation – Percent of state employees participating in the deferred compensation program.** This measure shows the level of participation in the Deferred Compensation Program among state employees. Because the Deferred Compensation Program is voluntary, the level of participation is important as it measures the level of usage, and therefore, perceived value, with which participants and potential participants view the Deferred Compensation Program. It is PERS' goal to increase the participation level among state employees 1 percent per year.

**6. Customer Service: Member Customer Satisfaction – Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.** Effective during the 2007-09 biennium, the Department of Administrative Services (DAS) and the Legislature required all agencies to add a standardized customer service performance questionnaire that includes questions covering six topics: timeliness, accuracy, helpfulness, expertise, availability of information, and overall service. The results of this questionnaire will provide valuable and useful data to the agency on customer service expectations and areas that need improvement.

**7. Customer Service: Timely Benefit Estimates – Percent of benefit estimates processed within 30 days.** One of the main services PERS provides to its members is an estimate of the benefits the member is likely to receive. Therefore, once a member requests an eligible benefit estimate, PERS needs to quickly process and provide the estimate so that the member is able to use this vital information to help make retirement planning decisions. The goal of this measure is to set and meet a target percentage of eligible benefit estimates that are processed within 30 days of the request. This will increase overall member satisfaction with the services provided by PERS.

**8. Customer Service: Employer Satisfaction – Percent of employer customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.** Because PERS is the mandatory public employee retirement system for state agencies and school districts, as well as the chosen system for most Oregon governments, PERS has a key responsibility to provide quality service to employers. The employer customer is a key customer group for PERS, but it is unique from, and has a starkly different makeup than the member/retiree customer group. Each group is unique and has needs that often compete with those of the other group. As such, we feel it is important to represent the customer satisfaction of both groups separately. This measure is based on an agency-administered survey.

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**9. Board of Directors: Board of Directors Best Practices – Percent of total best practices met by the PERS Board.** This is a new measure developed by the Department of Administrative Services (DAS) and Legislative Fiscal Office (LFO) that will be required for all applicable boards and commissions beginning with the 2007-09 biennium. Targets are to be determined.

## Results

### Retirement Program

PERS' per member costs are currently higher than those of other similar-size pension systems. One of the reasons for this is that PERS now administers multiple plans (Tier One and Tier Two, OPSRP, and IAP), and operations are currently more staff intensive and expensive as a result. Contributing to this issue is PERS' outmoded IT infrastructure that is also undergoing conversion. Costs are also impacted by the large amount of "re-work" associated with the *Strunk* and *Eugene* rulings. The following is a breakdown by year of PERS' costs:

Year	PERS Admin Costs per Member
2003	\$65/member
2004	\$100/member
2005	\$139/member
2006	\$120/member

The same trends and manually-intensive processes mentioned above have a similar effect on another KPM that focuses on PERS' staff to member ratio:

Year	Ratio of PERS' Staff to Members
2003	1: 1,350 members
2004	1: 851 members
2005	1: 849 member
2006	1: 835 members

Demographic research shows that in the next five-to-ten years, there will be a surging number of members who qualify for retirement benefits. While the rising volume of retirements is an issue facing most public pension systems, PERS has the additional burden of an outmoded IT system, which causes PERS disproportionately higher staffing needs. This situation is expected to continue until the older IT system can be replaced and the operational demands of statutory changes, program expansions (OPSRP and IAP) and the *Strunk* and *Eugene* court rulings are completely accommodated.

### PERS Customer Service

PERS' main priority is delivering benefits to members in an accurate and timely manner. Since 2000, service levels to retirees have dropped considerably. In 2005, only 15 percent of new retirees received their initial benefit payment within 45 days of retirement date, versus 79 percent in 2000. This considerable drop in service can largely be attributed to statutory changes made to the PERS Tier One and Tier Two Program. These

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structural and legal changes, coupled with the associated court rulings and the inability of PERS' IT systems to accommodate those changes, created a system that was ill prepared to handle the increased numbers of retirees. As a result, PERS has been forced to use more desktop application-supported and time-consuming processes to calculate member benefits, while simultaneously facing an increasing retirement workload.

## Conclusion

The PERS' Retirement Program delivery has been substantially challenged in recent years. This reflects a number of factors, such as an aging membership which has a sharply increasing need for PERS services, the addition of significant new program components, and inflexible, outmoded IT systems. While PERS service and efficiency levels have most likely reached their lowest point, the agency is prioritizing additional action to ensure that the deterioration has been halted and a foundation for rapid improvements is set in place.

## Deferred Compensation Program/Oregon Savings Growth Program (OSGP)

Average state employee compensation deferrals continue to grow at a healthy rate. In 2006, participating state employees deferred an average of \$372 per month. Because the Deferred Compensation Program is voluntary for state employees, to have both a high rate of penetration and a high average monthly deferral rate reflects that the Deferred Compensation Program is well known and represents an important retirement savings tool for many state employees. With an industry average monthly savings rate of \$326, OSGP participants defer 14 percent more than peer system employees. 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 assess the state employee program only, OSGP has seen growing interest in its Local Government Deferred Compensation Program as well. Since 2000, the local government program has gone from approximately 200 participants to nearly 2,198. The Deferred Compensation Program is a highly successful program among state employees in terms of both usage by its targeted population and the level in which participants are deferring. With the Deferred Compensation Program now being offered to local governments, its usage is expanding statewide.

## Expected Results

### Retirement System Program

PERS' program objectives during the 2007-09 biennium are to continue to improve its IT systems, to complete benefit readjustments related to the *Strunk* and *Eugene* court cases, and strengthen agency core operations and infrastructure. By the end of the 2007-09 biennium, PERS will be able to increase efficiency through business process and system improvements. With the special project completions, PERS should also be able to avoid an increase in its administrative cost per member. In addition, with new systems coming on line and the elimination of backlogs, PERS expects its customer service to improve significantly. Although PERS anticipates it will be difficult to attain the long-term strategic target of "80 percent of initial retirements paid within 45 days from retirement date" by the end of the 2007-09 biennium, it does expect to see improvement from the current 12 percent level.

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## **Deferred Compensation Program**

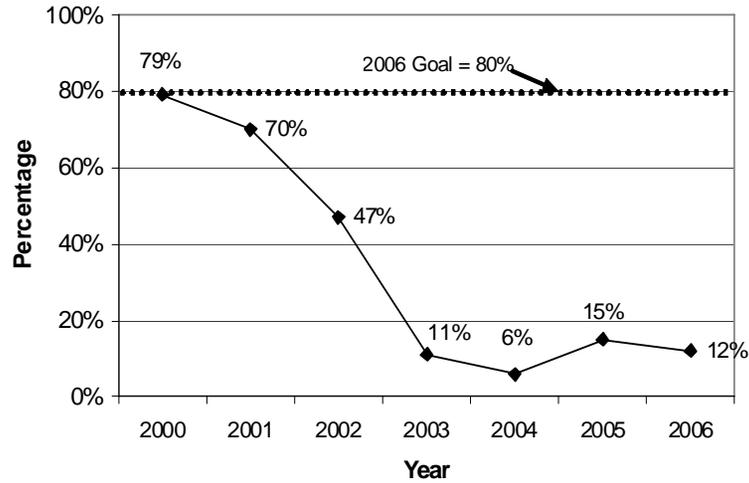
PERS anticipates continued success with its Deferred Compensation Program in the 2007-09 biennium. Since PERS has already attained significant penetration and deferral levels among State of Oregon employees, it plans to refocus its efforts on increasing participation and deferrals among local governments. OSGP plans to expand its number of local governments participating in the program from the current 154, and will work to raise the participation rates of local government staffs from the current 2,198 participants. Even though growth in the Deferred Compensation Program participation rate among local government employees had been relatively slow during previous biennia due to negative market and economic factors, these factors have either reversed or moderated creating a good climate for increased participation.

## **Assessing Customer Service**

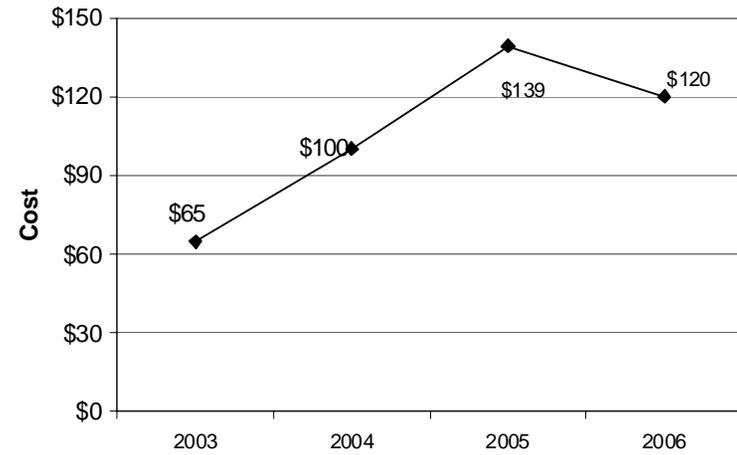
The proposed key performance measures for 2007-09 include three new measures, two of which directly relate to measuring customer service. This increased attention to assessing the delivery of PERS service to members and employers will provide performance metrics and insight into how PERS can improve its customer services and customer satisfaction.

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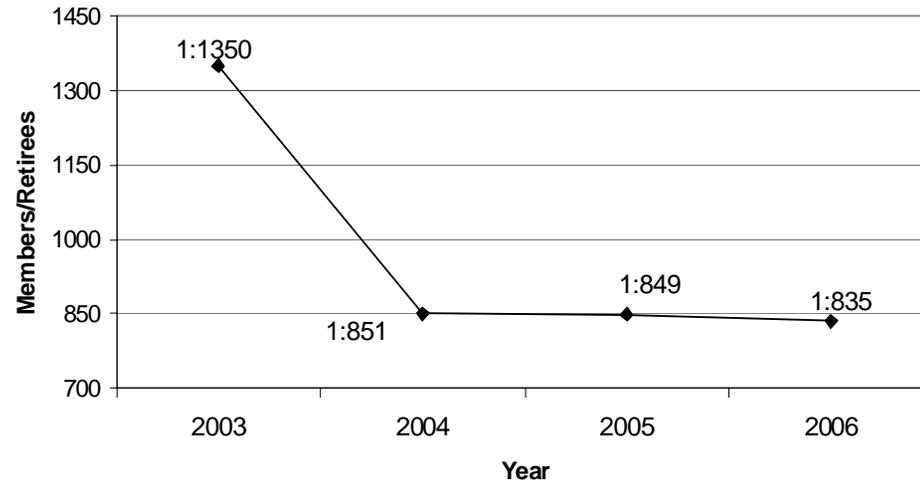
**Percent of Initial Service Retirements Paid Within 45 days from Retirement Date**



**Total Benefit Administration Costs Per Member**



**Staff to Member Ratio**



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# BUDGET NARRATIVE

**NAME OF AGENCY : PUBLIC EMPLOYEE RETIREMENT SYSTEM      TABLE OF PROPOSED MEASURES**

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

2007-09 KPM#	PROPOSED 2007-09 Key Performance Measures (KPMs)	Change from 2005-07	Page #
1	TIMELY RETIREMENT PAYMENTS: Percent of initial service retirements paid within 45 days from retirement date	New Wording	2
2	TOTAL BENEFIT ADMIN COSTS: Total benefit administration costs per member	New Wording, New Data	3
3	STAFF TO MEMBER RATIO: Ratio of FTE staff to members	New Wording, New Data	3
4	AVERAGE DOLLARS DEFERRED: Average monthly deferral per state employee deferred compensation participant	New Wording, New Data	4
5	LEVEL OF PARTICIPATION: Percent of state employees participating in the deferred compensation program	New Data	4
6	CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	No Change	5
7	TIMELY BENEFIT ESTIMATES: Percent of benefit estimates processed within 30 days	New Measure	6
8	EMPLOYER SATISFACTION: Percent of employer customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise and availability of information	New Measure	7
9	BOARD OF DIRECTORS BEST PRACTICES: Percent of total best practices criteria met by the PERS board.	New Measure	8

2005-07 KPM#	PROPOSED DELETIONS of 2005-07 Key Performance Measures (KPMs)	Page #
2	<i>TOTAL BENEFIT ADMIN COSTS: Total benefit administration costs per member, not including special projects</i>	9

Proposed 2007-09 Key Performance Measures (KPM's)

2007-09 Bdget Form 107BF04a

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**NAME OF AGENCY : PUBLIC EMPLOYEE RETIREMENT SYSTEM**

**PROPOSED 2007-09 KPMs**

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

<b>#1</b>	<b>TIMELY RETIREMENT PAYMENTS: Percent of initial service retirements paid within 45 days from retirement date.</b>	<b>Relates to 2005-07 KPM#01</b>									
<b>Goal(s):</b> To deliver retirement benefits effectively and efficiently.		<b>Measure since: year</b>									
<b>HLO(s):</b> Facilitate member independence and financial stability into retirement. Connects to Oregon Benchmark #58: Independent Seniors.		<b>"X" any changes:<sup>1</sup></b>									
<b>Strategy:</b> Streamline pension inception processes, as new systems automate as much of process as possible.		<input checked="" type="checkbox"/> New wording									
<b>Source:</b> Retirement Services Statistics		<input type="checkbox"/> New data									
<b>Owner:</b> BPD Administrator (vacant), 503-431-8259		<input type="checkbox"/> New measure									
<b>DATA:</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Data Cycle:</b>
<b>Actual</b>	79%	70%	47%	11%	6%	15%	12%				Fiscal Year
<b>Target</b>	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	

# BUDGET NARRATIVE

**NAME OF AGENCY : PUBLIC EMPLOYEE RETIREMENT SYSTEM**

**PROPOSED 2007-09 KPMs**

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

<b>#2 TOTAL BENEFIT ADMIN COSTS: Total benefit administration costs per member</b>											Relates to 2005-07 KPM#03
<b>Goal(s):</b> Reduce benefit administration costs while maintaining a high level of service to members and employers.											<b>Measure since: year</b>
<b>HLO(s):</b> Increase cost-effectiveness in service to stakeholders. Connects to Oregon Benchmark #35: Public Management Quality & #9c: Cost of Doing Business/ Taxes & Charges											<b>“X” any changes:<sup>ii</sup></b>
<b>Strategy:</b> Monitoring progress of special project and operational costs per member, alerts management of inefficiencies, so that processes can be streamlined.											X New wording
<b>Source:</b> Budget/ personnel statistics/ CEM Survey											X New data
<b>Owner:</b> Fiscal Services Administrator Dave Tyler, 503-603-7709											New measure
<b>DATA:</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	Data Cycle:
<b>Actual</b>				<b>\$65</b>	<b>\$100</b>	<b>\$139</b>	<b>\$120</b>				Fiscal Year
<b>Target</b>							<b>\$65</b>	<b>\$65</b>	<b>\$120</b>	<b>\$120</b>	

<b>#3 STAFF TO MEMBER RATIO: Ratio of FTE staff to members</b>											Relates to 2005-07 KPM#04
<b>Goal(s):</b> Increase productivity of staff to improve service to members and employers.											<b>Measure since: year</b>
<b>HLO(s):</b> Increase efficiency of service to members. Connects to Oregon Benchmark #35: Public Management Quality.											<b>“X” any changes:<sup>iii</sup></b>
<b>Strategy:</b> Convert manual processes to automated processes, which will reduce need for total staff and resources to do increased workload.											X New wording
<b>Source:</b> Budget/ personnel statistics											X New data
<b>Owner:</b> Fiscal Services Administrator Dave Tyler, 503-603-7709											New measure
<b>DATA:</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	Data Cycle:
<b>Actual</b>				<b>1:1,350</b>	<b>1:851</b>	<b>1:849</b>	<b>1:835</b>				Fiscal Year
<b>Target</b>							<b>1:1,140</b>	<b>1: 1,140</b>	<b>1:825</b>	<b>1:835</b>	

Proposed 2007-09 Key Performance Measures (KPM's)

2007-09 Bdget Form 107BF04a

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# BUDGET NARRATIVE

**NAME OF AGENCY : PUBLIC EMPLOYEE RETIREMENT SYSTEM**

**PROPOSED 2007-09 KPMs**

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

<b>#4 AVERAGE DOLLARS DEFERRED: Average monthly deferral per active state employee deferred compensation participant</b>											Relates to 2005-07 KPM#05
<b>Goal(s):</b> Increase deferrals by state employees in Deferred Compensation Program. Increase average state employee deferral by 5% each year.											<b>Measure since: year</b>
<b>HLO(s):</b> Encourage member independence and financial well-being into retirement.											<b>"X" any changes:<sup>iv</sup></b>
<b>Strategy:</b> Effectively communicate value of deferred compensation program to participants and encourage increased involvement in program.											<input checked="" type="checkbox"/> New wording
<b>Source:</b> Deferred Compensation /Third party administrator											<input checked="" type="checkbox"/> New data
<b>Owner:</b> Deferred Compensation Administrator, Gay Lynn Bath, 503-378-3730 ext. 86425											New measure
<b>DATA:</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	Data Cycle:
<b>Actual</b>				\$328	\$342	\$354	\$372				Fiscal Year
<b>Target</b>							\$400	\$425	\$409	\$430	

<b>#5 LEVEL OF PARTICIPATION: Percent of state employees participating in the deferred compensation program</b>											Relates to 2005-07 KPM#06
<b>Goal(s):</b> Increase voluntary participation by state employees in Deferred Compensation Program											<b>Measure since: year</b>
<b>HLO(s):</b> Encourage member independence and financial well-being into retirement.											<b>"X" any changes:<sup>v</sup></b>
<b>Strategy:</b> Gradually increase state employee participation level through increased education to members by 1% annually.											<input type="checkbox"/> New wording
<b>Source:</b> Deferred Compensation /Third party administrator											<input checked="" type="checkbox"/> New data
<b>Owner:</b> Deferred Compensation Administrator, Gay Lynn Bath, 503-378-3730 ext. 86425.											New measure
<b>DATA:</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	Data Cycle:
<b>Actual</b>						36%	36%				Fiscal Year
<b>Target</b>							45%	46%	38%	39%	

# BUDGET NARRATIVE

**NAME OF AGENCY : PUBLIC EMPLOYEE RETIREMENT SYSTEM**

**PROPOSED 2007-09 KPMs**

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

<b>#6</b>	<b>CUSTOMER SERVICE – Percent of member customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.</b>										<b>NEW</b>
<b>Goal(s):</b> To improve customer satisfaction through effective and efficient delivery of retirement and health benefits											<b>Measure since: year</b>
<b>HLO(s):</b> Citizen satisfaction with government services. Connects to Oregon Benchmark #35: Public Management Quality.											<b>“X” any changes:<sup>vi</sup></b>
<b>Strategy:</b> Survey various customer groups to determine satisfaction level with our service.											New wording
<b>Source:</b> Agency-administered survey											New data
<b>Owner:</b> CSD Administrator Jeannette Zang, 503-603-7644 & BPD Administrator (vacant), 503-431-8259.											New measure
Overall	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Data Cycle:
Actual							67%				Fiscal Year
Target									80%	80%	
Timeliness											
Actual							67%				
Target									80%	80%	
Accuracy											
Actual							67%				
Target									80%	80%	
Helpfulness											
Actual							70%				
Target									80%	80%	
Expertise											
Actual							71%				
Target									80%	80%	
Availability of Information											
Actual							63%				
Target									80%	80%	

Proposed 2007-09 Key Performance Measures (KPM's)

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# BUDGET NARRATIVE

**NAME OF AGENCY : PUBLIC EMPLOYEE RETIREMENT SYSTEM**

**PROPOSED 2007-09 KPMs**

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

#7 TIMELY BENEFIT ESTIMATES: Percent of benefit estimates processed within 30 days											NEW
<b>Goal(s):</b> To reduce benefit estimate processing time for eligible written estimate requests.											<b>Measure since: year</b>
<b>HLO(s):</b> Increase efficiency of service to members. Connects to Oregon Benchmark #35: Public Management Quality.											<b>"X" any changes:<sup>vi</sup></b>
<b>Strategy:</b> Utilize new systems and procedures to enhance timeliness of estimate processing.											New wording
<b>Source:</b> Customer Service Center Statistics											New data
<b>Owner:</b> CSD Administrator, Jeannette Zang, 503-603-7644											<input checked="" type="checkbox"/> New measure
<b>DATA:</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	Data Cycle:
Actual											Fiscal Year
Target									TBD	TBD	

# BUDGET NARRATIVE

**NAME OF AGENCY : PUBLIC EMPLOYEE RETIREMENT SYSTEM**

**PROPOSED 2007-09 KPMs**

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

<b>#8</b>	<b>EMPLOYER SATISFACTION: Percent of employer customers rating their satisfaction with the agency's customer service as "good" or "excellent"; overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.</b>										<b>NEW</b>
<b>Goal(s):</b> Improve service to stakeholders											<b>Measure since: year</b>
<b>HLO(s):</b> Connects to Oregon Benchmark #35: Improve public management quality because employers are other government agencies.											<b>"X" any changes:<sup>viii</sup></b>
<b>Strategy:</b> Survey employers to gauge satisfaction with PERS service and to determine areas of possible improvement.											<input type="checkbox"/> New wording
<b>Source:</b> Agency-administered survey of employers											<input type="checkbox"/> New data
<b>Owner:</b> Member Employer Relations Section, (manager vacant), 503-603-7740.											<input checked="" type="checkbox"/> New measure
Overall	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Data Cycle:
Actual							44%				Fiscal Year
Target									80%	80%	
Timeliness											
Actual							48%				
Target									80%	80%	
Accuracy											
Actual							40%				
Target									80%	80%	
Helpfulness											
Actual							55%				
Target									80%	80%	
Expertise											
Actual							47%				
Target									80%	80%	
Availability of Information											
Actual							42%				
Target									80%	80%	

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# BUDGET NARRATIVE

**NAME OF AGENCY : PUBLIC EMPLOYEE RETIREMENT SYSTEM**

**PROPOSED 2007-09 KPMs**

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

#9 BOARD OF DIRECTORS BEST PRACTICES: Percent of total best practices criteria met by the PERS board.											NEW
<b>Goal(s):</b> To improve board oversight, governance and effectiveness by committing to utilize best practices.										<b>Measure since: year</b>	
<b>HLO(s):</b> Increase efficiency of service to employers and members. Connects to Oregon Benchmark #35: Public Management Quality.										<b>"X" any changes:<sup>ix</sup></b>	
<b>Strategy:</b> Review the best practice criteria on an annual basis.										<input type="checkbox"/> New wording	
<b>Source:</b> Annual survey of board practices.										<input type="checkbox"/> New data	
<b>Owner:</b> Paul Cleary, Executive Director, 503-603-7701										<input checked="" type="checkbox"/> New measure	
DATA:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Data Cycle:
Actual											
Target									TBD	TBD	Fiscal Year

# BUDGET NARRATIVE

**NAME OF AGENCY : PUBLIC EMPLOYEE RETIREMENT SYSTEM**

**PROPOSED DELETIONS**

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

2005-07 TOTAL BENEFIT ADMIN COSTS: Total benefit administration costs per member, not including special projects										Measure since: 2005	
<b>#2</b>											
<i>Goal(s): Reduce administrative costs while maintaining high level of service to members and employers.</i>										<i>Please see endnotes for rationale to delete this measure.<sup>x</sup></i>	
<i>HLO(s): Increase service cost-effectiveness to stakeholders. Connects to Oregon Benchmark #35: Public Management Quality &amp; #9c: Cost of Doing Business/Taxes &amp; Charges</i>											
<i>Strategy: As processes become more efficient, staff and resources can be reduced, cutting costs per member.</i>											
<i>Source: Budget/ personnel statistics/ CEM Survey</i>											
<i>Owner: Fiscal Services Administrator Dave Tyler, 503-603-7709</i>											
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	
		\$55	\$64	\$56	\$68	\$103	\$94				
							\$65	\$65			

# BUDGET NARRATIVE

## NAME OF AGENCY : PUBLIC EMPLOYEE RETIREMENT SYSTEM

## ENDNOTES

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

<sup>i</sup> PROPOSED KPM #1 - RATIONALE FOR REQUESTED CHANGE: OLD WORDING: Percent of service retirements paid within 1.5 months from retirement date. There is a slight wording change for clarity and to keep the title consistent with the short title format that is new to the forms for 2007-09.

<sup>ii</sup> PROPOSED KPM #2 - RATIONALE FOR REQUESTED CHANGE: OLD WORDING: Total Benefit Administration Costs Per Active Member and Annuitant (including special projects). There is a slight wording change for clarity and to keep the title consistent with the short title format that is new to the forms for 2007-09. There is also a data change with this measure. Originally, this measure was set up to exclude supplemental benefit program costs (like those for the Deferred Comp program and Retiree Health Insurance program), and to exclude the inactive members from the total membership count. The reason for these exclusions was so the data would exactly coincide with the data and measurement scale set by CEM Benchmarking, Inc. (an external benefit administration benchmarking firm comparing PERS to its retirement system peers). While the exact peer comparison is beneficial, we feel that it is more meaningful to PERS and its stakeholders to present the full cost per member, including all program costs and all members. And this change will not entirely eliminate the peer comparison component from this measure, as PERS is still able to compare individual activity costs versus those of its peers. We have left the approved 2005-07 targets for FY06-07 per KPM instructions, but have adjusted the targets for FY08-09 based on this data change. The targets listed for FY08-09 reflect a lower cost per member than our budget request level. This is to make the targets more ambitious and to keep with the overall goal of providing cost-efficient services through efficiencies and cost savings.

<sup>iii</sup> PROPOSED KPM #3 - RATIONALE FOR REQUESTED CHANGE: OLD WORDING: Member to Staff Ratio. This title was technically incorrect and misleading, as the ratio shows the number of FTE employees per number of members and retirees. There is also a data change with this measure. Originally, this measure was set up to limit out the inactive members, and limit out the staffing (direct and support) associated with PERS' supplemental benefit programs (Deferred Comp and Retiree Health Insurance). The reason for these limitations was so that the measure would exactly coincide with the measurement scale set by CEM Benchmarking, Inc. (an external benefit administration benchmarking firm comparing PERS to its retirement system peers). We have concluded that it's more important to present this measure reflecting the full PERS membership and staff levels. And we will not lose all peer comparison by structuring our own KPM in this manner. We have adjusted our targets for FY08-09 to reflect projected membership levels for the biennium, and the requested staffing in the Agency Request Budget, also factoring in subsequent permanent FTE administrative actions.

<sup>iv</sup> PROPOSED KPM #4 - RATIONALE FOR REQUESTED CHANGE: There is a data change with this measure. Previously, this measure had factored in the average monthly deferrals of the entire Oregon Savings Growth Plan (OSGP) populous. But in order to keep this KPM consistent with the other Deferred Compensation measure (KPM #5), PERS would like to only factor in the average monthly deferrals of state employees. KPM #5 measures the level of Deferred Compensation participation among state employees, since all of the eligible participant data in this group is immediately verifiable. The same data for the other local government OSGP participation is not as easily verifiable, and is significantly affected by other retirement savings plans available to those groups. The targets for FY08-09 reflect this data change. There is also a slight wording change with this KPM to coincide with the data change and to accommodate the new KPM document format of a short title followed by a brief explanation.

<sup>v</sup> PROPOSED KPM #5- RATIONALE FOR REQUESTED CHANGE: There is new data associated with this measure. Previously, PERS had included the still open accounts of inactive participants (retired/terminated) in calculating total participants, but only factored in current state employee numbers for the count of eligible participants. This had the effect of incorrectly increasing the participation percentage. To correct this, PERS will only include current state employees in the participant count (numerator), which is an accurate comparison to the count of total active state employees (denominator). There is no requested wording change. The title is only arranged differently to accommodate the new KPM document format of a short title followed by a brief explanation. The same wording as previously approved is still being used.

<sup>vi</sup> PROPOSED KPM #6- RATIONALE FOR REQUESTED CHANGE: LFO has agreed to this and a request for a change is not required. PERS recently created a survey to obtain customer data responsive to this KPM, and will utilize the data for future performance reports. Data results for FY06 have been included. For this measure, all members are

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# BUDGET NARRATIVE

## NAME OF AGENCY : PUBLIC EMPLOYEE RETIREMENT SYSTEM

## ENDNOTES

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

included. Employer customers will be measured in a newly requested KPM (#8). The member/retiree customer group has a starkly different makeup than the employer customer group. Each group is unique and has needs that often compete with those of the other group. As such, we feel it's important to present the customer satisfaction of both groups separately.

vii PROPOSED KPM #7 - RATIONALE FOR REQUESTED CHANGE: This new measure does not replace a requested deletion. We will add targets through FY09 once the data has been retrieved and analyzed.

viii PROPOSED KPM #8- RATIONALE FOR REQUESTED CHANGE: This new measure does not replace a requested deletion. Data results for FY06 are included. Unlike KPM #6, which measure the customer satisfaction of members and retirees in six areas, this KPM would measure the customer satisfaction of employers in the six categories (overall, timeliness, accuracy, helpfulness, expertise, and availability of information). The Employer customer is a key customer group for PERS, but it is unique from, and has a starkly different makeup than the member/retiree customer group. Each group is unique and has needs that often compete with those of the other group. As such, we feel it's important to represent the customer satisfaction of both groups separately.

ix PROPOSED KPM #9 - RATIONALE FOR REQUESTED CHANGE: This new measure does not replace a requested deletion. This is a new measure developed by the Department of Admin Services (DAS) and Legislative Fiscal Office (LFO), and will be required for all applicable boards and commissions beginning with the 2007-09 biennium. Targets are to be determined.

x OLD KPM #2 - RATIONALE FOR DELETION: Total Benefit Administration Costs Per Active Member and Annuitant (excluding special projects). This measure is redundant with 2005-07 KPM #3 Total Benefit Admin costs (including special projects), involves a subjective exclusion of "project" costs, and does not add value beyond other existing KPMs.

Proposed 2007-09 Key Performance Measures (KPM's)

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# BUDGET NARRATIVE

LFO Revised Budget Form #107BF04c

## Public Employees Retirement System Annual Performance Progress Report (APPR) for Fiscal Year 2005-06

Original Submission Date: September 29, 2006

2005-07 KPM#	2005-07 Key Performance Measures (KPMs)	Page #
1	ANNUITY PENSION INCEPTIONS: Percentage of service retirements paid within 1.5 months from retirement date.	4
2	TOTAL BENEFIT ADMIN COSTS: Total benefit administration costs per active member and annuitant, (excluding special projects)	6
3	TOTAL BENEFIT ADMIN COSTS: Total benefit administration costs per active member and annuitant (INCLUDING special projects)	8
4	MEMBER TO STAFF RATIO: Ratio of active members and annuitants to staff	10
5	AVERAGE DOLLARS DEFERRED BY PARTICIPANT: Average dollars deferred by Deferred Compensation participant per month.	12
6	LEVEL OF PARTICIPATION: Participation in Deferred Compensation program.	14
7	CUSTOMER SERVICE- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	16

# BUDGET NARRATIVE

## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## I. EXECUTIVE SUMMARY

Agency Mission: 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.

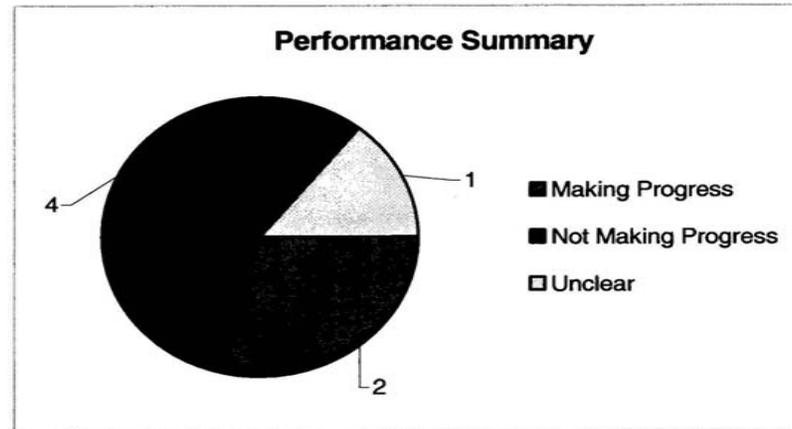
Contact: Matthew Rickard, Budget Analyst	Phone: (503) 603-7576
Alternate: Kyle Knoll, Budget Officer	Phone: (503) 603-7568

### 1. SCOPE OF REPORT

The Public Employees Retirement System (PERS) provides a full range of retirement services to public employers and public employees throughout the State of Oregon. These services are provided to approximately 885 state and local government entities across the State. The agency administers the Tier One and Tier Two Retirement Programs (ORS 238), the Oregon Public Service Retirement Program (or OPSRP, ORS 238A), the Individual Account Program (IAP), the Oregon Savings Growth Plan (a deferred compensation program), the Public Employee Benefit Equalization Fund, the Social Security Administration program, and the Retiree Health Insurance program. PERS also administers the financing of two projects that were funded by Certificates of Participation.

PERS programs addressed by these measures: Tier One-Tier Two Programs, Oregon Public Service Retirement Plan (OPSRP), the Individual Account Program, the Benefit Equalization Fund (KPMs #1-4 and 7 address these programs together), and the Deferred Compensation Program (KPMs #5-6)

PERS programs not addressed by these measures: Retiree Health Insurance program, the Social Security Administration program and Debt Service.



### 2. THE OREGON CONTEXT

The program operations of PERS have a significant impact on Oregon's economy. PERS provides retirement services to roughly 10 percent of Oregon's population, and the agency distributes \$2.5 billion in benefits annually to Oregonians that served in the public sector. This large distribution of benefit payments (over \$200 million each month) has a direct impact on the Oregon economy.

The Tier One-Tier Two, OPSRP and IAP programs provide retirement services to approximately 215,000 non-retired members and 103,000 retirees and beneficiaries. The retiree Health Insurance program serves as a group sponsor, providing health insurance services to approximately 49,000 retirees and dependents. With approximately 10 percent of Oregonians directly affected (and many more who are family members of those directly affected), the importance of delivering high-quality, cost-efficient services is evident.

### 3. PERFORMANCE SUMMARY

# BUDGET NARRATIVE

## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## I. EXECUTIVE SUMMARY

Agency Mission: 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.

Two KPMs, Average Dollars Deferred By Participant (page 12) and Level of Participation (page 14) are making progress, while four KPMs, Annuity Pension Inceptions (page 4), Total Benefit Admin Costs w/o projects (page 6), Total Benefit Admin Costs w/projects (page 8) and Member to Staff Ratio (page 10) are not making progress. For the newest KPM, Customer Service (page 16), progress is unclear, as no targets were established for 2005-07.

### 4. CHALLENGES

The PERS Retirement Program delivery has been substantially challenged in recent years. This reflects a number of factors such as an aging membership which has a sharply increasing need for PERS services, a multi-faceted, multiple tiered system, the addition of significant new program components, and inflexible and outmoded IT systems. Adding to these challenges is the substantial amount of work necessary to comply with the *Strunk* and *Eugene* Oregon Supreme Court rulings that affected some 190,000 active and inactive member accounts, and approximately 55,000 retired, withdrawn or otherwise impacted benefit recipient accounts. While PERS service and efficiency levels have been dramatically impacted, the agency is prioritizing additional action to ensure that the deterioration has been halted and a foundation for rapid improvements is set in place.

Challenges impacting the Deferred Compensation Program (OSGP) include the recent economic cycle, and the large numbers of soon-to- retire baby boomers. The cyclical economy has impacted participants' ability and willingness to increase their monthly deferrals, and the large number of upcoming retirements will have an impact on the participation level as many withdraw or roll their accounts to other institutions. Despite these challenges, the OSGP is taking steps to keep eligible employees and participants educated about the advantages of participating in this supplemental retirement savings program.

### 5. RESOURCES USED AND EFFICIENCY

For 2006, PERS expended \$37.8 million in administrative and special project expenditures, and \$2.7 billion in total expenditures (this includes benefit payments). Efficiency measures include KPM #2 and #3 – Total Benefit Administration Costs (with and without special projects), and #4 Member to Staff Ratio. The performance in these measures demonstrates that PERS is currently undertaking a multitude of special projects and operations (e.g. The *Strunk* and *Eugene* project) while simultaneously administering a rapidly changing and increasing core program workload. Some of this inefficiency will be resolved as PERS completes projects designed to shift the agency from staff intensive processes to more efficient automated processes. With the completion of special projects, various limited duration positions will also be eliminated, reducing cost and staffing levels.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: 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.

KPMI #1	SERVICE RETIREMENTS Percent of service retirements paid within 1.5 months from retirement date.	Measure since: 1995
<b>Goal</b>	To deliver retirement benefits effectively and efficiently.	
<b>Oregon Context</b>	Oregon Benchmark #58: Independent Seniors. Encourage member independence and financial well-being into retirement.	
<b>Data source</b>	Benefit Payments Division (BPD) statistics.	
<b>Owner</b>	BPD Administrator Craig Stroud, 503-431-8259	

### 1. OUR STRATEGY

PERS' main priority is delivering benefits to members in an accurate and timely manner. While statute requires PERS to issue the first benefit payment within 92 days from retirement date, PERS' goal is to provide even quicker service to reduce potential cash flow interruption for the retiree.

### 2. ABOUT THE TARGETS

The target of 80% was set many years ago. While many factors have caused performance to drop significantly, the goal is still to provide the first benefit payment as quickly and accurately as possible.

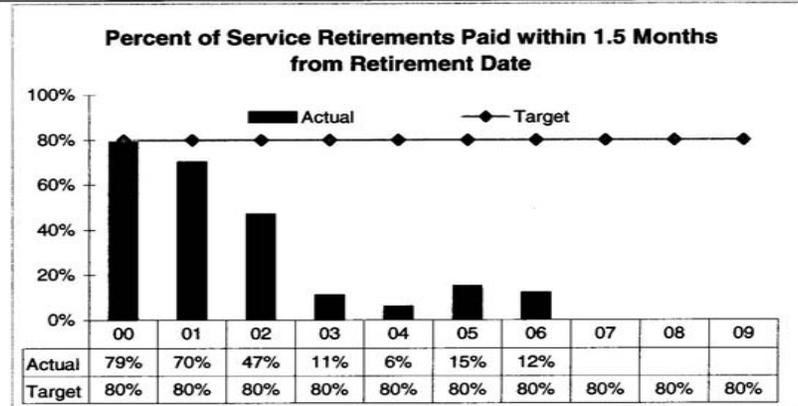
### 3. HOW WE ARE DOING

During 2006, PERS issued 12% of its pension inceptions within 1.5 months of the retirement date, down slightly from 15% in 2005. This continues the trend of lower performance over the last four years. While performance remained above 70% in the years prior to 2002, it has hovered between 6% and 15% since 2003, when PERS reform created two new programs (OPSRP and IAP) and revised the Tier One-Tier Two program while also triggering a record number of retirements.

### 4. HOW WE COMPARE

When compared to other pension systems peers, PERS lags behind in this area of service. According to CEM Benchmarking, Inc. (a Benefit Administration benchmarking firm), other pension systems in PERS' peer group were able to pay 75% of pension inceptions within one month of the final pay check date in 2006. While this is significantly higher than PERS' performance, it is important to note that other systems have different statutory requirements and fewer program options than PERS. Moreover, pension systems in PERS' peer group issue 73% of their initial benefit payments based on estimates (making corrections and finalizing the benefit later on), rather than issuing finalized benefit payments as PERS strives to produce (PERS only issued 2% of initial payments based on estimates in 2006).

### 5. FACTORS AFFECTING RESULTS



# BUDGET NARRATIVE

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## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

**Agency Mission:** 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.

In general, PERS would have a difficult time keeping pace with its peers in this category due to its multi-faceted, multiple tiered system, which makes the pension inception process much more difficult, and due to PERS' desire to issue final rather than estimated benefits. But recent factors have caused service levels to slip significantly. This drop in service can be attributed to statutory changes made to the PERS Tier One-Tier Two programs, and the concurrent implementation of two new programs (OPSRP and IAP). These structural and legal changes were coupled with the associated *Strunk* and *Eugene* court rulings and the inability of PERS' IT systems to accommodate those changes. As a result, PERS has been forced to use more desktop application supported and time consuming processes to calculate member benefits, while simultaneously facing an increasing retirement workload.

### 6. WHAT NEEDS TO BE DONE

This data is being used in support of plans currently in action to update and replace PERS' outmoded IT system. Once the IT system upgrade has been fully implemented in late 2009, PERS will be able to convert many of its benefit inception procedures to much more automated processes. This will help to speed up the service and return the performance to more appropriate service levels.

### 7. ABOUT THE DATA

This data is being reported on the Oregon Fiscal Year basis. While the integrity of this data has not been in question, previous wording of this KPM made analysis of the data confusing. The wording was changed for 2005-07 to make the data much easier to communicate.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: 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.

KPMI #2	TOTAL BENEFIT ADMINISTRATION COSTS Total benefit administration costs per active member and annuitant (excluding special projects).	Measure since: 2006
<b>Goal</b>	Reduce administrative costs while maintaining high level of service to members and employers.	
<b>Oregon Context</b>	Oregon Benchmark #35: Public Management Quality & #9c: Cost of Doing Business/ Taxes & Charges. Increase service cost-effectiveness to stakeholders.	
<b>Data source</b>	Budget/personnel statistics, PERS CAFR, report from CEM Benchmarking, Inc. comparing PERS to its peers.	
<b>Owner</b>	Fiscal Services Administrator Dave Tyler, 503-603-7709	

**1. OUR STRATEGY**

PERS strives to deliver high-quality, low-cost service to members and employers. PERS is aware that administrative costs, funded through investment earnings, have an effect on Employer rates and member account earnings crediting. PERS long-term approach is to make processes more efficient through automation, and reduce the need for staff intensive desktop procedures.

**2. ABOUT THE TARGETS**

The targets are set based on peer performance reported by a benefit administration comparison expert, CEM Benchmarking, Inc. The targets are aligned with the median value of PERS' peer group, and the aim is to be at or below this value. Although PERS is currently a high-cost organization as compared to its peers, it is the long-term goal to be much more comparatively cost-efficient through system and process improvements.

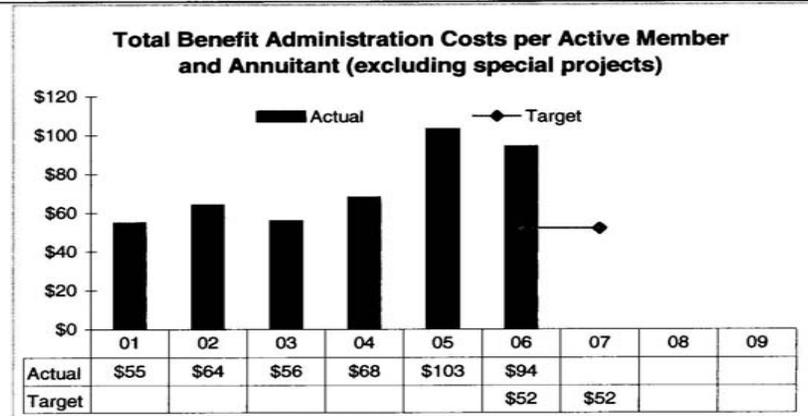
**3. HOW WE ARE DOING**

PERS operating costs (excluding special projects) have risen since 2003, with the implementation of new and revised retirement programs following PERS reform. While costs remained between \$55 to \$65 per Active Member and Retiree from 2001 to 2003, they climbed to a high of \$103 in 2005. While the 2006 cost of \$94 per Active Member and Retiree remains high as compared to those earlier years, it is down 10% from the previous year's level.

**4. HOW WE COMPARE**

In 2006, CEM Benchmarking, Inc. reported that the average cost (less special projects) per active member and retiree amongst PERS' peers was \$68. While PERS' costs for 2006 are down to \$94 per active/retiree, it does remain higher than average peer levels reflecting higher transaction volumes per member, more extensive employer data collection and services, and less automation than our peers.

**5. FACTORS AFFECTING RESULTS**



# BUDGET NARRATIVE

## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: 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.

PERS' per member/retiree costs are currently above the peer median cost of other similar size pension systems. PERS' operations are currently more staff intensive and expensive than other pension systems because of the continuing challenges of implementing the 2003 reform legislation, administering a multi-faceted, multiple tiered system, and having an outmoded IT infrastructure that is also undergoing conversion. Costs are also impacted by the large amount of "re-work" associated with the *Strunk* and *Eugene* rulings.

### 6. WHAT NEEDS TO BE DONE

PERS is committed to having its operating expenditures comparable with industry standards and similarly composed retirement systems. Successful completion of the *Strunk* and *Eugene* project (scheduled for completion in June 2009) will reduce PERS staffing levels by over 40 FTE. Other long-term cost savings will be realized when PERS completes the conversion of its outdated Retirement Information Management System (RIMS), which is scheduled for completion by December of 2009. This IT system conversion will allow PERS to replace many of its current desktop application supported processes with more cost efficient automated processes.

### 7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period. All of PERS' cost and volume related data is submitted to CEM Benchmarking, Inc in the form of an annual benefit administration survey they conduct involving over 55 leading global pension systems (27 in the US). The fiscal year data is submitted each October, and CEM compiles the data and prepares a customized report for PERS that is released in January. This comprehensive report summarizes PERS' data and performance compared to that of its peers.

This measure is based on PERS' total annual expenditures as reported in its CAFR. For comparison purposes, all of the supplemental benefit expenditures are pulled out (for PERS this includes costs related to the Deferred Comp and retiree Health Insurance programs), because CEM found that many of the pension systems supported a wide range of varying supplemental benefit programs (or none at all), and it was very difficult to compare that aspect from system to system. This measure also pulls out special project costs. CEM defines these as capital projects or very rare one-time projects outside the course of normal business (and they limit what is applied to that category). Although the peer group information for 2006 will not be available until January of 2007, PERS is still able to compile its own 2006 data for this measure, since it is based on financial data that is readily available.

NOTE: This KPM is being requested to be deleted with the 2007-09 KPM request, because it is redundant and less meaningful than the other benefit administration cost KPM.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: 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.

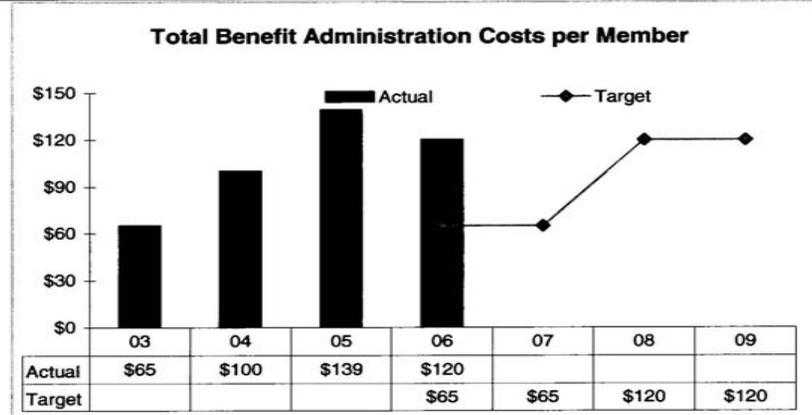
KPMI #3	TOTAL BENEFIT ADMINISTRATION COSTS Total benefit administration costs per active member and annuitant (INCLUDING special projects).	Measure since: 2006
<b>Goal</b>	Reduce administrative costs while maintaining high levels of service to members and employers.	
<b>Oregon Context</b>	Oregon Benchmark #35: Public Management Quality & #9c: Cost of Doing Business/ Taxes & Charges. Increase service cost-effectiveness to stakeholders.	
<b>Data source</b>	Budget/personnel statistics, PERS CAFR, report from CEM Benchmarking, Inc. comparing PERS to its peers.	
<b>Owner</b>	Fiscal Services Administrator Dave Tyler, 503-603-7709	

### 1. OUR STRATEGY

PERS strives to deliver high-quality, low-cost service to members and employers. PERS is aware that administrative costs, funded through investment earnings, have an effect on Employer rates and member account earnings crediting. The successful completion of the *Strunk* and *Eugene* project and the Retirement Information Management System (RIMS) Conversion project will help to reduce PERS' annual operating expenditures.

### 2. ABOUT THE TARGETS

The targets for the 2005-07 biennium were set based on 2004 peer median performance reported by a benefit administration comparison consultant, CEM Benchmarking, Inc. But the cost reporting structure used by CEM Benchmarking omits the following key pieces of data: 1) Portions of peer costs such as supplemental benefit programs (Def Comp and Retiree Health Insurance) and 2) Inactive members. CEM makes these adjustments in order to compare retirement systems on an "equal" plain. Unfortunately, this renders the resulting measurement of PERS' adjusted costs much less relevant to stakeholders. In order to correct this, PERS has implemented data changes with this KPM and the Staff to Member KPM. The data changes will allow PERS to present this KPM reporting the total unadjusted PERS administrative costs as published in its Comprehensive Annual Financial Report (CAFR) per the total unadjusted membership.



### 3. HOW WE ARE DOING

For 2006, PERS' cost per member is \$120, down from \$139 in 2005. Despite this decrease, costs remain high as compared to lower levels in 2003 and 2004, which reflects 2003 legislation that added the administration of two more retirement programs in 2004 (bringing the total administered PERS programs to four), and the addition of the *Strunk/Eugene* and RIMS Conversion projects in 2005. The long-range target is to be at or below the 2006 cost per member.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: 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.

### 4. HOW WE COMPARE

Because the overall adjusted cost per member structure used by CEM Benchmarking, Inc. will no longer be used for this KPM, PERS will instead focus on how it compares to its peers on an individual activity level. For 2006, CEM Benchmarking, Inc. reported that while PERS' costs were higher than its peers for many activities, there were also some activities that PERS' costs were lower than those of its peers. When compared to its peer median costs per member or employer served, PERS was more expensive for activities such as Pension Inceptions (\$434 vs. \$287), Written Estimates (\$62 vs. \$58), Employer Billing and Inspection (\$355 vs. \$296), Employer Data (\$39 vs. \$20), Services to Employers (\$2,531 vs. \$536), Refunds (\$239 vs. \$40), Disability (\$2,785 vs. \$1,178), Financial Admin/Oversight (\$14 vs. \$8), Rules Design and Interpretation (\$12 vs. \$5) and Major Projects (\$31 vs. \$11). But PERS was less expensive per member/employer served than its peer median for activities like Paying Pensions (\$8 vs. \$15), Counseling, Member Contact and Mass Communication (\$65 vs. \$200), and Purchases (\$66 vs. \$174).

### 5. FACTORS AFFECTING RESULTS

Some of the cost differences reported above can be attributed to how various retirement systems might organize their processes differently than PERS. For example, PERS spends more than its peer median on billing and collecting data from employers in order to save costs later on processing pension inceptions. PERS is also using 100% electronic data exchange reporting for employers which has higher front-end costs but creates long-term efficiencies.

Other cost differences can be explained by PERS' operations that are currently more staff intensive and expensive than other pension systems because of the challenges of maintaining multiple programs resulting from 2003 reform legislation, administering a multi-faceted system with multiple tiers, and having an outmoded IT infrastructure that is also undergoing conversion. For example, the multiple programs, rule sets and out-dated IT system have made eligibility testing a more staff intensive and costly process for PERS, as evident of its higher pension inception costs. To help remedy this in the long run, PERS is investing more money than its peers in special projects (such as the RIMS Conversion Project) that will help to automate some of the more costly desktop processes.

Costs are also impacted by the large amount of "re-work" associated with the *Strunk* and *Eugene* court rulings. While in 2004, PERS Pension Inception cost per member was slightly lower than its peer median (\$249 vs. \$250), the costs for the same activity in 2005 and 2006 have jumped significantly. Following the 2003 legislation, PERS had begun making earnings crediting adjustments. When some of the reform changes were subsequently overturned, PERS had to go back and readjust the same accounts and retirements. These adjustments and re-work added to much higher pension inception costs for PERS in 2005 and in 2006 when the *Strunk* and *Eugene* project commenced.

### 6. WHAT NEEDS TO BE DONE

PERS is committed to completing each of its projects on schedule and within budget. It is safe to assume that with completion of its special projects, PERS overall costs will be reduced (especially the costs associated with the *Strunk* and *Eugene* project). But completion of the current projects will also have an effect on future costs. Long-term cost savings will eventually be realized as PERS completes the RCP project (scheduled for completion by December of 2009), and replaces many of its current desktop supported processes with much more cost efficient automated processes.

### 7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period. As mentioned above in the Target discussion, PERS is making a significant data change with this measure. Because the cost reporting structure used by CEM Benchmarking omits key pieces of data like supplemental benefit program costs (Def Comp and Retiree Health Ins.) and inactive members, the resulting measurement of PERS' adjusted costs is much less relevant to stakeholders. In order to correct this, PERS has implemented data changes with this KPM and the Staff to Member KPM. The data changes will allow PERS to present this KPM

# BUDGET NARRATIVE

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## **PUBLIC EMPLOYEE RETIREMENT SYSTEM**

## **II. KEY MEASURE ANALYSIS**

**Agency Mission:** 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.

using total unadjusted PERS administrative costs (as published in its CAFR) per the total unadjusted membership. The CEM data will continue to be used for peer group comparisons at the individual activity level.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: 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.

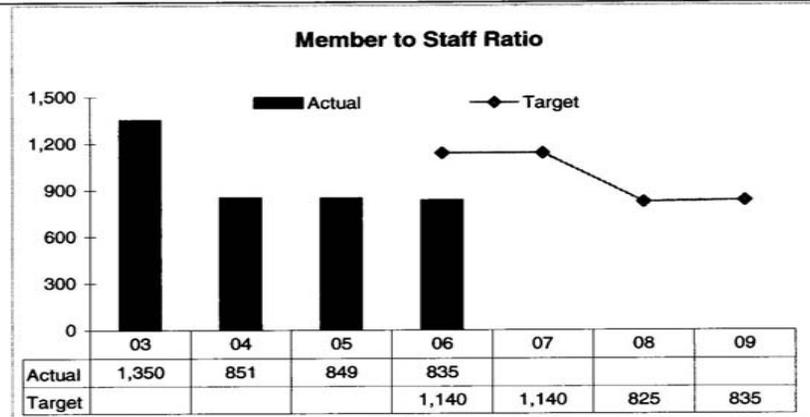
KPM #4	MEMBER TO STAFF RATIO Ratio of Active Members and Annuitants to full-time equivalent (FTE) staff.	Measure since: 2006
<b>Goal</b>	Increase productivity of staff to improve service to members and retirees.	
<b>Oregon Context</b>	Oregon Benchmark #35: Public Management Quality. Increase efficiency of service to members.	
<b>Data source</b>	Budget/personnel statistics, report from CEM Benchmarking, Inc. comparing PERS to its peers.	
<b>Owner</b>	Fiscal Services Administrator Dave Tyler, 503-603-7709	

**1. OUR STRATEGY**

PERS aims to deliver high-quality service while remaining cost-efficient. In order to accomplish this PERS needs to keep staffing numbers reasonable while continuing to meet statutory obligations and without sacrificing service.

**2. ABOUT THE TARGETS**

The targets for the 2005-07 biennium were set based on 2004 peer median performance reported by a benefit administration comparison consultant, CEM Benchmarking, Inc. The targets for these years were aligned with the median value of PERS' peer group, and the aim was to be at or below this value, subject to adjustment for varying program types. But the staff ratio measure used by CEM omits staffing associated with supplemental benefit programs (Def. Comp. and Ret. Health Ins.), and inactive members. CEM makes these omissions when comparing retirement systems, because the numbers vary greatly from system to system. But these adjustments make the data less meaningful to PERS stakeholders, and it cannot be tied to any published PERS documents. So PERS has implemented data changes with this KPM and the previous Cost per Member KPM. The data changes will allow PERS to present this KPM using actual verifiable data as published in its CAFR and official personnel reports. The requested targets for 2007-09 are based on projected membership levels for that biennium, and the staffing included in the Agency Request Budget.



**3. HOW WE ARE DOING**

PERS' staff to member ratio dropped to 1:835 in 2006, down slightly from 1:849 in 2005. This continues the trend of lower staff to member ratios since 2003. Over the course of those three years, the ratio has remained in the 850 range, reflecting the new retirement programs created under the 2003 PERS reform, the associated workload increases, and the special projects ongoing throughout that period.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEE RETIREMENT SYSTEM

Agency Mission: 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.

## II. KEY MEASURE ANALYSIS

### 4. HOW WE COMPARE

Since PERS is moving away from using the adjusted staffing and membership criteria used by CEM Benchmarking, PERS will instead focus on how it compares to its peers on an individual benefit administration activity level. For Fiscal Year 2006, CEM Benchmarking, Inc. reported that PERS is higher staffed (thus serving fewer members and employers per FTE staff) than many of its peers. But although PERS serves fewer members or employers per FTE for many benefit administration activities, there are also activities that PERS serves more per FTE than its peers. When compared to its peer median, PERS served fewer members per single FTE for activities like Pension Inceptions (215 vs. 416), Written Estimates (1,744 vs. 2,056), Mass Communication (18,795 vs. 25,094), Refunds (465 vs. 2,444) and Disability (45 vs. 104). But PERS was able to serve more members per single FTE than its peer median for activities like Paying Pensions (16,613 vs. 11,804), Group Counseling and Member Contacts (17,401 vs. 15,141) and Purchases (1,656 vs. 729).

### 5. FACTORS AFFECTING RESULTS

PERS was observed to be the second most complex system among 20 other similar sized public pension systems as identified in the Cost Effectiveness Measurement (CEM) survey. This complexity is driven by PERS' service to multiple classes of public employees, including part-time employees, the large number of retirement options, multiple retirement benefit calculations, and a number of other benefit add-ons. The complexity has made it difficult to provide automated IT based applications and solutions, particularly given the outmoded nature of its Retirement Information Management System (RIMS), which requires more staff to provide basic services. Moreover, PERS is currently doing a substantial amount of "re-work" to comply with the *Strunk* and *Eugene* rulings that affected some 190,000 active and inactive member accounts, and approximately 55,000 retired, withdrawn, or otherwise impacted benefit recipient accounts.

The 2003 PERS reform legislation has contributed to increased staffing by adding two new retirement programs (OPSRP and IAP). PERS went from an agency of 273 positions in FY 01-03 to 420 positions in FY 03-05 when the reform legislation implementation began and many permanent and limited duration staff were added. PERS' Agency Request Budget for 2007-09 includes staffing at just over 400 positions.

### 6. WHAT NEEDS TO BE DONE

Demographic research shows that in the next five-to-ten years, there will be a surging number of members who qualify for retirement benefits. While the rising volume of retirements is an issue facing most public pension systems, PERS has the additional burden of an outmoded IT system, which causes PERS' disproportionately higher staffing needs. This situation is expected to continue until the legacy IT systems can be replaced and the operational demands of statutory changes, program expansions (OPSRP and IAP) and the *Strunk* and *Eugene* court rulings are accommodated.

And with the completion of projects staffed by limited duration employees, like the *Strunk/Eugene* project, staffing levels will drop accordingly. In the long-term, projects like the RIMS Conversion project will also lead to a more automated-processes approach, lowering PERS' dependency on staff-intensive desktop application processes.

### 7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period. As mentioned above in the Target discussion, PERS is implementing data changes with this KPM in order to make it more relevant to stakeholders and to make the data more easily verifiable. This measure will now be based on the full staffing levels according to official DAS Budget and Management records and reported in the Position Inventory Control System (PICS) records. The membership data is based on the information published in the PERS Comprehensive Annual Financial Report.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: 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.

KPMI #5	AVERAGE DOLLARS DEFERRED BY PARTICIPANT The average monthly deferral for Deferred Compensation program participants.	Measure since: 2006
<b>Goal</b>	Increase voluntary participation by members in Deferred Compensation Program	
<b>Oregon Context</b>	Encourage member independence and financial well-being into retirement. Has an effect on Oregon Benchmark #58: Independent Seniors.	
<b>Data source</b>	Deferred Compensation records, along with reports from the Oregon Savings Growth Plan (OSGP) Third party administrator, Citistreet	
<b>Owner</b>	Deferred Compensation Administrator, Gay Lynn Bath, 503-378-3730 ext. 86425	

### 1. OUR STRATEGY

PERS' Deferred Compensation program, the Oregon Savings Growth Plan (OSGP) understands that the financial demands of current and future retirees are increasing. And with rising health care costs and the uncertain future of Social Security, the OSGP aims to provide Oregon public employees with another option to help supplement their PERS benefits and help bridge the gap between retirees' expected needs and their PERS benefits. In order to remain a valued option for PERS members, OSGP's goal is to provide solid investment options through its third-party administrator, and to educate participants about the importance of retirement preparation through increased deferrals.

### 2. ABOUT THE TARGETS

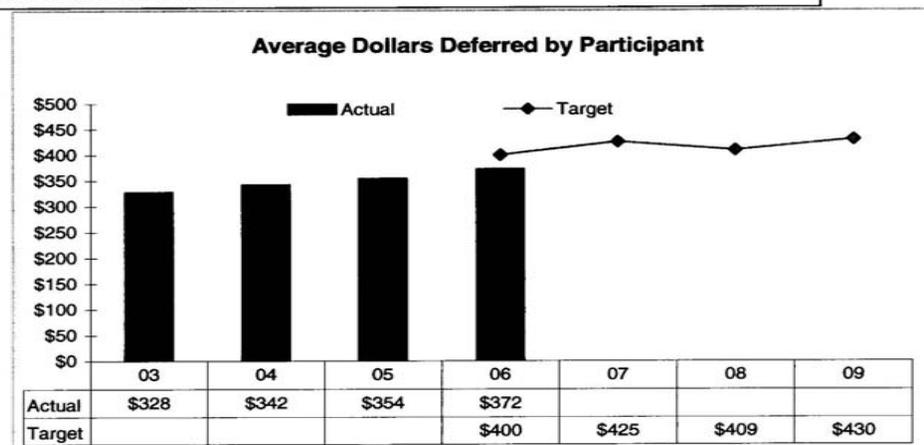
Targets for the 2005-07 biennium were set based on a data model that was inconsistent with the other Deferred Compensation KPM. PERS is implementing a data change with this measure to factor in the average monthly deferrals of state employees only, in order for it to match the state employment-only measurement criteria for the Deferred Compensation participation KPM. This will make it much easier for stakeholders to understand and compare the two measures. The requested targets for 2007-09 are based on the updated data, and OSGP's goal to increase average monthly deferrals by 5% each year.

### 3. HOW WE ARE DOING

The average monthly deferral for OSGP participants has increased steadily since 2003. The performance has remained at or near the targeted 5% growth throughout this time period. In 2006, the average monthly deferral was \$372, which was an increase of 5.1% from 2005.

### 4. HOW WE COMPARE

In 2005, the industry average monthly savings rate was \$326. Since OSGP participants are contributing more dollars on average than their industry peers, it demonstrates OSGP's perceived value to its members.



# BUDGET NARRATIVE

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## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: 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.

### 5. FACTORS AFFECTING RESULTS

One factor that could affect results over the next several years is the large number of potential retiring participants. There is a large number of participants who are either already eligible to retire, or will become eligible during the next few years. These retiring participants are generally higher paid than their replacements, so this could reduce the average deferrals for a period of time.

### 6. WHAT NEEDS TO BE DONE

As participants retire, the OSGP will need to continue educating the remaining and new participants on the importance of retirement savings. The OSGP has recently added some simple marketing in the form of plan information printed on the back of state employees' pay stubs to increase awareness about the program. The results have been observed as inquiries and participation have increased.

### 7. ABOUT THE DATA

This data is reported on the Oregon Fiscal Year basis. The data is provided by the OSGP's third-party administrator, Citistreet, and is easily verifiable by looking at monthly deferral records. This measurement factors in deferrals from all state employee groups.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: 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.

KPM #6	LEVEL OF PARTICIPATION The percentage of eligible state employees who participate in the Deferred Compensation program.	Measure since: 2006
<b>Goal</b>	Increase voluntary participation by state employee members in Deferred Compensation Program	
<b>Oregon Context</b>	Encourage member independence and financial well-being into retirement. Has an effect on Oregon Benchmark #58: Independent Seniors.	
<b>Data source</b>	Deferred Compensation records, along with reports from the Oregon Savings Growth Plan (OSGP) Third party administrator, Citistreet	
<b>Owner</b>	Deferred Compensation Administrator, Gay Lynn Bath, 503-378-3730 ext. 86425.	

### 1. OUR STRATEGY

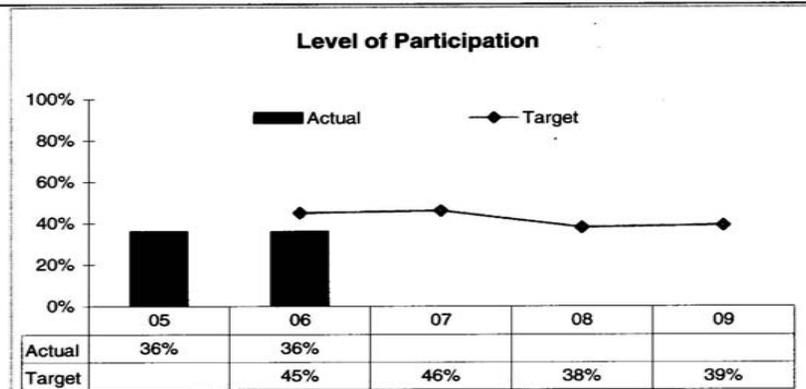
PERS' Deferred Compensation program, the Oregon Savings Growth Plan (OSGP) understands that the financial demands of current and future retirees are increasing. And with rising health costs and the uncertain future of Social Security, the OSGP aims to provide Oregon public employees with another option to help supplement their PERS benefits and help bridge the gap between retirees' expected needs and their PERS benefits. In order to remain a valued option for PERS members, OSGP's goal is to provide solid investment options through its third-party administrator, and to educate participants about the importance of retirement preparation through participation in this supplemental program.

### 2. ABOUT THE TARGETS

Targets for the 2005-07 biennium were based on data containing an incorrect assumption that was not discovered until January 2007. The previous data had included the still open accounts of inactive participants (retired/terminated) in calculating total participants, but only factored in current state employee numbers in calculating eligible participants. This had the effect of increasing the participation percentage in error. In order to correct this, PERS is implementing a data change to factor in only the accounts of active state employees in calculating participants. The targets for 2007-09 are based on the corrected data, and OSGP's goal to gradually increase the participation level by 1% annually.

### 3. HOW WE ARE DOING

State government employee participation in the OSGP has remained steady at 36% over the last two years. While the underlying data shows a slight 0.1% increase from 2005 to 2006 (36.1% to 36.2%), the participation rate generally does not change very much from year to year.



# BUDGET NARRATIVE

## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: 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.

### 4. HOW WE COMPARE

The National Association of Government Defined Contribution Administrators (NAGDCA) conducts an annual survey that measures participation in optional state and local government defined contribution plans. For 2005, NAGDCA reported that among the 29 responding state plans, 21% of the eligible employees participated in optional defined contribution programs like OSGP. So the OSGP is performing well ahead of the national average participation rate for similar plans.

### 5. FACTORS AFFECTING RESULTS

Because the Deferred Compensation Program is voluntary for state employees, to have both 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 retirement savings tool for many state employees. Despite this, there are other factors that will affect (and possibly decrease) the ongoing participation rates. There are a large number of baby boomer generation employees who are set to retire in the near future. Many of these retirees will withdraw their OSGP accounts or roll them into other retirement accounts and the demographics of their replacements (normally younger and lower paid) will create a challenge for increasing participation rates and deferral amounts.

### 6. WHAT NEEDS TO BE DONE

Data shows that participation does not change drastically from year to year. And when factoring in the effect that the many upcoming retirements will have on OSGP participation rates, it will be important for the OSGP to educate and remind existing and new eligible employees of the benefits of participating in the program. One tactic the OSGP has recently used is adding some simple marketing in the form of plan information printed on the back of state employees' pay stubs to increase awareness about the program. This has resulted in increased interest in the program.

### 7. ABOUT THE DATA

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

# BUDGET NARRATIVE

## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: 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.

<b>KPM #7</b>	<b>CUSTOMER SATISFACTION</b> Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information	Measure since: 2006
<b>Goal</b>	To improve customer satisfaction through effective and efficient delivery of retirement benefits.	
<b>Oregon Context</b>	#35: Public Management Quality - Citizen satisfaction with government services.	
<b>Data source</b>	Agency-administered survey (Survey Monkey online tool was used, along with a hard copy provided in the retiree newsletter).	
<b>Owner</b>	CSD Administrator Jeannette Zang, 503-603-7703 & BPD Administrator Craig Stroud, 503-431-8259	

### 1. OUR STRATEGY

PERS is committed to providing high-quality, low-cost customer service. The goal is to deliver effective and efficient service to PERS members and stakeholders.

The customer satisfaction surveys will help to determine areas of strength and needed improvement. PERS management will make strategic decisions based on the results to place resources and effort where improvement is needed.

### 2. ABOUT THE TARGETS

Since this is the first year of customer satisfaction measurement in this manner, no targets were previously established. Future targets will be set at 80% of customers rating their PERS service as good or excellent.

### 3. HOW WE ARE DOING

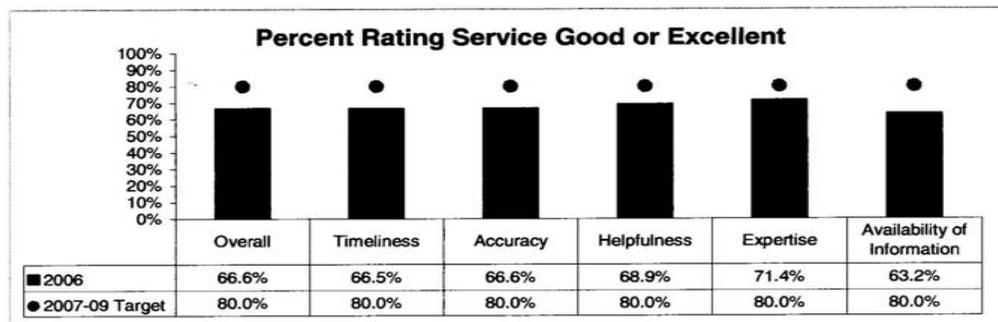
In 2006 PERS scored in a fairly tight range between 63.2% and 71.4% across all categories, with 66.6% of member and retiree customers rating PERS overall service as Excellent or Good. Member and retiree customers rated PERS highest in Expertise (71.4%) and Helpfulness (68.9%), and lowest in Availability of Information (63.2%).

### 4. HOW WE COMPARE

PERS does use the services of a Benefit Administration benchmarking consultant (CEM Benchmarking, Inc.), but customer satisfaction is not one of the comparators.

### 5. FACTORS AFFECTING RESULTS

Recent PERS reform plan changes and Oregon Supreme Court rulings in the *Strunk* and *Eugene* cases have reduced many members' current and future benefits, and in turn have impacted members' view of PERS. While PERS is simply responsible to execute the plan changes and court rulings, the negative



# BUDGET NARRATIVE

## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

**Agency Mission:** 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.

impact on members' benefits does color their view of PERS' service. Despite this potential downward bias, the results above do give a good initial gauge of PERS' performance in meeting members' needs.

The lower rating in Availability of Information may be due to a lack of information regarding the affects of the *Strunk* and *Eugene* cases. In the spring of 2005, PERS was in the planning stage of how it would carry out the *Strunk* ruling which restored frozen COLA's and required crediting Tier One member regular accounts with the assumed rate each year. But PERS could not take action until the final ruling in the *Eugene* case in late Summer 2005, which would reduce previously posted earnings and affect benefits already paid. PERS had communicated to members that their accounts and benefits would be affected, but the extent was not known until the final ruling. PERS did not have all of the information to provide to members, particularly as to the effect at the individual level, which can only be determined through the ongoing *Strunk* and *Eugene* benefit adjustment process. Nonetheless, information availability will be a continued area of focused improvement in PERS' delivery of customer service.

### 6. WHAT NEEDS TO BE DONE

PERS will need to continue to develop effective communication modes and techniques to ensure that its members receive all available information. Something that has helped is a clear plan in executing the *Strunk* and *Eugene* project. With the plan in place, it is easier to communicate the course of action to members. And a successful project completion (scheduled for June 2009) will help PERS gain its members' trust in the information provided to them.

### 7. ABOUT OUR CUSTOMER SERVICE SURVEY

The Customer Satisfaction survey was conducted by PERS staff using the online Survey Monkey tool and hard copy surveys mailed to retirees. The survey was open from August 1 through 31. The population can be classified as consumers, as members and retirees are end users of PERS services. For the sampling frame, PERS left the survey open to all members (active and inactive) and retirees. The survey was advertised in the *Perspectives* newsletter (a PERS-produced newsletter sent to all members and retirees), which listed the web link to take part in the survey. Since PERS left the survey open to the full population of members and retirees, the sampling procedure could be considered a passive census. Out of 315,000 members and retirees PERS received 1,986 responses, a .6% response rate. There was no weighting involved with the tabulation of results.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEE RETIREMENT SYSTEM

## III. USING PERFORMANCE DATA

Agency Mission: 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.

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

The following questions indicate how performance measures and data are used for management and accountability purposes.	
<b>1 INCLUSIVITY</b> Describe the involvement of the following groups in the development of the agency's performance measures.	<ul style="list-style-type: none"> <li>Staff: The 2005-07 approved KPMs were developed by PERS staff with the assistance of student interns.</li> <li>Elected Officials: Elected officials have reviewed and approved the 2005-07 KPMs as a part of the Ways and Means process.</li> <li>Stakeholders: Staff met with key management and stakeholders to determine how each measured success. The KPMs were then formed using strict selection criteria to ensure accuracy, longevity and applicability to each program.</li> <li>Citizens: While citizens are not involved in the KPM formation process, the annual results are posted on the OPB and PERS websites for the general public to view.</li> </ul>
<b>2 MANAGING FOR RESULTS</b> How are performance measures used for management of the agency? What changes have been made in the past year?	The results are used to gauge PERS' progress versus previous performance, as well as its peers. The results are also used in the formation of business plans and in development of the agency's biennial budget. All but one of the KPMs are new for 2005-07, so this is the first year of data for most of them. The agency's six-year strategic plan and two-year tactical plan are also linked to the performance measures to guide longer-term management of the agency.
<b>3 STAFF TRAINING</b> What training has staff had in the past year on the practical value and use of performance measures?	In the KPM formulation process, meetings with managers and stakeholders have taken place to educate them on the KPM process, and to help them understand how the measures can be useful in program and agency management. Staff working directly with the KPMs also have attended Oregon Progress Board (OPB) trainings and participate in most of the OPB quarterly roundtables and informational meetings.
<b>4 COMMUNICATING RESULTS</b> How does the agency communicate performance results to each of the following audiences and for what purpose?	<ul style="list-style-type: none"> <li>Staff: Results are posted on PERS' internal network, along with sectional budget execution reports for managers, and posted on the PERS website for general staff.</li> <li>Elected Officials: Results are communicated through the Annual Performance Progress Report, and as part of the agency's biennial budget request.</li> <li>Stakeholders: Results are reported directly to the PERS Board, and posted on the PERS website for other stakeholders.</li> <li>Citizens: The results are posted on the OPB website and the PERS website.</li> </ul>

# BUDGET NARRATIVE

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## Major Information Technology Projects \$500,000+

In Policy Package 111, PERS proposes to continue the RIMS Conversion Project (RCP) into the 2007-09 biennium. This request is a continuation of the pension administration IT system replacement project that started in the 2003-05 biennium and has continued throughout the 2005-07 biennium. The total cost of the project remains at \$27.5 million. The 2007-09 biennium portion of these costs is expected to be \$13.5 million. The expected completion date for this project is November 2009.

The RIMS Conversion Project (RCP) is Phase II of a two-phase project to implement an enterprise-wide technology architecture, the goal of which is to create an integrated platform for providing pension administration services across all agency-administered retirement programs. The RCP will extend and further customize the jClarety application template implemented in Phase I to administer the Oregon Public Service Retirement Plan (OPSRP) established by the 2003 reform legislation. The scope of RCP includes the retirement plan administration components needed to administer the PERS Chapter 238 Plan, currently being managed by the Retirement Information Management System (RIMS), and its associated desktop applications, and manual processes. This project will provide PERS with an integrated platform for providing member services and benefits across all retirement programs.

The RCP directly supports the agency's strategic business plan. Specifically, the agency's six-year strategic outlook identifies several key outcomes that staff is committed to achieving. Among them are: a) calculate timely and accurate payment of PERS benefits, b) deliver high quality customer service, c) optimize business processes to be efficient and cost-effective, and d) maintain a secured information environment. The RCP impacts each of these goals by providing an integrated application to collect member data and automate the calculation and distribution of member benefits. To meet the agency's goals and objectives, the RCP will enable PERS staff to:

- Dramatically improve service to its members, retirees, and employers:
  - Provide timely and accurate benefits by ensuring accurate data and by automating calculations
  - Provide high-quality customer service through the use of an integrated contact management system.
  - Provide high-quality customer service through the use of a member self-service feature, which allows members to get plan information, forms, and updates, as well as view their account information, modify select information, and create retirement estimates
  - Provide high-quality customer service through the use of an employer self-service feature which allows employers to submit and correct member information online
- Improve staff productivity:
  - Improve the accuracy and timeliness of data and information in the system through the use of online data edits and reports
  - Reduce the processing time and error rate by eliminating the need for manual process and offline processing
  - Improve process management and operational efficiency through the use of a workflow engine
  - Improve document management through the use of an integrated content management system

Agency Request

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# BUDGET NARRATIVE

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- Redesign and implement a comprehensive set of automated benefit and customer service processes
- Eliminate the time consuming activities relating to the processing of paper requests and forms
- Maintain the security of member information:
  - Implement robust data security tools
  - Implement role-based access methodology for system access
  - Incorporate the agency's data classification and access procedures

In addition, the RCP directly supports the Governor's *Oregon Principles* that "state government is stable, responsive and accountable to Oregonians." During the last two biennia, PERS has undergone significant reform, resulting in many changes to the retirement system. While these changes will serve to stabilize the retirement system in the long term, in the short term, the agency has struggled to keep pace with the changes from a technology perspective. The completion of the RCP will enable the agency to stabilize its operations and become both transparent and accountable to Oregonians. Agency staff believe that, with the implementation of the planned technology, Oregon public employees will have better, more timely, and more complete access to their retirement benefits and information.

This project has a solid governance structure. The deputy director of the agency serves as the executive sponsor for the project. A Steering Committee, which includes executives and senior managers, meets weekly to discuss project activities, priorities, and direction. The agency has contracted with a professional project management firm and has implemented project management techniques and principles in compliance with the industry standard Project Management Book of Knowledge (PMBOK). In addition, the agency has engaged quality assurance oversight from the Department of Administrative Services (DAS) and performs periodic third party quality assurance reviews.

The agency has taken a process-driven approach for this project. Executives and managers believe that PERS can gain significant operational efficiencies by streamlining business processes and reducing the need for manual activities. In order to realize these process improvements, the agency has identified Business Process Owners (BPOs) who are responsible for redesigning both the look and feel of the system as well as the underlining processes that the system supports. The BPOs are the key decision makers for system design at the tactical level. In conjunction with rethinking and redesigning PERS' business processes, the agency is implementing an electronic workflow tool. This tool will enable PERS to follow consistent, repeatable processes that integrate with the new pension administration application. To ensure that the key processes at the agency have been implemented efficiently in the new system, the RCP team has been undergoing an end-to-end process review, beginning in the fall of 2006. This review will allow PERS to redesign key processes so that they can be effectively programmed in the new system. The BPOs are the key drivers of this analysis.

# BUDGET NARRATIVE

## Summary of 2007-09 Budget Public Employees Retirement System, Oregon (PERS - # 45900) Agencywide

	TOTALS			FUND TYPE					
	POS	FTE	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited	
								Other	Federal
<b>2005-07 LEGISLATIVELY ADOPTED BUDGET</b>	380	379.00	5,728,468,783			81,703,709		5,646,765,074	
Emergency Board Actions (through 4/2006)									
<b>2005-07 Legislatively Approved Budget</b>	380	379.00	5,728,468,783			81,703,709		5,646,765,074	
<b>Base Budget Adjustments:</b>									
Net Cost of 2005-07 Position Actions:									
Administrative, Biennialized E-Board, Phase-Out	(116)	(116.37)	(8,119,763)			(8,119,763)			
Estimated Cost of 2007-09 Merit Increase			730,567			730,567			
Base Debt Service Adjustment			(11,750)			(11,750)			
Base Nonlimited Adjustment			640,182,048					640,182,048	
Capital Construction Adjustment									
<b>Subtotal: 2007-09 Base Budget</b>	264	262.63	6,361,249,885			74,302,763		6,286,947,122	
<b>Essential Packages:</b>									
<b>Package No. 010</b>									
Vacancy Factor (Increase)/Decrease			(33,515)			(33,515)			
Non-PICS Personal Service Increase/(Decrease)			67,175			67,175			
Subtotal			33,660			33,660			
<b>Package No. 021/022</b>									
021 - Phased-In Programs Excl. One-Time Costs									
022 - Phase-Out Programs and One-Time Costs			(17,499,624)			(17,499,624)			
Subtotal			(17,499,624)			(17,499,624)			
<b>Package No. 030</b>									
Cost of Goods & Services Increase/(Decrease)			504,059			504,059			
State Govt Service Charges Increase/(Decrease)			282,798			282,798			
Subtotal			786,857			786,857			
<b>Package No. 040</b>									
Mandated Caseload Increase/(Decrease)									
<b>Package No. 050</b>									
Fund Shifts									
<b>Package No. 060</b>									
Technical Adjustments									
<b>Subtotal: 2007-09 Essential Budget Level</b>	264	262.63	6,344,570,778			57,623,656		6,286,947,122	

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# BUDGET NARRATIVE

## Summary of 2007-09 Budget Public Employees Retirement System, Oregon (PERS - # 45900) Agencywide

	TOTALS			FUND TYPE					
	POS	FTE	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other	Federal
<b>2007-09 Essential Budget Level - Page 1 Subtotal</b>	264	262.63	6,344,570,778			57,623,656		6,286,947,122	
Package No. 070 Revenue Shortfalls									
<b>Subtotal: 2007-09 Modified Essential Budget Level</b>	264	262.63	6,344,570,778			57,623,656		6,286,947,122	
<b>Emergency Board Packages:</b> (List ORBITS Package number and title)									
<b>Subtotal Emergency Board Packages</b>									
<b>Policy Packages:</b> (List ORBITS Package number and title)									
Pkg. 110 Strunk/Eugene	57	57.00	6,343,237			6,343,237			
Pkg. 111 RIMS Conversion Project	6	6.00	13,539,844			13,539,844			
Pkg. 112 Retirement Processing	25	25.00	2,651,079			2,651,079			
Pkg. 113 Retirement Data Support	23	23.00	2,398,488			2,398,488			
Pkg. 114 Operations & Infrastructure Support	28	28.00	4,219,993			4,219,993			
Pkg. 115 Legal Services			1,000,000			1,000,000			
Pkg. 802 Ways & Means 2% Reprioritization (Efficiencies)	(4)	(8.75)	(1,165,484)			(1,165,484)			
Pkg. 803 Statewide Assessment Adjustments			(105,013)			(105,013)			
Pkg. 806 Table Request Budget Adj - Retirement Application Assistants	2	2.00	254,546			254,546			
<b>Subtotal Policy Packages</b>	137	132.25	29,336,690			29,336,690			
<b>Total: 2007-09 Budget</b>	401	394.88	6,373,907,468			86,960,346		6,286,947,122	
Percent Change From 2005-07 Leg. Approved	5.5%	4.2%	11.3%	0.0%	0.0%	6.4%	0.0%	11.3%	0.0%
Percent Change From Essential Budget Level	51.8%	50.4%	0.5%	0.0%	0.0%	50.9%	0.0%	0.0%	0.0%

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# BUDGET NARRATIVE

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## House Bill 3182 Reductions Reduction Options

### Overview

Agencies are required to provide a reduction plan that, if adopted, would reduce agency limited expenditures by at least 10 percent of the Modified Essential Budget Level. For the 2007-09 biennium that equates to \$5,762,366 for the Administration program. The majority of PERS' reduction options include administrative support, centrally provided support services, publication activities, and customer services that allow program managers and staff to focus on providing mandated services to members and employers. 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.

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# BUDGET NARRATIVE

## HOUSE BILL 3182 REDUCTIONS

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
1. Eliminate toll-free telephone line	Requires members and employers outside of the Portland area to incur long-distance charges to contact PERS by telephone. (160,000 calls, assuming an average of 10 minutes per call, charged at current rate of \$.06 per minute)	\$96,000 Other Funds	Shifts cost of long-distance communication from PERS to employers, members and retirees when they are located outside of the Portland Metro area. Does not impact services provided.
2. Reduce printed publications and materials	Eliminates distribution of quarterly information publications and specialty information, such as judge member handbooks and beneficiary Q&As. Slows maintenance of policy and procedure documentation by reducing a full-time position to part-time. (1 positions, .50 FTE)	\$143,660 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.
3. Reduce internal audits	Eliminates one internal auditor position, 1.00 FTE.	\$137,178 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.
4. Reduce AG fees	Prioritize review of public contracts to just those contracts required by OAR 137-045-0030.	\$14,250 Other Funds	Decreases legal sufficiency review, increases risk, especially when combined with other potential FTE reductions
5. Eliminate CYE 2006 Valuation	Reduces annual valuation activities to a single biennial valuation as required by ORS.	\$230,000 Other Funds	Elimination of the 2006 Actuarial Valuation would mean that PERS Board would not benefit from a better, more current view of the system's changing costs and funding status. Reduces Board/stakeholder ability for policy decisions and system dynamics
6. Reduce Information Technology support	Eliminate network consulting services and reduce system modifications consulting work by 50 percent. Reduce and delay scheduled replacement of hardware, software and ancillary equipment.	\$499,850 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.

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## BUDGET NARRATIVE

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
7. 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 (QRFs).	\$113,284 Other Funds	Disperses supply ordering and contracting with temporary agencies, increases chance of inconsistent ordering practices. Shifts production printing responsibilities to manager or other mailroom staff.
8. Eliminate training coordinator	Eliminates 1 position, 1.00 FTE, responsible for ensuring coordination of training materials and training plans.	\$151,530 Other Funds	Hinders ability to ensure staff receives consistent and up-to-date training. Increases likelihood of inconsistent retirement application processing.
9. Eliminate Independent Medical Exams (IME) and review of disability claims	Eliminates professional services contract budget available for expert witness and physicians	\$256,719 Other Funds	Eliminates IMEs for denied claims or pre-hearing claims.
10. Eliminate cashier position within Contributions and Banking	This position prepares deposits, reconciles and balances to the lockbox, and inputs data into Employer Contributions and Reporting System (ECRS).	\$137,387 Other Funds	Elimination of this position would result in redirecting the cashiering duties to staff at higher level. The data entry into ECRS will possibly go away when there is an electronic interface from jClarety into ECRS. Until that time, those duties would also have been reallocated.
11. Eliminate CSD support position	Eliminates 1 position, 1.00 FTE, responsible for providing administrative support to the division administrator.	\$105,773 Other Funds	Duties to be absorbed by remaining staff and division managers.
12. Eliminate review of disability claims	End contract with physician to review disability claims for adequacy and accuracy.	\$75,000 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.
13. Reduce legal services.	Reduces budget available for services provided by the Department of Justice.	\$162,053 Other Funds	Requires in-house staff to absorb extra workload and the agency to reduce reliance on outside legal counsel.
14. Eliminate deputy director support	Eliminates 1 position, 1.00 FTE, executive support specialist	\$100,541 Other Funds	Other executive support staff would absorb duties.

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## BUDGET NARRATIVE

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
15. Reduce Social Security Program	Eliminates 1 position, 1.00 FTE, responsible for the Social Security Program	\$146,133 Other Funds	Reduces services to employers regarding Social Security Program updates, changes in regulations and new rules.
16. Eliminate support position to FSD administrator	Eliminates 1 position, 1.00 FTE, responsible for providing administrative support to the division administrator.	\$93,356 Other Funds	Eliminates support position for division administrator. Remaining staff, including payroll clerk and division managers, would absorb duties.
17. Reduce PPLAD administrative support	Eliminates 1 position, .50 FTE, responsible for providing administrative support to the division administrator.	\$93,368 Other Funds	Duties would have to be absorbed by other staff.
18. Defer actuarial audit	Defer the actuarial audit until the 2007 Valuation. Delays review of methods, assumptions, and general costing of the system for two additional years.	\$105,000 Other Funds	The industry standard for an actuarial audit is approximately once every five years. PERS next audit was planned for the 2005 Valuation (6 yr cycle).
19. Reduce Quality Assurance section	Eliminates 1 position and reduces a second position from full-time to half-time, 1.50 FTE).	\$247,597 Other Funds	Agency has significant IT projects planned for the next two biennia. The major one is RIMS replacement, in which quality assurance is essential for the success of the project.
20. Reduce team support for MERS	Eliminates 3 positions, 3.00 FTE.	\$245,611 Other Funds	Eliminates administration support for the MERS team (within CSD), which places a greater workload on the other team members (RC1 and RC2 staff).
21. Reduce administration support for Deferred Compensation in Salem office	Reduces training and development specialist from 1.00 FTE to .50 FTE. Closes the Salem office and reassigns staff to Tigard office. Eliminates 2 administrative support positions, 2.00 FTE. Eliminates Health Insurance manager's office assistant, 1.00 FTE.	\$478,875 Other Funds	Reduced staff availability to train state employees or employers. Increased potential for very limited growth in OSGP Program, potentially resulting in increased participant costs. No local access to member resources and eliminates Salem form drop-offs. Members must travel to Tigard or use mail/telephone/web for information.

Agency Request

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## BUDGET NARRATIVE

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
22. Reduce SES and TOS support positions	Eliminates 2 developer positions, 2.00 FTE, in the Software Engineering section. Eliminates 1 network help desk position, 1.00 FTE, in the Technical Operations section.	\$465,721 Other Funds	Impairs the agency's ability to maintain current operations, implement legislation, and reduces the increase in workloads. TOS reduction would negatively affect the response to system and user issues.
23. Eliminate GL accountant position	Eliminates the General Ledger accountant position, 1.00 FTE, in the Financial Reporting section.	\$130,829 Other Funds	Redirects duties for reconciling RIMS to GL, releasing SFMA batches and processing jClarety transactions for the SFMA interface. Impacts timeliness of transaction processing and increases potential for OT.
24. Eliminate CSD "Work in Progress Desk"	Eliminates 6 positions, 6.00 FTE, all public service reps, in the Member/Employer Relations section	\$604,959 Other Funds	Eliminates return mail, forms fulfillment, and results in service desk reassignments.
25. Reduces Group Counseling	Eliminates 2 presenter positions, 2.00 FTE, and decreases funding for travel expenditures by reducing the number of presentations offered.	\$288,702 Other Funds	Eliminates all group counseling except for members within one year of retirement.
26. Reduce Litigation Services	10 percent reduction of AG budget	\$108,036 Other Funds	Further reduction of this amount would require in-house staff to absorb extra workload and the agency to increase reliance on outside legal counsel.
27. Eliminates position in Contribution and Banking Services	Eliminates 1 position, 1.00 FTE, responsible for register reconciliations and monitoring TRFA invoicing.	\$121,431 Other Funds	All the registers would be reallocated to the "Check Recon Desk" which could greatly reduce the ability to provide members with manual checks. We could only issue manual checks in cases of dire emergency or in cases where the RIMS system just can't produce an accurate check to the member. Employer refunds would have to be absorbed by MERS section. TRFA monthly invoicing would have to be absorbed by Accounts Receivable position.
28. Reduce Correspondence/Call Center	Eliminate all member written correspondence and reduce telephone services by additional 25 percent Eliminate 3.00 FTE counselors.	\$409,523 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

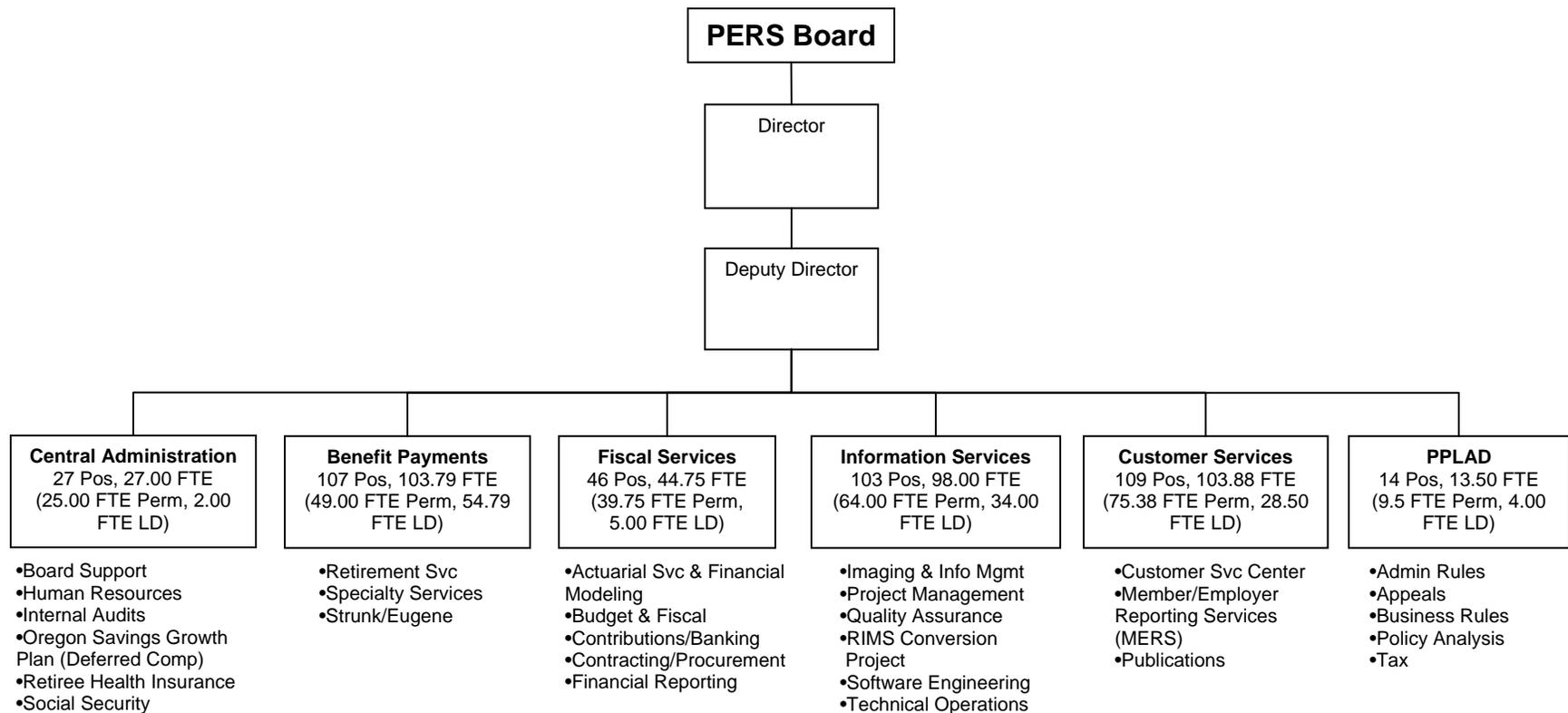
\_\_\_ Governor's Recommended

X  Legislatively Adopted

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# BUDGET NARRATIVE

Public Employees Retirement System  
 2005-07 Legislatively Approved Budget  
 406 Pos, 390.92 FTE (262.63 FTE Permanent, 128.29  
 Limited Duration)



\*\*\* Includes 27 administratively established, limited-duration positions, 13.50 FTE, approved in July 2006 for the Strunk/Eugene Project \*\*\*

Agency Request

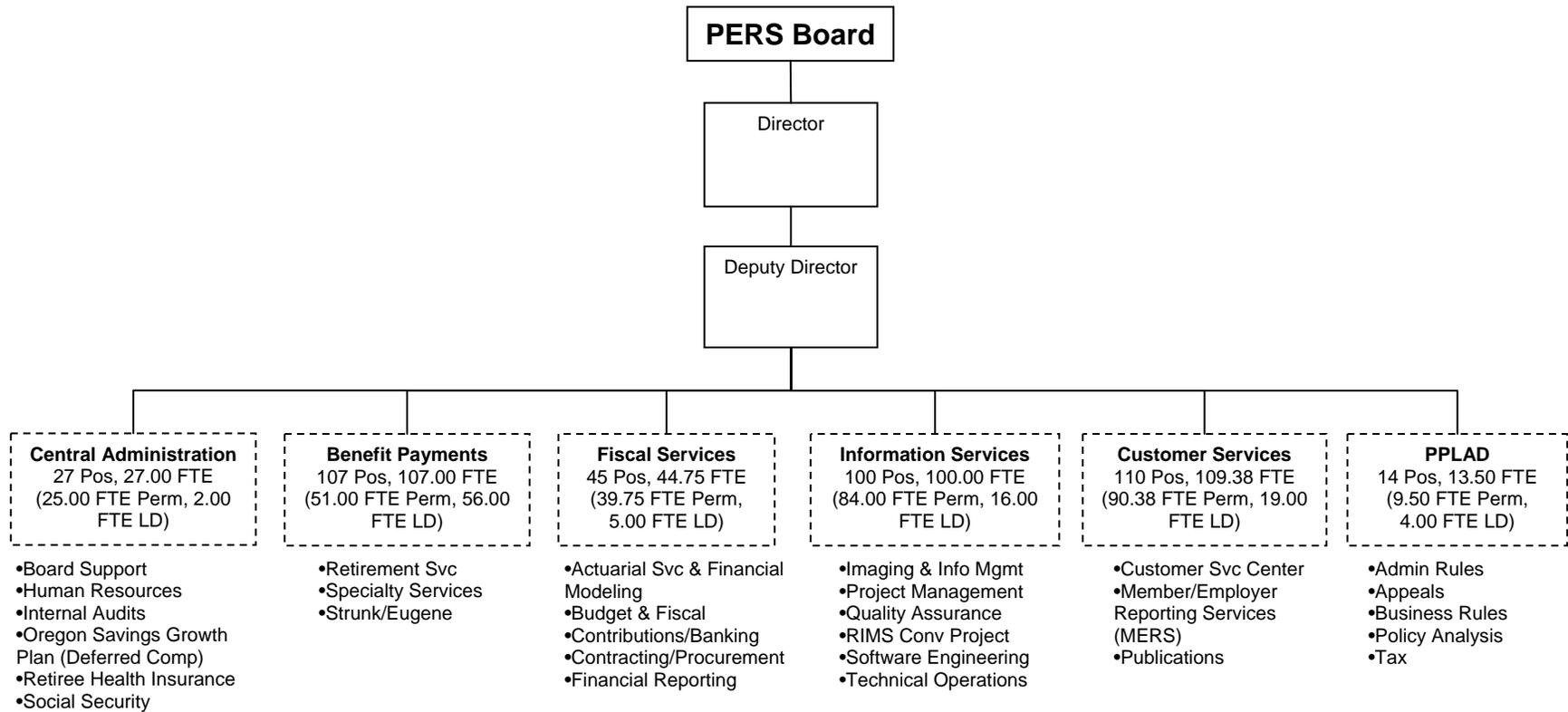
Governor's Recommended

Legislatively Adopted

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# BUDGET NARRATIVE

Public Employees Retirement System  
 2007-09 Governor's Recommended Budget  
 403 Pos, 401.63 FTE (299.63 FTE Permanent, 102.00  
 FTE Limited Duration)



Agency Request

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2007-09 Biennium**

**Version: Z - 01 - Leg. Adopted Budget**

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>LIMITED BUDGET (Excluding Packages)</b>						
Other Funds	76,371,874	75,982,759	75,920,561	68,593,563	68,593,563	68,593,563
AUTHORIZED POSITIONS	420	380	379	264	264	264
AUTHORIZED FTE	366.36	379.00	377.79	262.63	262.63	262.63
<b>LIMITED BUDGET (Essential Packages)</b>						
010-NON-PICS PSNL SVC / VACANCY FACTOR						
Other Funds	-	-	-	33,660	33,660	33,660
022-PHASE-OUT PGM & ONE-TIME COSTS						
Other Funds	-	-	-	(17,499,624)	(17,499,624)	(17,499,624)
030-INFLATION & PRICE LIST ADJUSTMENTS						
Other Funds	-	-	-	747,539	786,857	786,857
<b>TOTAL LIMITED BUDGET (Essential Packages)</b>						
Other Funds	-	-	-	(16,718,425)	(16,679,107)	(16,679,107)
<b>LIMITED BUDGET (Essential Budget Level)</b>						
Other Funds	76,371,874	75,982,759	75,920,561	51,875,138	51,914,456	51,914,456
AUTHORIZED POSITIONS	420	380	379	264	264	264
AUTHORIZED FTE	366.36	379.00	377.79	262.63	262.63	262.63
<b>LIMITED BUDGET (Policy Packages)</b>						
802-WAYS AND MEANS CO-CHAIR 2% REPRIORITIZATION- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(1,165,484)
Authorized Positions	-	-	-	-	-	(4)
Authorized FTE	-	-	-	-	-	(8.75)
803-STATEWIDE ASSESSMENT ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(105,013)

Agencywide Appropriated Fund Group BPR001

Agency Request

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2007-09 Biennium**

**Version: Z - 01 - Leg. Adopted Budget**

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>806-TABLE REQUEST BUDGET ADJUSTMENT- RANK 0 - 300-00-00-00000</b>						
Other Funds	-	-	-	-	-	254,546
Authorized Positions	-	-	-	-	-	2
Authorized FTE	-	-	-	-	-	2.00
<b>112-RETIREMENT PROCESSING- RANK 1 - 300-00-00-00000</b>						
Other Funds	-	-	-	2,651,079	2,651,079	2,651,079
Authorized Positions	-	-	-	25	25	25
Authorized FTE	-	-	-	25.00	25.00	25.00
<b>113-RETIREMENT DATA SUPPORT- RANK 2 - 300-00-00-00000</b>						
Other Funds	-	-	-	2,598,488	2,598,488	2,598,488
Authorized Positions	-	-	-	23	23	23
Authorized FTE	-	-	-	23.00	23.00	23.00
<b>114-OPERATIONS &amp; INFRASTRUCTURE SUPPORT- RANK 3 - 300-00-00-00000</b>						
Other Funds	-	-	-	4,219,993	4,219,993	4,219,993
Authorized Positions	-	-	-	28	28	28
Authorized FTE	-	-	-	28.00	28.00	28.00
<b>115-LEGAL SERVICES- RANK 4 - 300-00-00-00000</b>						
Other Funds	-	-	-	1,000,000	1,000,000	1,000,000
<b>110-STRUNK/EUGENE- RANK 5 - 300-00-00-00000</b>						
Other Funds	-	-	-	6,473,237	6,343,237	6,343,237
Authorized Positions	-	-	-	57	57	57
Authorized FTE	-	-	-	57.00	57.00	57.00
<b>111-RIMS CONVERSION PROJECT- RANK 6 - 300-00-00-00000</b>						
Other Funds	-	-	-	15,147,345	13,539,844	13,539,844

Agencywide Appropriated Fund Group BPR001

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2007-09 Biennium**

**Version: Z - 01 - Leg. Adopted Budget**

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
Authorized Positions	-	-	-	6	6	6
Authorized FTE	-	-	-	6.00	6.00	6.00
<b>TOTAL LIMITED BUDGET (Policy Packages)</b>						
Other Funds	-	-	-	32,090,142	30,352,641	29,336,690
AUTHORIZED POSITIONS	-	-	-	139	139	137
AUTHORIZED FTE	-	-	-	139.00	139.00	132.25
<b>TOTAL LIMITED BUDGET (Including Packages)</b>						
Other Funds	76,371,874	75,982,759	75,920,561	83,965,280	82,267,097	81,251,146
AUTHORIZED POSITIONS	420	380	379	403	403	401
AUTHORIZED FTE	366.36	379.00	377.79	401.63	401.63	394.88
<b>NONLIMITED BUDGET (Excluding Packages)</b>						
Other Funds	5,215,042,382	5,646,765,074	5,565,625,720	6,286,947,122	6,286,947,122	6,286,947,122
<b>NONLIMITED BUDGET (Essential Budget Level)</b>						
Other Funds	5,215,042,382	5,646,765,074	5,565,625,720	6,286,947,122	6,286,947,122	6,286,947,122
<b>TOTAL NONLIMITED BUDGET (Including Packages)</b>						
Other Funds	5,215,042,382	5,646,765,074	5,565,625,720	6,286,947,122	6,286,947,122	6,286,947,122
<b>OPERATING BUDGET (Excluding Packages)</b>						
Other Funds	5,291,414,256	5,722,747,833	5,641,546,281	6,355,540,685	6,355,540,685	6,355,540,685
AUTHORIZED POSITIONS	420	380	379	264	264	264
AUTHORIZED FTE	366.36	379.00	377.79	262.63	262.63	262.63
<b>OPERATING BUDGET (Essential Packages)</b>						
010-NON-PICS PSNL SVC / VACANCY FACTOR						
Other Funds	-	-	-	33,660	33,660	33,660
022-PHASE-OUT PGM & ONE-TIME COSTS						

Agencywide Appropriated Fund Group BPR001

Agency Request

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Legislatively Adopted

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2007-09 Biennium**

**Version: Z - 01 - Leg. Adopted Budget**

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
Other Funds	-	-	-	(17,499,624)	(17,499,624)	(17,499,624)
030-INFLATION & PRICE LIST ADJUSTMENTS						
Other Funds	-	-	-	747,539	786,857	786,857
<b>TOTAL OPERATING BUDGET (Essential Packages)</b>						
Other Funds	-	-	-	(16,718,425)	(16,679,107)	(16,679,107)
<b>OPERATING BUDGET (Essential Budget Level)</b>						
Other Funds	5,291,414,256	5,722,747,833	5,641,546,281	6,338,822,260	6,338,861,578	6,338,861,578
AUTHORIZED POSITIONS	420	380	379	264	264	264
AUTHORIZED FTE	366.36	379.00	377.79	262.63	262.63	262.63
<b>OPERATING BUDGET (Policy Packages)</b>						
802-WAYS AND MEANS CO-CHAIR 2% REPRIORITIZATION- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(1,165,484)
Authorized Positions	-	-	-	-	-	(4)
Authorized FTE	-	-	-	-	-	(8.75)
803-STATEWIDE ASSESSMENT ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(105,013)
806-TABLE REQUEST BUDGET ADJUSTMENT- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	254,546
Authorized Positions	-	-	-	-	-	2
Authorized FTE	-	-	-	-	-	2.00
112-RETIREMENT PROCESSING- RANK 1 - 300-00-00-00000						
Other Funds	-	-	-	2,651,079	2,651,079	2,651,079
Authorized Positions	-	-	-	25	25	25
Authorized FTE	-	-	-	25.00	25.00	25.00

Agencywide Appropriated Fund Group BPR001

Agency Request

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2007-09 Biennium**

**Version: Z - 01 - Leg. Adopted Budget**

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>113-RETIREMENT DATA SUPPORT- RANK 2 - 300-00-00-00000</b>						
Other Funds	-	-	-	2,598,488	2,598,488	2,598,488
Authorized Positions	-	-	-	23	23	23
Authorized FTE	-	-	-	23.00	23.00	23.00
<b>114-OPERATIONS &amp; INFRASTRUCTURE SUPPORT- RANK 3 - 300-00-00-00000</b>						
Other Funds	-	-	-	4,219,993	4,219,993	4,219,993
Authorized Positions	-	-	-	28	28	28
Authorized FTE	-	-	-	28.00	28.00	28.00
<b>115-LEGAL SERVICES- RANK 4 - 300-00-00-00000</b>						
Other Funds	-	-	-	1,000,000	1,000,000	1,000,000
<b>110-STRUNK/EUGENE- RANK 5 - 300-00-00-00000</b>						
Other Funds	-	-	-	6,473,237	6,343,237	6,343,237
Authorized Positions	-	-	-	57	57	57
Authorized FTE	-	-	-	57.00	57.00	57.00
<b>111-RIMS CONVERSION PROJECT- RANK 6 - 300-00-00-00000</b>						
Other Funds	-	-	-	15,147,345	13,539,844	13,539,844
Authorized Positions	-	-	-	6	6	6
Authorized FTE	-	-	-	6.00	6.00	6.00
<b>TOTAL OPERATING BUDGET (Policy Packages)</b>						
Other Funds	-	-	-	32,090,142	30,352,641	29,336,690
AUTHORIZED POSITIONS	-	-	-	139	139	137
AUTHORIZED FTE	-	-	-	139.00	139.00	132.25
<b>TOTAL OPERATING BUDGET (Including Packages)</b>						
Other Funds	5,291,414,256	5,722,747,833	5,641,546,281	6,370,912,402	6,369,214,219	6,368,198,268

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Agencywide Appropriated Fund Group  
2007-09 Biennium

Version: Z - 01 - Leg. Adopted Budget

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
AUTHORIZED POSITIONS	420	380	379	403	403	401
AUTHORIZED FTE	366.36	379.00	377.79	401.63	401.63	394.88
<b>DEBT SERVICE (Excluding Packages)</b>						
Other Funds	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>DEBT SERVICE (Essential Budget Level)</b>						
Other Funds	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>TOTAL DEBT SERVICE (Including Packages)</b>						
Other Funds	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>TOTAL BUDGET (Excluding Packages)</b>						
Other Funds	5,294,977,715	5,728,468,783	5,647,267,231	6,361,249,885	6,361,249,885	6,361,249,885
AUTHORIZED POSITIONS	420	380	379	264	264	264
AUTHORIZED FTE	366.36	379.00	377.79	262.63	262.63	262.63
<b>TOTAL BUDGET (Essential Packages)</b>						
010-NON-PICS PSNL SVC / VACANCY FACTOR						
Other Funds	-	-	-	33,660	33,660	33,660
022-PHASE-OUT PGM & ONE-TIME COSTS						
Other Funds	-	-	-	(17,499,624)	(17,499,624)	(17,499,624)
030-INFLATION & PRICE LIST ADJUSTMENTS						
Other Funds	-	-	-	747,539	786,857	786,857
<b>TOTAL BUDGET (Essential Packages)</b>						
Other Funds	-	-	-	(16,718,425)	(16,679,107)	(16,679,107)
<b>TOTAL BUDGET (Essential Budget Level)</b>						
Other Funds	5,294,977,715	5,728,468,783	5,647,267,231	6,344,531,460	6,344,570,778	6,344,570,778
AUTHORIZED POSITIONS	420	380	379	264	264	264

Agencywide Appropriated Fund Group BPR001

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2007-09 Biennium**

Version: Z - 01 - Leg. Adopted Budget

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
AUTHORIZED FTE	366.36	379.00	377.79	262.63	262.63	262.63
<b>TOTAL BUDGET (Policy Packages)</b>						
802-WAYS AND MEANS CO-CHAIR 2% REPRIORITIZATION- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(1,165,484)
Authorized Positions	-	-	-	-	-	(4)
Authorized FTE	-	-	-	-	-	(8.75)
803-STATEWIDE ASSESSMENT ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(105,013)
806-TABLE REQUEST BUDGET ADJUSTMENT- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	254,546
Authorized Positions	-	-	-	-	-	2
Authorized FTE	-	-	-	-	-	2.00
112-RETIREMENT PROCESSING- RANK 1 - 300-00-00-00000						
Other Funds	-	-	-	2,651,079	2,651,079	2,651,079
Authorized Positions	-	-	-	25	25	25
Authorized FTE	-	-	-	25.00	25.00	25.00
113-RETIREMENT DATA SUPPORT- RANK 2 - 300-00-00-00000						
Other Funds	-	-	-	2,598,488	2,598,488	2,598,488
Authorized Positions	-	-	-	23	23	23
Authorized FTE	-	-	-	23.00	23.00	23.00
114-OPERATIONS & INFRASTRUCTURE SUPPORT- RANK 3 - 300-00-00-00000						
Other Funds	-	-	-	4,219,993	4,219,993	4,219,993
Authorized Positions	-	-	-	28	28	28
Authorized FTE	-	-	-	28.00	28.00	28.00

Agencywide Appropriated Fund Group BPR001

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2007-09 Biennium**

Version: Z - 01 - Leg. Adopted Budget

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
115-LEGAL SERVICES- RANK 4 - 300-00-00-00000						
Other Funds	-	-	-	1,000,000	1,000,000	1,000,000
110-STRUNK/EUGENE- RANK 5 - 300-00-00-00000						
Other Funds	-	-	-	6,473,237	6,343,237	6,343,237
Authorized Positions	-	-	-	57	57	57
Authorized FTE	-	-	-	57.00	57.00	57.00
111-RIMS CONVERSION PROJECT- RANK 6 - 300-00-00-00000						
Other Funds	-	-	-	15,147,345	13,539,844	13,539,844
Authorized Positions	-	-	-	6	6	6
Authorized FTE	-	-	-	6.00	6.00	6.00
<b>TOTAL BUDGET (Policy Packages)</b>						
Other Funds	-	-	-	32,090,142	30,352,641	29,336,690
AUTHORIZED POSITIONS	-	-	-	139	139	137
AUTHORIZED FTE	-	-	-	139.00	139.00	132.25
<b>TOTAL BUDGET (Including Packages)</b>						
Other Funds	5,294,977,715	5,728,468,783	5,647,267,231	6,376,621,602	6,374,923,419	6,373,907,468
AUTHORIZED POSITIONS	420	380	379	403	403	401
AUTHORIZED FTE	366.36	379.00	377.79	401.63	401.63	394.88

Agencywide Appropriated Fund Group BPR001

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Agencywide Program Unit Summary  
2007-09 Biennium

Version: Z - 01 - Leg. Adopted Budget

Summary Cross Reference Number	Cross Reference Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
100-00-00-00000	<b>Tier One and Tier Two Plan</b>						
	Other Funds	5,214,655,206	5,641,669,074	5,531,621,500	6,232,224,146	6,232,224,146	6,232,224,146
200-00-00-00000	<b>Oregon Public Service Retirement Plan</b>						
	Other Funds	387,176	5,096,000	34,004,220	54,722,976	54,722,976	54,722,976
300-00-00-00000	<b>Operations</b>						
	Other Funds	76,371,874	75,982,759	75,920,561	83,965,280	82,267,097	81,251,146
400-00-00-00000	<b>Debt Service</b>						
	Other Funds	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>TOTAL AGENCY</b>							
	Other Funds	5,294,977,715	5,728,468,783	5,647,267,231	6,376,621,602	6,374,923,419	6,373,907,468

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# BUDGET NARRATIVE

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# BUDGET NARRATIVE

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## REVENUES

### Revenue Discussion

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

PERS expects adequate revenues for all programs and activities during the 2007-09 biennium.

### Source of Funds

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

### Retirement System (PERF) Revenue, RHIA and RHIPA

Revenues for the Pension System, which currently makes up 97 percent of PERS' revenues, are to be used solely for the benefit of the PERS members as described in ORS 238.660 (2).

#### *Investment Earnings*

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

Beginning January 1, 2004, all employee (or member) contributions, except for contributions by judge members, were prospectively placed in the OPSRP Individual Account Program (IAP). Employee contributions prior to January 1, 2004 were credited to members' accounts as directed by ORS 238.250. The employee contribution rate for PERS is 6 percent of PERS-covered salary (Judiciary is 7 percent).

Employer contributions are credited to the individual employer's accounts or to the account of the pool in which the employer participates. A portion of employer contributions is credited to the Retirement Health Insurance Premium Account (RHIPA) in accordance with ORS 238.415. Employer contribution rates effective July 2003 were based on the December 31, 2001 actuarial valuation; employer contribution rates effective July 2005 were based on the December 31, 2003 actuarial valuation. Employer rates, as a percent of PERS-covered salary, effective July 1, 2003 and 2005 are:

<b>PERS Chapter 238 Program</b>	<b>July 2003</b>	<b>July 2005</b>
State Agencies	11.31%	8.69%
Community Colleges	10.24%	15.73%
School Pool	11.11%	16.97%
Political Subdivisions (pooled)	8.66%	15.81%
Political Subdivisions (non-pooled)	10.60%	14.60%
Judiciary	19.39%	23.38%

\*The rates listed above are gross employer rates. The State of Oregon, certain schools, community colleges, and political subdivisions have made Unfunded Actuarial Liability (UAL) payments. Their rates have been reduced and are lower than the rates shown above. Employer contributions apply to the PERS Chapter 238 Tier One and Tier Two Pension Program and the post-employment healthcare plans.

## **Oregon Public Service Retirement Plan Revenue**

The Oregon Public Service Retirement Plan (OPSRP) is established and maintained as two tax-qualified governmental programs: a pension program and an individual account program. The assets of each program must be held in separate accounts within the Public Employees Retirement Fund (PERF) for the exclusive benefit of the participants and beneficiaries in each program (ORS 238A.025).

## *Investment Earnings for IAP*

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 administrative costs of maintaining the program.

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# BUDGET NARRATIVE

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## *Employee/Employer Contributions*

Employees contribute 6 percent of their salary to an Individual Account (IAP) as directed by ORS 238A.330 and ORS 238A.335. Employer contributions are credited to the pool in which the employer participates per ORS 238A.340. Employers participating in the OPSRP Pension Program participate in the same rate sharing pool. The normal-cost employer rates beginning January 1, 2004 were 8.04 percent of covered salaries for general service employees and 11.65 percent of covered salaries for police and fire employees. Because this is a new pension program for members joining the system on or after August 29, 2003, membership size and demographic experience were not sufficient to conduct a meaningful valuation until the December 31, 2005 valuation had been completed. Completion of this valuation occurred late in the fall of 2006; once those rates are established, they will be effective July 1, 2007.

## **Benefit Equalization Fund (BEF) and Social Security Program**

The revenues for the administration of the Benefit Equalization Fund (BEF) and the Social Security Program are derived from fees assessed to those employers receiving services from these programs. Administrative fees are reviewed and adjusted annually based on expected numbers of participating employers and projected administrative expenses. Currently, the employers are charged \$75 per month per participant (retirees receiving benefits in excess of IRS limits) and a one-time initial setup fee of \$700 per participant in the BEF program. Employers of the Social Security Program are charged an annual administration fee of \$0.25 per employee or \$10, whichever is higher.

## **SRHIA Revenue**

Revenues for the Standard Retiree Health Insurance Account (SRHIA) are received from plan participants and used by the Board only to pay the cost of health insurance coverage and to pay the administrative costs incurred by the Board in administering health insurance coverage for eligible persons as defined in 238.410(b). The plan participants are the source of all revenue received, less the amount subsidized by the RHIA and RHIPA health insurance benefits, for health insurance benefits.

The PERS' Retiree Health Insurance Program offers a variety of medical health insurance carriers and two dental plan carriers for both Medicare healthcare plans and non-Medicare healthcare plans. Rates vary depending on the plan option selected by the participants. 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. A participant in some plans benefit from a subsidy.

## **Deferred Compensation Program**

PERS may assess a charge to the participants not to exceed 2 percent on amounts deferred, both contributions and investment earnings, to cover costs incurred for administering the program. The annual participant fee is currently .08 percent (.0008) of participant assets held in the trust. At this time PERS does not anticipate a fee increase in the 2007-09 biennium. All administrative revenue is Other Funds and no matching funds are required.

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

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# BUDGET NARRATIVE

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## **Basis for 2007-09 Revenue Estimates**

Projected investment income is based on an assumed future earnings rate of 8 percent annually. PERS based the total projected Tier One and Tier Two contributions on a report provided by Mercer HR Consulting based on system financial modeling data they developed. Using trend analysis of pension contributions, and separately analyzing employer prepayments funding the Unfunded Actuarial Liability (UAL), PERS projected future total contributions based on a system-wide rate average. PERS separated the 6 percent employee contribution into the OPSRP Individual Account Program (IAP) from these total projected contributions beginning January 2004. An 8 percent turnover rate, one of PERS' actuarial assumptions, was used to project the number of participants establishing membership in the system on or after August 29, 2003. Projections for future growth in the three health insurance accounts (SRHIA, RHIA, and RHIPA) were provided by the PERS Health Insurance program manager, assisted by outside health insurance consultants. When the actuaries have completed the December 2005 actuarial valuation anticipated in September, 2006, PERS will have better information to project future contributions and will periodically re-project revenues throughout the budget development process.

## **Other Charges for Services**

ORS 238.350 states that each account in the Individual Account Program (IAP) shall be adjusted at least annually in accordance with rules adopted by the board to reflect any net earnings or losses and to pay the reasonable administrative costs of maintaining the program to the extent the earnings on the assets of the program are insufficient to pay those costs. A total of \$6,100,000 is projected for the 2007-09 biennium.

ORS 237.420 allows PERS to set a rate to cover the costs of administering the Social Security Program. That rate is currently 25 cents per employee per year or \$10, whichever is higher. A total of \$151,436 is projected for the 2007-09 biennium.

Annually, employers are invoiced a fee consisting of a \$700 initial set-up charge and a \$75 monthly ongoing administrative fee per participant to fund the administrative costs of the Benefit Equalization Fund (BEF). A total of \$243,879 is projected for the 2007-09 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 \$105,210 in the 2007-09 biennium.

ORS 238.705 allows PERS to charge employers delinquent in remitting contributions 1 percent per month on the total amount of contributions due. Employers that are delinquent in providing annual reports, or supplying annual employee information, are charged a penalty of the lesser of \$2,000 or 1 percent of the total annual contributions for each month they are late. PERS estimates a total of \$50,000 employer late penalty fees in the 2007-09 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 \$700 in the 2007-09 biennium.

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# BUDGET NARRATIVE

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 \$600 of benefit estimate service charges in the 2007-09 biennium.

PERS collects fees for various other services provided. PERS estimates a total of \$8,000 in the 2007-09 biennium based on historical trend analysis.

Projected revenue for the Deferred Compensation Program in the 2007-09 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 \$1,390,126 in the 2007-09 biennium.

## Other Revenue

Other revenue consists of prior period reductions of expense, surplus sales, MICR errors, total of checks that have been outstanding for over 2 years and are no longer negotiable, and other revenue. PERS projects revenue from these sources of \$10,000 in the 2007-09 biennium.

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
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
2004	459.9	3,209.9 *	23.8	7,205.7	10,899.3
2005	458.3	855.5 *	23.6	5,756.7	7,094.1

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

# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2007-09 Biennium

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

Source	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>Other Funds</b>						
Charges for Services	7,348,302	2,197,416	7,837,923	7,889,041	7,889,041	7,889,041
Cert of Participation	9,943,754	-	-	-	-	-
Interest Income	917,098	-	1,627,403	1,609,318	1,609,318	1,609,318
Other Revenues	10,614	32,847	230,200	230,200	230,200	230,200
Transfer In - Intrafund	62,425,608	79,248,124	80,713,667	88,498,135	86,760,634	85,707,675
Transfer Out - Intrafund	(1,109,740)	-	(9,104,102)	(8,223,755)	(8,223,755)	(8,041,588)
<b>Total Other Funds</b>	<b>\$79,535,636</b>	<b>\$81,478,387</b>	<b>\$81,305,091</b>	<b>\$90,002,939</b>	<b>\$88,265,438</b>	<b>\$87,394,646</b>
<b>Nonlimited Other Funds</b>						
Charges for Services	581,324	-	155,910	160,910	160,910	160,910
Interest Income	11,269,159,012	4,328,611,411	16,251,412,904	10,465,082,009	10,465,082,009	10,465,082,009
Retirement System Contribution	4,643,154,568	2,676,451,597	3,873,289,582	3,497,161,820	3,497,161,820	3,497,161,820
Other Revenues	689,273	300,000	742,531	773,312	773,312	773,312
Transfer Out - Intrafund	(61,315,868)	(79,248,124)	(71,609,565)	(80,274,380)	(78,536,879)	(77,666,087)
<b>Total Nonlimited Other Funds</b>	<b>\$15,852,268,309</b>	<b>\$6,926,114,884</b>	<b>\$20,053,991,362</b>	<b>\$13,882,903,671</b>	<b>\$13,884,641,172</b>	<b>\$13,885,511,964</b>

Detail of LF, OF, and FF Revenues - BPR012

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Agencywide Revenues and Disbursements Summary  
2007-09 Biennium

Version: Z-01-Leg. Adopted Budget

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
Other Funds	32,910,990,514	42,491,549,614	49,149,870,536	63,637,899,758	63,637,899,758	63,637,899,758
0030 Beginning Balance Adjustment						
Other Funds	5,602,053,792	-	-	-	-	-
<b>TOTAL BEGINNING BALANCE</b>						
Other Funds	38,513,044,306	42,491,549,614	49,149,870,536	63,637,899,758	63,637,899,758	63,637,899,758
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
Other Funds	7,929,626	2,197,416	7,993,833	8,049,951	8,049,951	8,049,951
<b>BOND SALES</b>						
0580 Cert of Participation						
Other Funds	9,943,754	-	-	-	-	-
<b>INTEREST EARNINGS</b>						
0605 Interest Income						
Other Funds	11,270,076,110	4,328,611,411	16,253,040,307	10,466,691,327	10,466,691,327	10,466,691,327
<b>DONATIONS AND CONTRIBUTIONS</b>						
0915 Retirement System Contribution						
Other Funds	4,643,154,568	2,676,451,597	3,873,289,582	3,497,161,820	3,497,161,820	3,497,161,820
<b>OTHER</b>						
0975 Other Revenues						

Agencywide Revenues and Disbursements Summary - BPR011

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Revenues and Disbursements Summary  
2007-09 Biennium**

Version: Z-01-Leg. Adopted Budget

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
Other Funds	699,887	332,847	972,731	1,003,512	1,003,512	1,003,512
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
Other Funds	62,425,608	79,248,124	80,713,667	88,498,135	86,760,634	85,707,675
<b>TOTAL REVENUES</b>						
Other Funds	15,994,229,553	7,086,841,395	20,216,010,120	14,061,404,745	14,059,667,244	14,058,614,285
<b>TRANSFERS OUT</b>						
<b>2010 Transfer Out - Intrafund</b>						
Other Funds	(62,425,608)	(79,248,124)	(80,713,667)	(88,498,135)	(86,760,634)	(85,707,675)
<b>AVAILABLE REVENUES</b>						
Other Funds	54,444,848,251	49,499,142,885	69,285,166,989	77,610,806,368	77,610,806,368	77,610,806,368
<b>EXPENDITURES</b>						
Other Funds	5,294,977,715	5,728,468,783	5,647,267,231	6,376,621,602	6,374,923,419	6,373,907,468
<b>ENDING BALANCE</b>						
Other Funds	49,149,870,536	43,770,674,102	63,637,899,758	71,234,184,766	71,235,882,949	71,236,898,900

Agencywide Revenues and Disbursements Summary - BPR011

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# BUDGET NARRATIVE

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## **Tier One and Tier Two Program (ORS Chapter 238)**

### **Overview**

Approximately 885 public employers, employing approximately 95 percent of all public employees in Oregon, participate in the death, disability, retirement, and retiree health care benefit programs administered by PERS. This includes all state agencies, all public school districts, and the majority of local government entities. Active Tier One and Tier Two membership totals approximately 190,000 non-retired members and 103,000 retirees and beneficiaries receiving monthly retirement benefits. This program was closed to new members on August 29, 2003, corresponding to the passage of House Bill 2020 (Chapter 733, Oregon Laws 2003). That legislation created a new retirement program, OPSRP, for members hired after that date.

The Tier One and Tier Two Program accounts for employee and employer contributions and investment earnings related to Tier One and Tier Two members and employer accounts, and reflects the retirement payments made to Tier One and Tier Two retirees and beneficiaries. In the 2005-07 biennium and beyond, this program unit will no longer reflect employee contributions, as those have been directed to the OPSRP IAP effective January 1, 2004. Employer contributions continue to come into the Tier One and Tier Two Program.

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

### **Base Budget Adjustments**

Changes have been made to both revenues and expenditures to reflect updated projections and inflation for contracted services.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

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

Cross Reference Name: 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	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Transfers Out</b>							
Transfer Out - Intrafund	-	-	-	-	11,946,385	-	11,946,385
<b>Total Transfers Out</b>	-	-	-	-	<b>\$11,946,385</b>	-	<b>\$11,946,385</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	11,946,385	-	11,946,385
<b>Total Ending Balance</b>	-	-	-	-	<b>\$11,946,385</b>	-	<b>\$11,946,385</b>

Essential and Policy Package Fiscal Impact Summary - BPR013

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 803 - Statewide Assessment 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	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Transfers Out</b>							
Transfer Out - Intrafund	-	-	-	-	821,349	-	821,349
<b>Total Transfers Out</b>	-	-	-	-	<b>\$821,349</b>	-	<b>\$821,349</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	821,349	-	821,349
<b>Total Ending Balance</b>	-	-	-	-	<b>\$821,349</b>	-	<b>\$821,349</b>

# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2007-09 Biennium

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

Source	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>Nonlimited Other Funds</b>						
Charges for Services	184,442	-	155,910	160,910	160,910	160,910
Interest Income	11,224,019,952	4,307,844,007	16,214,084,418	10,413,284,889	10,413,284,889	10,413,284,889
Retirement System Contribution	4,064,737,322	1,378,488,842	2,934,378,576	2,511,305,270	2,511,305,270	2,511,305,270
Other Revenues	689,273	300,000	742,531	773,312	773,312	773,312
Transfer Out - Intrafund	(49,663,054)	(74,650,601)	(54,749,224)	(63,336,673)	(61,982,432)	(61,161,083)
<b>Total Nonlimited Other Funds</b>	<b>\$15,239,967,935</b>	<b>\$5,611,982,248</b>	<b>\$19,094,612,211</b>	<b>\$12,862,187,708</b>	<b>\$12,863,541,949</b>	<b>\$12,864,363,298</b>

Detail of LF, OF, and FF Revenues - BPR012

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Program Unit Appropriated Fund Group and Category Summary  
 2007-09 Biennium  
 Tier One and Tier Two Plan

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

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>NONLIMITED BUDGET (Excluding Packages)</b>						
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	4,561,237	4,676,256	5,307,546	5,307,546	5,307,546
<b>SPECIAL PAYMENTS</b>						
Other Funds	5,214,655,206	5,637,107,837	5,526,945,244	6,226,916,600	6,226,916,600	6,226,916,600
<b>TOTAL NONLIMITED BUDGET (Excluding Packages)</b>						
Other Funds	5,214,655,206	5,641,669,074	5,531,621,500	6,232,224,146	6,232,224,146	6,232,224,146
<b>NONLIMITED BUDGET (Essential Budget Level)</b>						
Other Funds	5,214,655,206	5,641,669,074	5,531,621,500	6,232,224,146	6,232,224,146	6,232,224,146
<b>TOTAL NONLIMITED BUDGET (Including Packages)</b>						
Other Funds	5,214,655,206	5,641,669,074	5,531,621,500	6,232,224,146	6,232,224,146	6,232,224,146
<b>OPERATING BUDGET</b>						
Other Funds	5,214,655,206	5,641,669,074	5,531,621,500	6,232,224,146	6,232,224,146	6,232,224,146
<b>TOTAL BUDGET</b>						
Other Funds	5,214,655,206	5,641,669,074	5,531,621,500	6,232,224,146	6,232,224,146	6,232,224,146

Program Unit Appropriated Fund and Category Summary – BPR007A

Agency Request

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# BUDGET NARRATIVE

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## Oregon Public Service Retirement Plan (ORS Chapter 238A)

### Overview

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

Employers participating in PERS as of August 28, 2003 must participate in 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. There are approximately 25,000 members of the OPSRP Pension Program as of July, 2006.

Beginning January 1, 2004, Tier One and Tier Two Program member contributions also go into the IAP portion of OPSRP. Tier One and Tier Two 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 and Tier Two account. A PERS member who has a qualifying break in service becomes a member of OPSRP pension program for any subsequent employment upon returning to service.

This program accounts for employee member contributions into the IAP, employer contributions into the OPSRP Pension Plan, and IAP account withdrawals and distributions to Tier One and Tier Two retirees. While this program unit will account for retirement payments and IAP account payments for OPSRP retirees, this activity is expected to remain minimal for the 2007-09 biennium. The program unit also outlines the fund transfer from plan assets to the Operations program unit to pay for program administrative activities.

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

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

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

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Transfers Out</b>							
Transfer Out - Intrafund	-	-	-	-	4,367,978	-	4,367,978
<b>Total Transfers Out</b>	-	-	-	-	<b>\$4,367,978</b>	-	<b>\$4,367,978</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	4,367,978	-	4,367,978
<b>Total Ending Balance</b>	-	-	-	-	<b>\$4,367,978</b>	-	<b>\$4,367,978</b>

Essential and Policy Package Fiscal Impact Summary - BPR013

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 803 - Statewide Assessment 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	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Transfers Out</b>							
Transfer Out - Intrafund	-	-	-	-	49,443	-	49,443
<b>Total Transfers Out</b>	-	-	-	-	<b>\$49,443</b>	-	<b>\$49,443</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	49,443	-	49,443
<b>Total Ending Balance</b>	-	-	-	-	<b>\$49,443</b>	-	<b>\$49,443</b>

# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2007-09 Biennium

Agency Number: 45900

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

Source	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>Nonlimited Other Funds</b>						
Charges for Services	396,882	-	-	-	-	-
Interest Income	45,139,060	20,767,404	37,328,486	51,797,120	51,797,120	51,797,120
Retirement System Contribution	578,417,246	1,297,962,755	938,911,006	985,856,550	985,856,550	985,856,550
Transfer Out - Intrafund	(11,652,814)	(4,597,523)	(16,860,341)	(16,937,707)	(16,554,447)	(16,505,004)
<b>Total Nonlimited Other Funds</b>	<b>\$612,300,374</b>	<b>\$1,314,132,636</b>	<b>\$959,379,151</b>	<b>\$1,020,715,963</b>	<b>\$1,021,099,223</b>	<b>\$1,021,148,666</b>

Detail of LF, OF, and FF Revenues - BPR012

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Program Unit Appropriated Fund Group and Category Summary

Version: Z - 01 - Leg. Adopted Budget

2007-09 Biennium

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

Oregon Public Service Retirement Plan

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>NONLIMITED BUDGET (Excluding Packages)</b>						
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	4,096,000	3,950,741	4,222,976	4,222,976	4,222,976
<b>SPECIAL PAYMENTS</b>						
Other Funds	387,176	1,000,000	30,053,479	50,500,000	50,500,000	50,500,000
<b>TOTAL NONLIMITED BUDGET (Excluding Packages)</b>						
Other Funds	387,176	5,096,000	34,004,220	54,722,976	54,722,976	54,722,976
<b>NONLIMITED BUDGET (Essential Budget Level)</b>						
Other Funds	387,176	5,096,000	34,004,220	54,722,976	54,722,976	54,722,976
<b>TOTAL NONLIMITED BUDGET (Including Packages)</b>						
Other Funds	387,176	5,096,000	34,004,220	54,722,976	54,722,976	54,722,976
<b>OPERATING BUDGET</b>						
Other Funds	387,176	5,096,000	34,004,220	54,722,976	54,722,976	54,722,976
<b>TOTAL BUDGET</b>						
Other Funds	387,176	5,096,000	34,004,220	54,722,976	54,722,976	54,722,976

Program Unit Appropriated Fund and Category Summary – BPR007A

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# BUDGET NARRATIVE

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## Operations

### Overview

As previously stated, PERS administers a number of retirement related programs for approximately 885 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 divisions to reduce overlap and clearly designate responsibilities. Within the divisions, sections exist that focus upon specific activities involved in agency and program support. The major areas of activity are employer reporting, customer service, death 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 Division (FSD), Information Systems Division (ISD), Customer Services Division (CSD), and Policy, Planning, and Legislative Analysis Division (PPLAD).

#### *Central Administration*

The Central Administration Division, in conjunction with the PERS Board, provides the central direction, planning and leadership for PERS. The Division consists of the Executive Director, Deputy Director, Human Resources, Internal Audits, Retiree Health Insurance (SHRIA, RHIA, RHIPA), Social Security Program, and Deferred Compensation (OSGP).

#### *Benefit Payments Division (BPD)*

The Benefit Payments Division (BPD) is responsible for incepting, maintaining, and ending retirement, death, and disability payments. This includes determining or validating benefit eligibility; calculating and adjusting benefits; processing death, disability, and divorce transactions; communicating with members and stakeholders on actions; and supporting special projects such as the RIMS Conversion Project (RCP). In addition, BPD is the primary division responsible for implementing the Oregon Supreme Court rulings and related settlement agreement in both the *Strunk* and *Eugene* cases.

#### *Fiscal Services Division (FSD)*

The Fiscal Services Division (FSD) provides comprehensive financial and administrative services to the agency. This includes financial accounting, reporting, and tax services for all PERS' trust and agency fund activities including the Retirement Fund, Deferred Compensation Funds, Benefit Equalization Fund, health insurance programs, and Social Security Program. FSD is responsible for agency fiscal operations duties, including the receipt, posting, and deposit of over \$1 billion annually in member and employer contributions; and the disbursement of over \$2.5 billion in annual member and beneficiary benefits. Other fiscal activities include preparation, maintenance, and reporting of the agency's biennial budget; coordination of actuarial services; fiscal analysis; accounts receivable; accounts payable; contracts; and

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# BUDGET NARRATIVE

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procurement. FSD also contains the Auxiliary Services Unit that manages office supplies, general building maintenance, shipping and receiving, and other various ancillary tasks.

## *Information Services Division (ISD)*

The Information Services Division (ISD) provides technical support to all other divisions of the agency. ISD ensures that agency staff have the appropriate tools and automation necessary to complete their duties and provide customer service to members, employers and other stakeholders. The Division supervises the operation of PERS' complex IT systems and supports the many desktop computers while maintaining older systems, such as the RIMS mainframe application. Help desk support, installation and training, software development, and quality assurance all fall under ISD's responsibilities. In addition, the Imaging & Information Management section maintains records from numerous sources. The infrastructure and technical components of RIMS conversion to the jClarety application takes place within ISD.

## *Customer Services Division (CSD)*

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

## *Policy, Planning and Legislative Analysis Division (PPLAD)*

PPLAD facilitates PERS' legislative, rulemaking, legal services, and agency determination review and contested case activities. PPLAD drafts administrative rules, coordinates legal counsel, and ensures compliance with state and federal statutes, rules and court decisions.

## **Base Budget Adjustments**

The 2007-09 Other Funds Limitation base budget is adjusted downward by (\$7,389,196) Other Funds due primarily to the phasing out of 116 limited duration positions, 116.37 FTE. The services, supplies, and capital outlay expenditures associated with these positions and the various projects associated with 2003 PERS reform are contained in the 021 Phase-out essential package.

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# BUDGET NARRATIVE

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## Operations

### Package 010 Non-PICS Personal Services/Vacancy Factor

#### Package Description

This package contains a total increase of \$33,660 Other Funds. The increase is due primarily to the net increase of \$62,147 for the PERS portion of the pension obligation bond. This package includes standard inflation of 3.10 percent on non-PICS personal service expenses such as temporary employees, overtime, shift and other differentials, and unemployment compensation; this accounts for \$34,509 including other payroll expenses. There is a reduction of (\$29,481) for mass transit taxes. Vacancy savings is "increased" by (\$33,515) when compared to the 2005-07 biennium.

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

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

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Personal Services</b>							
Temporary Appointments	-	-	4,865	-	-	-	4,865
Overtime Payments	-	-	16,756	-	-	-	16,756
Shift Differential	-	-	61	-	-	-	61
All Other Differential	-	-	6,490	-	-	-	6,490
Public Employees' Retire Cont	-	-	2,968	-	-	-	2,968
Pension Bond Contribution	-	-	62,147	-	-	-	62,147
Social Security Taxes	-	-	2,154	-	-	-	2,154
Unemployment Assessments	-	-	1,160	-	-	-	1,160
Mass Transit Tax	-	-	(29,481)	-	-	-	(29,481)
Vacancy Savings	-	-	(33,515)	-	-	-	(33,515)
Reconciliation Adjustment	-	-	55	-	-	-	55
<b>Total Personal Services</b>	-	-	<b>\$33,660</b>	-	-	-	<b>\$33,660</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	33,660	-	-	-	33,660
<b>Total Expenditures</b>	-	-	<b>\$33,660</b>	-	-	-	<b>\$33,660</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(33,660)	-	-	-	(33,660)
<b>Total Ending Balance</b>	-	-	<b>(\$33,660)</b>	-	-	-	<b>(\$33,660)</b>

Essential and Policy Package Fiscal Impact Summary - BPR013

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# BUDGET NARRATIVE

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## Operations

### Package 022 Phase-out Program and One-time Costs

#### Package Description

Total reductions of (\$17,499,624) include scheduled one-time costs and phase-outs for projects approved during the last legislative session. The detail of the total reduction is as follows:

- Pkg. 101 PERS Restructure and Support.....\$(290,635)
  - Pkg. 102 Legal Services.....(1,000,000)
  - Pkg. 103 Resolve Accumulated Workload.....(136,786)
  - Pkg. 104 PERS Reform Legislation Implementation.....(664,307)
  - Pkg. 105 Information Technology Initiatives.....(114,643)
  - Pkg. 107 RIMS Replacement.....(14,366,520)
  - Pkg. 810 Additional Ways & Means Adjustments (SB 5558-A)-Strunk.....(926,733)
- Total one-time costs and phase-outs.....\$(17,499,624)**

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

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

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	(17,165,406)	-	-	-	(17,165,406)
<b>Total Revenues</b>	-	-	<b>(\$17,165,406)</b>	-	-	-	<b>(\$17,165,406)</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	(128,250)	-	-	-	(128,250)
Office Expenses	-	-	(512,424)	-	-	-	(512,424)
Data Processing	-	-	(968,147)	-	-	-	(968,147)
Professional Services	-	-	(1,133,720)	-	-	-	(1,133,720)
IT Professional Services	-	-	(13,400,397)	-	-	-	(13,400,397)
Facilities Rental and Taxes	-	-	(578,881)	-	-	-	(578,881)
Expendable Prop 250 - 5000	-	-	(71,413)	-	-	-	(71,413)
IT Expendable Property	-	-	(17,516)	-	-	-	(17,516)
<b>Total Services &amp; Supplies</b>	-	-	<b>(\$16,810,748)</b>	-	-	-	<b>(\$16,810,748)</b>
<b>Capital Outlay</b>							
Data Processing Software	-	-	(300,019)	-	-	-	(300,019)
Data Processing Hardware	-	-	(388,857)	-	-	-	(388,857)
<b>Total Capital Outlay</b>	-	-	<b>(\$688,876)</b>	-	-	-	<b>(\$688,876)</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	(17,499,624)	-	-	-	(17,499,624)
<b>Total Expenditures</b>	-	-	<b>(\$17,499,624)</b>	-	-	-	<b>(\$17,499,624)</b>

Essential and Policy Package Fiscal Impact Summary - BPR013

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

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

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	334,218	-	-	-	334,218
<b>Total Ending Balance</b>	-	-	<b>\$334,218</b>	-	-	-	<b>\$334,218</b>

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# BUDGET NARRATIVE

## Operations

### Package 030 Inflation and Price List Adjustments

#### Package Description

The total cost of and goods and services increases by \$786,857 Other Funds when compared to the 2007-09 base budget. The Department of Administrative Services (DAS) Price List of Goods and Services and the general inflation factors are the basis for calculating cost increases in services, supplies, and capital outlay. Biennial inflation factors used include the standard 3.1 percent for general inflation and a medial inflation rate of 5.4 percent for professional service contract providers who review retirement disability applications and other services required by the PERS Retirement Disability program. Attorney General expenditures increase by \$132,675, reflecting a composite 14 percent increase based on the mix of services utilized by PERS. Facilities Rental and Taxes expenditures decrease by \$598. This amount, plus a fund shift of \$43,567 in package 060, equals a total of \$167,685 in this account. This amount is necessary to cover PERS estimated Archives Building rental and offsite document storage in the 2007-09 biennium. PERS budgets Central Hearings Panel Charges in account 4350, Dispute Resolution Services. These expenditures increase by \$9,586, reflecting a 13 percent increase.

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 increased by a \$282,798. This increase is solely the result of charges or price lists provided by DAS or the agencies. The detail of the changes is listed below:

	<u>2005-07</u>	<u>2007-09</u>	<u>Difference</u>
• Audits Division Assessment .....	\$350,000	\$350,000	\$ 0
• Central Government.....	101,222	248,478	147,256
• DAS Service Charges/Assessments .....	687,188	812,883	125,695
• Insurance .....	142,265	123,679	(18,586)
• Minority Women/Small Business .....	8,031	9,826	1,795
• Supreme Court Library Assessment .....	17,778	23,222	5,444
• State Controller's Division Direct Charge .....	35,692	44,511	8,819
• State Library Assessment.....	48,792	71,591	22,799
• State Treasury .....	186,899	173,652	(13,247)
• State Treasury/Debt Mgmt Charges.....	2,214	5,037	2,823
<b>Total State Government Service Charges.....</b>	<b>\$1,580,081</b>	<b>\$1,862,879</b>	<b>\$282,798</b>

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# BUDGET NARRATIVE

## 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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	442,757	-	-	-	442,757
<b>Total Revenues</b>	-	-	<b>\$442,757</b>	-	-	-	<b>\$442,757</b>
<b>Transfers Out</b>							
Transfer Out - Intrafund	-	-	416,460	-	-	-	416,460
<b>Total Transfers Out</b>	-	-	<b>\$416,460</b>	-	-	-	<b>\$416,460</b>
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	16,017	-	-	-	16,017
Out of State Travel	-	-	345	-	-	-	345
Employee Training	-	-	11,155	-	-	-	11,155
Office Expenses	-	-	45,612	-	-	-	45,612
Telecommunications	-	-	15,609	-	-	-	15,609
State Gov. Service Charges	-	-	282,798	-	-	-	282,798
Data Processing	-	-	131,661	-	-	-	131,661
Publicity and Publications	-	-	9,073	-	-	-	9,073
Professional Services	-	-	58,706	-	-	-	58,706
IT Professional Services	-	-	15,424	-	-	-	15,424
Attorney General	-	-	132,675	-	-	-	132,675
Dispute Resolution Services	-	-	9,586	-	-	-	9,586
Employee Recruitment and Develop	-	-	1,798	-	-	-	1,798
Dues and Subscriptions	-	-	1,571	-	-	-	1,571
Facilities Rental and Taxes	-	-	(598)	-	-	-	(598)
Fuels and Utilities	-	-	4,993	-	-	-	4,993

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# BUDGET NARRATIVE

## 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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Facilities Maintenance	-	-	22,466	-	-	-	22,466
Other Services and Supplies	-	-	83	-	-	-	83
Expendable Prop 250 - 5000	-	-	2,232	-	-	-	2,232
IT Expendable Property	-	-	14,968	-	-	-	14,968
<b>Total Services &amp; Supplies</b>	-	-	<b>\$776,174</b>	-	-	-	<b>\$776,174</b>
<b>Capital Outlay</b>							
Office Furniture and Fixtures	-	-	957	-	-	-	957
Telecommunications Equipment	-	-	1,945	-	-	-	1,945
Data Processing Software	-	-	3,224	-	-	-	3,224
Data Processing Hardware	-	-	4,557	-	-	-	4,557
<b>Total Capital Outlay</b>	-	-	<b>\$10,683</b>	-	-	-	<b>\$10,683</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	786,857	-	-	-	786,857
<b>Total Expenditures</b>	-	-	<b>\$786,857</b>	-	-	-	<b>\$786,857</b>
<b>Ending Balance</b>							
Ending Balance	-	-	72,360	-	-	-	72,360
<b>Total Ending Balance</b>	-	-	<b>\$72,360</b>	-	-	-	<b>\$72,360</b>

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# BUDGET NARRATIVE

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## Operations

### Package 060 Technical Adjustments

#### Package Description

A one-time technical adjustment, a shift of \$43,567 of the Facility Maintenance budget account to the Facility Rental budget account, is necessary to accurately reflect PERS' estimated rent in the Archives Building and offsite document storage during the 2007-09 biennium. This shift between accounts does not increase the overall Agency Request Budget.

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

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

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Facilities Rental and Taxes	-	-	43,567	-	-	-	43,567
Facilities Maintenance	-	-	(43,567)	-	-	-	(43,567)
<b>Total Services &amp; Supplies</b>	-	-	-	-	-	-	-
<b>Total Expenditures</b>							
Total Expenditures	-	-	-	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-	-	-	-
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

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## Operations

### Package 110 Strunk/Eugene Project

#### Package Description

**Purpose:** To fulfill PERS' obligation to comply with the Oregon Supreme Court rulings in both the *Strunk* and *City of Eugene* cases. Pursuant to the Court rulings and related settlement agreement, PERS must re-calculate member account balances, adjust certain retiree benefits, restore Cost-of-Living Adjustments (COLAs), and recover overpayments that were made based on an over-crediting of 1999 earnings to Tier One member regular accounts.

**How achieved:** PERS requests the continuation of 57 limited duration positions, 57.00 FTE, and \$6,343,237 in Other Funds Limitation, to complete this short-term project by the end of the 2007-09 biennium. Positions cross all division lines in the agency and include all activities related to benefit adjustments and payment collection, such as scanning and imaging retiree records and correspondence, benefit recalculations, database changes that result from benefit recalculations, benefit adjustments, and overpayment collection and recovery activities.

#### Project Overview

The 2003 PERS reform legislation and the Oregon Supreme Court decisions in the *Strunk* and *Eugene* cases and related settlement agreement define the parameters within which PERS can implement the project. The Court ruled that the Board's Settlement Agreement and the 2003 PERS reform legislation have resolved the issues in the *Eugene* case. The court's *Strunk* ruling, combined with the Settlement Agreement, requires PERS to:

- Re-allocate the 1999 earnings to Tier One member regular accounts at 11.33 percent instead of 20 percent.
- Credit the assumed rate, currently 8 percent, to Tier One accounts for 2003 and 2004.
- Reinstate the Cost-of-Living Adjustments (COLAs) for retirees that were frozen due to the 2003 PERS Reform Legislation. All members who retired between April 2000 and April 2004 who had their COLA "frozen" are entitled to have those withheld amounts credited to them.

For those Tier One members who retired, withdrew, or received benefit payments after the 1999 earnings crediting was effective (April 1, 2000), PERS is required to:

- Adjust monthly benefit payments for the 1999 earnings allocation of 11.33 percent, and collect overpayments that occurred up to that adjustment date. Adjustments are calculated by comparing what should have been paid to what was actually paid. For recipients who still owe a balance to the PERS' fund, PERS makes calculations of how much the benefit needs to be reduced to repay the balance based on each member's projected longevity and retirement option. This is known as the Actuarial Reduction Method, or ARM adjustment. Benefit payments may be reduced in the short-term, but would increase at the next and subsequent COLA dates. In some cases, PERS will correct previous benefit underpayments with lump-sum payments to the affected retiree.

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# BUDGET NARRATIVE

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- If a benefit recipient still owes a balance to PERS after all the appropriate adjustments, the recipient may opt to pay the entire amount owed in a lump-sum payment rather than taking an ARM adjustment. The recipient's monthly payments will then only be adjusted going forward based on the 11.33 percent earnings reallocation for 1999 (and subsequent COLA adjustments).
- For recipients who are no longer receiving a monthly PERS benefit payment, (members, beneficiaries, or alternate payees who retired, withdrew, or received a death benefit), PERS will calculate the lump-sum amount of their overpayment and pursue normal collection efforts and repayment plans to recover the overpayment amount.

## *Scope of Project*

The scope of the project is complex, as it requires a historical adjustment of each member's account information, a re-calculation and adjustment of the benefits, an accuracy check, and then notification and collection of overpayments, or payment of underpayments. PERS' actuary estimates that the combined fiscal impact of the Strunk/Eugene Project to be a total of \$1.45 billion in reduced future distributions to active, inactive and retired members, and collection of \$150 million in overpaid benefits.

- The *Strunk* decision impacts every PERS' Tier One member who did not receive 2003 investment earnings, which includes 105,000 members and 4,300 retirees.
- The *Eugene* decision impacts every PERS' Tier One member who receives 1999 interest earnings, which includes 100,000 members and 35,000 retirees.
- There are 21,563 retirees who need to receive COLA adjustments according to the *Strunk* and *Eugene* decisions.
- Each impacted benefit recipient has approximately 12-30 financial adjustment transactions applied to their account.
- About 60 percent of the original retirements were processed manually using desk-top applications.
- No automated system exists to make the required corrections for the affected benefit recipients.

## *Core Principles*

- The negative adjustment on retiree's current benefit payment is as small as possible.
- The account processing priority and order is transparent and communicated to stakeholders for input.
- Communications are complete, understandable, concise; PERS proactively answers potential questions.
- The project is efficiently completed and does not put undue burden on other business operations.
- The impact of this project on RIMS Conversion Project (RCP) is well-planned and managed for success.
- Members of the Strunk/Eugene Project team are 100 percent dedicated to project.
- Strive to make the process as efficient as possible. Only have to touch each member's account once before the final transaction.

# BUDGET NARRATIVE

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## ***Success Criteria***

- Recipients incur no disruption in the receipt of monthly PERS benefits.
- The identified population of accounts requiring adjustment includes all impacted accounts.
- All account balance and benefit payment adjustments are complete, accurate, and fully auditable so we can accurately report on the process and results. This means all underlying data issues must be resolved.
- Invoicing and accounts receivable processes optimize collections.
- 2004 member statements can be created from Phase I of this project.
- No data becomes corrupt or lost due to project processing.
- Complete project within the approved budget and timeline.

## ***Actuarial Reduction Method (ARM)***

The primary method of collecting benefit overpayments is the Actuarial Reduction Method (ARM). This method of collection minimizes the negative impact to a retiree's cash flow. The ARM, as described in ORS 238.715(1)(b), reduces the member's payment by an amount determined by the actuaries to be adequate to recover the overpayment during the entire period the monthly payments are made to the recipient. The actuary's determination of the reduction is based on average mortality. This method is also used to calculate a retiree's monthly benefit. The benefit is payable for the life of the retiree, but the actuary must estimate how long the retiree's life span will be. Affected retirees will also be offered a one-time opportunity to repay the benefit overpayment in a single lump sum. Monthly payments would then only be adjusted going forward based on the 11.33 percent earnings reallocation for 1999 and applicable Cost of Living Adjustment (COLA) increases.

## ***Benefit Payments Division (BPD)***

The Benefit Payments Division (BPD) is the primary PERS' Division responsible for implementing the *Strunk* and *Eugene* adjustments. BPD has created a special section of its division, the Strunk/Eugene Adjustment Section (SEAS), devoted to executing the project. Lack of automation requires PERS to correct a majority of the original manual calculations with additional manual desk-top application supported processes.

PERS requests to extend the current 35.00 FTE limited duration BPD positions that are working on the Strunk/Eugene Project benefit adjustments.

- 1.00 FTE Principle Executive/Manager E
- 1.00 FTE Project Manager 2
- 2.00 FTE Principle Executive/Manager B
- 2.00 FTE Operations and Policy Analyst 2
- 1.00 FTE Operations and Policy Analyst 1
- 7.00 FTE Retirement Counselor 2
- 18.00 FTE Retirement Counselor 1
- 3.00 FTE Office Specialist 2

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# BUDGET NARRATIVE

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## *Customer Services Division (CSD)*

The Customer Services Division operates the Customer Service Center (CSC), which answers members' questions and deals with members' problems when they contact the agency. CSD includes the customer service desk, call center service, group presentations, written and email correspondence, account balance and benefit verifications, member eligibility, and related database fixes and account adjustments.

PERS requests nine limited duration positions (9.00 FTE) to focus on *Strunk* and *Eugene*-affected member eligibility and account issues, to support additional phone volume, and to manually process database fixes to impacted Retirement Information Management System (RIMS) data. The existing RIMS application does not have the functionality to open and adjust retiree accounts for many data related issues. Therefore, some account adjustments require manual corrections via database fixes. These adjustments require staff with programming and technical analysis skills. Three limited duration positions address database fixes as individual accounts must be manually corrected on the RIMS database. The remaining six positions address eligibility issues associated with the project.

- 2.00 FTE Operations Policy Analyst 2
- 1.00 FTE Information Services Specialist 4
- 5.00 FTE Retirement Counselor 2
- 1.00 FTE Retirement Counselor 1

## *Information Services Division (ISD)*

The Information Services Division (ISD) provides technical support to the other divisions within the agency. The Software Engineering Section (SES) within the division provides application development and maintenance support to all agency information systems and applications. PERS requests professional services budget approval of \$200,000 to enable the agency to adequately perform the needed programming changes associated with the Strunk/Eugene Project. The required changes to RIMS will be limited to those necessary to meet goals of the project. It is expected that a combination of internal staff and contractors will perform the programming changes.

Image and Information Management (IIM) is a section within the division that provides records management support to approximately 400 agency personnel. PERS requests the addition of 10 Office Assistant 2 limited duration positions (10.00 FTE) for the duration of the Strunk/Eugene Project. The positions are responsible for providing imaging support to other divisions, especially the Benefit Payments Division (BPD), in response to the increased workload of the Strunk/Eugene Project. The section estimates that retrieving, indexing, and imaging over 1,000,000 documents and microfilm images will require two fully staffed shifts to maximize equipment capacity. New equipment was purchased in the 2005-07 biennium to accommodate the additional staff and will replace the agency's oldest imaging equipment as it reaches the end of its useful life.

- 10.00 FTE Office Assistant 2

# BUDGET NARRATIVE

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## *Policy, Planning, and Legislative Analysis Division (PPLAD)*

This Division manages the agency's need for outside legal services during litigation and provides support for contested cases and appeals. The agency anticipates that a number of affected retirees will appeal or contest the re-calculations required by the *Strunk* and *Eugene* decisions. PERS requests a continuation of an existing limited duration position during the 2007-09 biennium to provide support and coordinate appeals that result from this project.

- 1.00 FTE Compliance Specialist 1

## *Fiscal Services Division (FSD)*

The Fiscal Services Division provides comprehensive financial and administrative services to the agency. PERS requests the continuation of two limited duration Revenue Agent positions to work with the Accounts Receivable Manager to collect funds over-paid to the affected retirees. This activity involves written, phone, and personal contact with retirees and other benefit recipients who have been overpaid but are difficult to contact. In some cases, this contact must be made across state lines, which requires the Revenue Agents to work with Department of Justice staff to secure repayment or with the Collections Unit of the Oregon Department of Revenue, to whom many of these accounts will ultimately be assigned.

- 2.00 FTE Revenue Agent 1

**Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS' programs and activities in accordance with statute and administrative rules. Costs are appropriately assigned to these programs and activities through the PERS' cost allocation system.

**2009-11 Fiscal Impact:** The agency anticipates the activities of the Strunk/Eugene Project to be completed by the end of the 2007-09 biennium. However, collection activities associated with the project will likely continue into the 2009-11 biennium. PERS does not anticipate any material fiscal impact in 2009-11.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 110 - Strunk/Eugene

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	6,343,237	-	-	-	6,343,237
<b>Total Revenues</b>	-	-	<b>\$6,343,237</b>	-	-	-	<b>\$6,343,237</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	3,417,696	-	-	-	3,417,696
Empl. Rel. Bd. Assessments	-	-	1,980	-	-	-	1,980
Public Employees' Retire Cont	-	-	434,382	-	-	-	434,382
Social Security Taxes	-	-	261,456	-	-	-	261,456
Worker's Comp. Assess. (WCD)	-	-	3,410	-	-	-	3,410
Mass Transit Tax	-	-	20,971	-	-	-	20,971
Flexible Benefits	-	-	1,256,640	-	-	-	1,256,640
Reconciliation Adjustment	-	-	148,512	-	-	-	148,512
<b>Total Personal Services</b>	-	-	<b>\$5,545,047</b>	-	-	-	<b>\$5,545,047</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	52,950	-	-	-	52,950
Office Expenses	-	-	285,000	-	-	-	285,000
Telecommunications	-	-	12,240	-	-	-	12,240
Data Processing	-	-	240,000	-	-	-	240,000
IT Professional Services	-	-	200,000	-	-	-	200,000
IT Expendable Property	-	-	8,000	-	-	-	8,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$798,190</b>	-	-	-	<b>\$798,190</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 110 - Strunk/Eugene

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Total Expenditures</b>							
Total Expenditures	-	-	6,343,237	-	-	-	6,343,237
<b>Total Expenditures</b>	-	-	<b>\$6,343,237</b>	-	-	-	<b>\$6,343,237</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							57
<b>Total Positions</b>	-	-	-	-	-	-	<b>57</b>
<b>Total FTE</b>							
Total FTE							57.00
<b>Total FTE</b>	-	-	-	-	-	-	<b>57.00</b>

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# BUDGET NARRATIVE

8/16/07 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

2007-09  
 PICS SYSTEM: BUDGET PREPARATION

PAGE 1  
 PROD FILE

PACKAGE: 110 - Strunk/Eugene

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
0911001	OA	C0855	AA PROJECT MANAGER 2	1	1.00	24.00	02	3,847.00		92,328 41,744			92,328 41,744
0911002	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	3,506.00		84,144 40,078			84,144 40,078
0911003	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	3,506.00		84,144 40,078			84,144 40,078
0911004	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911005	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911006	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911007	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911008	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911009	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911011	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911012	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911013	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911014	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911015	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911016	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911017	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308

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# BUDGET NARRATIVE

8/16/07 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

2007-09  
 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 110 - Strunk/Eugene

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
0911018	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911019	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911020	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911021	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911022	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911023	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911024	OA	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	2,049.00		49,176 32,958			49,176 32,958
0911025	OA	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	2,049.00		49,176 32,958			49,176 32,958
0911033	OA	C5246	AA COMPLIANCE SPECIALIST 1	1	1.00	24.00	02	2,649.00		63,576 35,891			63,576 35,891
0911050	MMS	X7008	AA PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	02	4,482.00		107,568 44,847			107,568 44,847
0911051	MMS	X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	02	3,185.00		76,440 38,509			76,440 38,509
0911052	MMS	X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	02	3,185.00		76,440 38,509			76,440 38,509
0911053	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911054	OA	C0870	AA OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	02	2,903.00		69,672 37,131			69,672 37,131
0911055	OA	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	2,049.00		49,176 32,958			49,176 32,958
0911056	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 300-00-00 Operations

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PACKAGE: 110 - Strunk/Eugene

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
0911057	QA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911058	QA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911059	QA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911060	QA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911061	QA C1484 IA	INFO SYSTEMS SPECIALIST 4	1	1.00	24.00	02	3,326.00		79,824 39,199			79,824 39,199
0911062	QA C0871 AA	OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	3,506.00		84,144 40,078			84,144 40,078
0911063	QA C0871 AA	OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	3,506.00		84,144 40,078			84,144 40,078
0911064	QA C0102 AA	OFFICE ASSISTANT 2	1	1.00	24.00	02	1,613.00		38,712 30,827			38,712 30,827
0911065	QA C0102 AA	OFFICE ASSISTANT 2	1	1.00	24.00	02	1,613.00		38,712 30,827			38,712 30,827
0911066	QA C0102 AA	OFFICE ASSISTANT 2	1	1.00	24.00	02	1,613.00		38,712 30,827			38,712 30,827
0911067	QA C0102 AA	OFFICE ASSISTANT 2	1	1.00	24.00	02	1,613.00		38,712 30,827			38,712 30,827
0911068	QA C0102 AA	OFFICE ASSISTANT 2	1	1.00	24.00	02	1,613.00		38,712 30,827			38,712 30,827
0911069	QA C0102 AA	OFFICE ASSISTANT 2	1	1.00	24.00	02	1,613.00		38,712 30,827			38,712 30,827
0911070	QA C0102 AA	OFFICE ASSISTANT 2	1	1.00	24.00	02	1,613.00		38,712 30,827			38,712 30,827
0911071	QA C0102 AA	OFFICE ASSISTANT 2	1	1.00	24.00	02	1,613.00		38,712 30,827			38,712 30,827
0911074	QA C5110 AA	REVENUE AGENT 1	1	1.00	24.00	02	2,215.00		53,160 33,770			53,160 33,770

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPOPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

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

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PACKAGE: 110 - Strunk/Eugene

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
0911075	OA	C5110	AA REVENUE AGENT 1	1	1.00	24.00	02	2,215.00		53,160 33,770			53,160 33,770
0911076	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911077	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911078	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911079	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911080	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911081	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
TOTAL PICS SALARY										3,417,696			3,417,696
TOTAL PICS OPE										1,957,868			1,957,868
TOTAL PICS PERSONAL SERVICES =				55	55.00	1320.00				5,375,564			5,375,564

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## Operations

### Package 111 Retirement Information Management System (RIMS) Conversion Project (RCP)

#### 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 OPSRP Pension Plan adopted in 2003 as part of PERS' reform.

**How Achieved:** PERS is currently in the process of executing a two-phase project designed to create an integrated platform for providing pension administration services across all retirement programs. Phase I was the Pension Administration System Implementation Project, which began in September of 2003. The purpose of Phase I of the project was to provide the basic technology and platform needed to administer the Chapter 238A Oregon Public Service Retirement Plan (OPSRP) established by House Bill 2020 (2003). The project was designed to fulfill the legislatively mandated requirement for PERS to "take all steps necessary to develop and implement a dedicated information technology system to manage" the OPSRP. The project focuses on the implementation of a generalized "off the shelf" retirement administration system called "jClarety," a common retirement information management system being used in a number of states across the country. An important goal of Phase I was to implement the system with as little customization as is possible. Phase I has been completed as part of the 2005-07 biennial budget.

Phase II is the RIMS Conversion Program (RCP). The purpose of the RCP is to extend and further customize the jClarety application developed in Phase I. The scope of the project includes the retirement plan administration components necessary to administer the PERS Chapter 238 Plan (Tier One and Tier Two), currently being managed by the Retirement Information Management System (RIMS), and its associated desktop applications and manual processes. Phase II began in earnest in the summer of 2005 and was originally scheduled to be completed in August 2008.

#### *Rationale for RIMS Conversion Project (RCP)*

PERS' primary line-of-business application, RIMS, was designed in the mid-1980s. Although adequate through the mid-1990s, the system has proven to be increasingly inadequate, inflexible and resource intensive in today's environment. Furthermore, with the passage of reform legislation in the 2003 Legislative session, two new retirement programs were created that require new and different rules, processes, and procedures (the Individual Account Program [IAP], and the Oregon Public Service Retirement Program [OPSRP] for members hired after August 28, 2003.) These new requirements, along with the steady deterioration of RIMS, led the agency to approach the legislature and obtain approval to acquire and implement a new pension administration system.

#### *RCP Re-baselining*

During the spring and summer of 2006, PERS' staff adjusted the project timeline and added additional functionality into Phase II. These changes were necessary because of a significant increase in agency workload brought on by two Supreme Court decisions (*Strunk* and *Eugene*), and by gaps

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in system functionality from Phase I due to the rapid deployment requirements and “off-the-shelf” nature of the Phase I implementation. The project schedule for Phase II has been extended approximately 14 months. The current completion date for Phase II is now scheduled for November 2009. The total cost of the RIMS Conversion Project (RCP) including contingencies remains at \$27.5 million, as originally presented to the Legislative Emergency Board in December 2004.

PERS requests \$13,539,844 in Other Funds Limitation to continue the RCP Project for the 2007-09 biennium. This provides funding for six limited duration positions to serve as backfill positions for key project team members, software and hardware costs, data processing costs, and professional services costs. The professional services expenditures include the implementation contractor, a professional project management consultancy, and quality assurance oversight (both DAS and external third party).

- 1.00 FTE Compliance Specialist 2
- 1.00 FTE Operations and Policy Analyst 3
- 2.00 FTE Principle Executive/Manager D
- 2.00 FTE Accountant 3

**Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS’ programs and activities in accordance with statute and administrative rules. Costs are appropriately assigned to these programs and activities through the PERS’ cost allocation system.

**2009-11 Fiscal Impact:** Continuation of the RIMS Conversion Project (RCP) has a fiscal impact of \$3.5-4 million Other Funds in 2009-11 to complete the project by November 2009. The majority of those costs will be for final contract payments to the primary project vendor, as well as the continued backfill support for agency staff that is key to the successful project completion. The total project cost is anticipated to remain at \$27.5 million, as originally presented in November 2004.

**Major Information Technology Projects \$500,000+:** This is a major information technology project that requires additional budget documentation. The appropriate documents and forms are being submitted with the 2007-09 requested budget.

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 111 - RIMS Conversion Project

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	13,539,844	-	-	-	13,539,844
<b>Total Revenues</b>	-	-	<b>\$13,539,844</b>	-	-	-	<b>\$13,539,844</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	537,072	-	-	-	537,072
Empl. Rel. Bd. Assessments	-	-	216	-	-	-	216
Public Employees' Retire Cont	-	-	68,263	-	-	-	68,263
Social Security Taxes	-	-	41,086	-	-	-	41,086
Worker's Comp. Assess. (WCD)	-	-	372	-	-	-	372
Mass Transit Tax	-	-	3,222	-	-	-	3,222
Flexible Benefits	-	-	137,088	-	-	-	137,088
Reconciliation Adjustment	-	-	1,450	-	-	-	1,450
<b>Total Personal Services</b>	-	-	<b>\$788,769</b>	-	-	-	<b>\$788,769</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	8,325	-	-	-	8,325
Office Expenses	-	-	30,000	-	-	-	30,000
Data Processing	-	-	1,317,200	-	-	-	1,317,200
IT Professional Services	-	-	10,704,050	-	-	-	10,704,050
IT Expendable Property	-	-	99,100	-	-	-	99,100
<b>Total Services &amp; Supplies</b>	-	-	<b>\$12,158,675</b>	-	-	-	<b>\$12,158,675</b>
<b>Capital Outlay</b>							
Data Processing Software	-	-	77,400	-	-	-	77,400

Essential and Policy Package Fiscal Impact Summary - BPR013

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 111 - RIMS Conversion Project

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Capital Outlay</b>							
Data Processing Hardware	-	-	515,000	-	-	-	515,000
<b>Total Capital Outlay</b>	-	-	<b>\$592,400</b>	-	-	-	<b>\$592,400</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	13,539,844	-	-	-	13,539,844
<b>Total Expenditures</b>	-	-	<b>\$13,539,844</b>	-	-	-	<b>\$13,539,844</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							6
<b>Total Positions</b>	-	-	-	-	-	-	<b>6</b>
<b>Total FTE</b>							
Total FTE							6.00
<b>Total FTE</b>	-	-	-	-	-	-	<b>6.00</b>

Essential and Policy Package Fiscal Impact Summary - BPR013

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 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

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

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PACKAGE: 111 - RIMS Conversion Project

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
0911101	OA	C5247	AA COMPLIANCE SPECIALIST 2	1	1.00	24.00	02	3,183.00		76,392 38,499			76,392 38,499
0911102	MMN	X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	02	4,061.00		97,464 42,790			97,464 42,790
0911103	MMS	X7006	AA PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	02	4,061.00		97,464 42,790			97,464 42,790
0911104	MMS	X7006	AA PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	02	4,061.00		97,464 42,790			97,464 42,790
0911105	OA	C1217	AA ACCOUNTANT 3	1	1.00	24.00	02	3,506.00		84,144 40,078			84,144 40,078
0911106	OA	C1217	AA ACCOUNTANT 3	1	1.00	24.00	02	3,506.00		84,144 40,078			84,144 40,078
TOTAL PICS SALARY										537,072			537,072
TOTAL PICS OPE										247,025			247,025
TOTAL PICS PERSONAL SERVICES =				6	6.00	144.00				784,097			784,097

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# BUDGET NARRATIVE

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## Operations

### Package 112 Retirement Processing

#### Package Description

**Purpose:** This package focuses on improving PERS' core retirement processing duties and responsibilities by enhancing the retirement benefit calculation and payment processes to better handle the current and projected retirement volumes in the various pension programs and the IAP.

**How Achieved:** PERS requests 25.00 FTE positions and \$2,651,079 in Other Funds Limitation to enact the retirement processing project in the 2007-09 biennium.

The package supports three initiatives within the agency:

- Improve services levels for core retirement processes
- Support and complete prioritized agency projects, such as Strunk/Eugene, RIMS Conversion and IAP Remediation
- Improve internal quality assurance and quality control processes for all core functions

The successful outcome of each of these initiatives is supported by the following strategies:

- Improving customer service levels
  - Retirement volume support for an average of 6,000 retirements per year
  - Judge member retirement calculations
- Support and completion of agency projects
  - Additional technical support
  - Benefit set-up and issuance
  - Individual Account Program (IAP) withdrawals and distributions
- Internal quality assurance and quality control
  - Management support and span of control
  - Internal training
  - Application intake/validation

PERS continues to experience increased numbers of members that are eligible for retirement benefits. PERS currently has the base budget staff and resources to process 4,000 retirements per year. However, experience and demographic data forecast approximately 6,000 members retiring annually through the 2007-09 biennium, with increasing retirement volumes continuing through 2013.

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In addition to this increased demand, PERS continues to operate with an outdated information technology system (RIMS), which currently handles only 50 percent of the required retirement calculations. Moreover, a retirement or withdrawal from PERS' pension programs now also involves the processing of a distribution or withdrawal from the IAP, which also represents a growing workload.

## *Improving Customer Service Levels*

The Benefit Payments Division (BPD) is responsible for incepting, maintaining, and ending retirement, death, and disability payments, which includes determining benefit eligibility, adjusting benefits, communications with members and other stakeholders, and supporting agency special projects, such as the Strunk/Eugene, the RIMS Conversion Project (RCP), and IAP remediation.

The combination of declining functionality of the RIMS retirement system for calculating benefits, increased demand for services from members, and increased processing requirements from new laws have reduced BPD's service levels for its primary responsibilities. PERS is currently meeting the statutory timeframes with limited duration staff approved for the 2005-07 biennium. The agency requests that the positions be maintained until the jClarety retirement administration system is fully functional. At that time, PERS will again evaluate its permanent staffing needs.

## *Retirement Volume Support*

PERS' base budget is sufficient to process 4,000 annual retirements. Current biennium retirement activity and PERS' membership demographics continue to forecast 6,000 retirements per year, with increasing retirement inceptions through 2013. PERS requests the continuation of limited duration positions to meet projected retirement volumes until such time that functionality in the new jClarety retirement system is delivered and fully evaluated. At that time, PERS will evaluate appropriate staffing and classification levels, and request necessary adjustments on a permanent basis.

Current retirement calculation processes require 4.00 FTE to process approximately 1,000 new retirement inceptions per year. As a result, PERS requests the continuance of eight limited duration positions to process anticipated retirements through 2007-09:

- 1.00 FTE Principal Executive/Manager A
- 1.00 FTE Office Specialist 2
- 3.00 FTE Retirement Counselor 1
- 3.00 FTE Retirement Counselor 2

## *Judge Calculations*

The judge member population demographics have been trending upward resulting in increased workload for PERS in the areas of benefit estimates and calculations. Calculations associated with judges are unique and complex. The specialization of judge calculations, rules, and processes reduces the benefit of cross training non-dedicated section staff in the intricacies of judge calculations. PERS currently has one staff position dedicated to judge member estimates and calculations. To meet the long-term increase in workload and service demands, PERS requests an additional staff position.

- 1.0 FTE Retirement Counselor 2

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## *Support of Agency Projects*

Part of BPD's recent decline in service level is caused by diverting resources to help the agency complete special projects such as the Strunk/Eugene Project and the RIMS Conversion Project (RCP). Completion of these projects will allow the division to reincorporate its resources to its core activities of retirement benefit processing and help significantly increase service levels.

- Approximately one-third of BPD staff is comprised of limited-duration positions that are working on the Strunk/Eugene Project or resolving backlogs.
- Staff resources are spread thin due to special projects, and there is little flexibility to handle unexpected spikes in member demand for services. This reduces the service levels that BPD can provide.
- The RCP has a projected completion date of November, 2009 whereby BPD and other PERS divisions have an opportunity to re-direct resources to their core functions that are currently being devoted to the project.

PERS requests the continuation of 3.00 FTE limited duration positions that were approved in the 2005-07 biennium and an additional 1.00 FTE limited duration position to handle the increased demand for payment adjustments/reconciliations and additional RCP support.

- 2.0 FTE Operations Policy Analyst 2
- 2.0 FTE Retirement Counselor 2

## *Benefit Set-up and Issuance*

PERS does not expect full efficiency of the jClarety retirement administration system, the primary deliverable of the re-baselined RCP, until late-2009. As a result, PERS requests to continue the development of processes and procedures of retirements and withdrawals for both the OPSRP Pension and IAP disbursements. This will allow for timely, accurate and efficient processing of OPSRP distributions. The OPSRP team's disbursement process and procedures are independent from BPD's PERS Tier One and Tier Two processes for retirements. This separation will exist until jClarety is functional for all benefit distributions.

PERS is requesting the continuation of the 4 limited duration staff originally approved in the 2003-05 biennium. Permanent staff approved in 2003-05 will then cover ongoing program activities. The limited duration staff requested is as follows:

- 1.00 FTE Principal Executive/Manager B
- 1.00 FTE Retirement Counselor 2
- 2.00 FTE Office Specialist 2

## *IAP Withdrawals*

Following the implementation of PERS' reform in 2003, the agency diverted positions within the Customer Service Center (CSC) to handle the Tier One and Tier Two Program and IAP withdrawal/refund processes. This situation has created a strain within the Customer Service Division (CSD) because the agency took on new workload without additional staff resources due to the uncertain demand associated with that new workload.

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PERS requests that 2.00 FTE limited duration positions be approved for the 2007-09 biennium. One position is new, while the other is a continuation of an approved limited duration position from 2005-07 biennium. These positions are essential for the agency to handle an increased workload and increase the quality of service to members involving IAP withdrawals and refunds.

- 2.00 FTE Retirement Counselor 1

## *Core Internal Training and Quality Assurance*

In the 2005-07 biennium, PERS was approved for a limited duration Trainer position to develop desk-level training in the Benefit Payments Division (BPD) for PERS' retirement programs and two computer systems. The Trainer works closely with BPD managers, as well as managers from other PERS' divisions, to ensure the training is current and aligned with changing processes, procedures, and business rules (especially associated with changes in business processes from RIMS to jClarety). During 2005-07, the Trainer position developed a core framework of ORS Chapter 238 training for all BPD sections and staff, specific to the BPD functions and processes. The centralized training is provided to all newly hired BPD staff at the RC1 classification or higher, and complements the existing general training provided by PERS' Human Resources Division.

Core training subjects include:

- The calculation methodology for the Tier One and Tier Two Program
- Introduction for new hires to various RIMS processes, as well as to the jClarety functionality for member demographic, salary, contribution, and status information
- Key business rules, policies, procedures, protocols, and BPD process organization

The BPD Trainer position has increased the consistency of benefit payment transaction processing, which in turn increases transaction accuracy. The Trainer position will add a greater emphasis on OPSRP defined benefit calculations and processes during the 2007-09 biennium. This training position will help the agency establish its core processes for the new OPSRP Pension Plan and prepare benefit payment staff to handle benefit calculations associated with the OPSRP Pension Plan.

PERS requests the continuation of the Trainer position with the additional responsibility of providing quality assurance services. The additional responsibilities include routinely evaluating the effectiveness of all BPD transaction types, providing feedback to BPD management on transaction quality, and incorporating findings into targeted training materials to eliminate quality problems. PERS requests that the current 1.00 FTE limited duration RC2 position be turned into a 1.00 FTE permanent position to reflect the added responsibilities and core nature of the position.

- 1.0 FTE Operations Policy Analyst 2

## *Retiree Application Intake/Validation Service*

In the 2005-07 biennium, management redesigned the retirement application intake and validation processes. Limited duration staff approved in the 05-07 budget enabled management to focus more scrutiny on the quality of retirement application data and on preparing the member account for subsequent downstream calculation processes. These processes are manually intense and require staff to review documents and data for

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reasonableness, eligibility, and the ability for PERS to administer. The processes now include more clearly defined steps, each designed to identify data or retirement application errors or questions. The increased upfront scrutiny requires more staff resources, but pays-off through increased accuracy and reduced reworking of retirement benefit calculations. This helps the agency deliver more timely and accurate benefit payments to our retirees.

PERS requests that 5.00 FTE limited duration positions be continued from the 2005-07 biennium because retiree application intake still requires considerable manual processing. The agency expects that until the RIMS Conversion Project (RCP) is complete and some of the work can be automated, the need for manually processing the applications will remain through the 2007-09 biennium.

- 1.0 FTE Retirement Counselor 2
- 4.0 FTE Office Specialist 2

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

**2009-11 Fiscal Impact:** The two permanent positions, judge calculations and trainer/quality assurance, will continue into the 2009-11 biennium. The fiscal impact is \$228,523 Other Funds for personal services and an additional \$11,750 for services and supplies, totaling \$240,273 Other Funds.

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 112 - Retirement Processing

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	2,651,079	-	-	-	2,651,079
<b>Total Revenues</b>	-	-	<b>\$2,651,079</b>	-	-	-	<b>\$2,651,079</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	1,578,408	-	-	-	1,578,408
Empl. Rel. Bd. Assessments	-	-	900	-	-	-	900
Public Employees' Retire Cont	-	-	200,614	-	-	-	200,614
Social Security Taxes	-	-	120,752	-	-	-	120,752
Worker's Comp. Assess. (WCD)	-	-	1,550	-	-	-	1,550
Mass Transit Tax	-	-	9,471	-	-	-	9,471
Flexible Benefits	-	-	571,200	-	-	-	571,200
Reconciliation Adjustment	-	-	4,259	-	-	-	4,259
<b>Total Personal Services</b>	-	-	<b>\$2,487,154</b>	-	-	-	<b>\$2,487,154</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	23,925	-	-	-	23,925
Office Expenses	-	-	125,000	-	-	-	125,000
Expendable Prop 250 - 5000	-	-	3,000	-	-	-	3,000
IT Expendable Property	-	-	12,000	-	-	-	12,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$163,925</b>	-	-	-	<b>\$163,925</b>

Essential and Policy Package Fiscal Impact Summary - BPR013

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## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 112 - Retirement Processing

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Total Expenditures</b>							
Total Expenditures	-	-	2,651,079	-	-	-	2,651,079
<b>Total Expenditures</b>	-	-	<b>\$2,651,079</b>	-	-	-	<b>\$2,651,079</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							25
<b>Total Positions</b>	-	-	-	-	-	-	<b>25</b>
<b>Total FTE</b>							
Total FTE							25.00
<b>Total FTE</b>	-	-	-	-	-	-	<b>25.00</b>

Essential and Policy Package Fiscal Impact Summary - BPR013

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 300-00-00 Operations

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PACKAGE: 112 - Retirement Processing

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
0911201	OA C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	3,506.00		84,144 40,078			84,144 40,078
0911202	MMS X7000	AA PRINCIPAL EXECUTIVE/MANAGER A	1	1.00	24.00	02	2,903.00		69,672 37,131			69,672 37,131
0911203	MMS X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	02	3,185.00		76,440 38,509			76,440 38,509
0911204	OA C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	2,049.00		49,176 32,958			49,176 32,958
0911205	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911206	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911207	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911208	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911209	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911210	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911211	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911212	OA C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	2,049.00		49,176 32,958			49,176 32,958
0911213	OA C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	2,049.00		49,176 32,958			49,176 32,958
0911214	OA C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	2,049.00		49,176 32,958			49,176 32,958
0911215	OA C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	2,049.00		49,176 32,958			49,176 32,958
0911216	OA C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	3,506.00		84,144 40,078			84,144 40,078

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8/16/07 REPORT NO.: PPOPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY: 45900 PUB EMPLOYEES RETIREMENT SYSTEM  
 SUMMARY XREF: 300-00-00 Operations

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

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 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 112 - Retirement Processing

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
0911217	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911218	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911219	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911220	OA	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	2,049.00		49,176 32,958			49,176 32,958
0911221	OA	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	2,049.00		49,176 32,958			49,176 32,958
0911222	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911223	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	3,506.00		84,144 40,078			84,144 40,078
0911224	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911225	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
TOTAL PICS SALARY										1,578,408			1,578,408
TOTAL PICS OPE										895,016			895,016
TOTAL PICS PERSONAL SERVICES =				25	25.00	600.00				2,473,424			2,473,424

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# BUDGET NARRATIVE

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## Operations

### Package 113 Retirement Data Support

#### Package Description

**Purpose:** To meet the increasing demands of members and employers seeking information about PERS and its services, to resolve information and data issues when they arise to facilitate more accurate and timely retirement calculations; and to support the data needs of other divisions within the agency.

**How Achieved:** PERS requests 23.00 FTE positions and \$2,598,488 in Other Funds Limitation to fund this package during the 2007-09 biennium. All positions for this package are a mix of permanent and limited duration positions within the Customer Service Division (CSD), the majority of which currently exist as limited duration positions in the 2005-07 biennium. CSD handles most of the agency's direct communication with PERS members and employers. CSD also manages the collection, organization, and quality assurance of PERS member and employer information so that PERS can provide quality service to its stakeholders.

To improve internal and external service levels for all CSD processes, this package seeks to accomplish the following objectives for the 2007-09 biennium:

- Strengthen core operations in the CSD
- Standardize and simplify method of correcting data problems
- Establish centralized data quality processes for the agency
- Improve the organization and communication of information

#### *Background of Package Request*

The 2003 PERS reform legislation spurred an increase in service workload for the entire agency due to the addition of the OPSRP Pension Program, Individual Account Program (IAP), and electronic employer reporting. These changes coincided with the RIMS Conversion Project (RCP) and implementation of a new information technology system, jClarety. The combination of these events diverted considerable PERS' resources from regular duties toward training staff and educating employers on how to deal with the changes brought on by the 2003 reforms.

In 2003, CSD assumed responsibility for the Chapter 238 (Tier One and Tier Two) member withdrawal/refund process. Responsibility for the Chapter 238A IAP withdrawal/refund processes was added in 2004 without additional staff resources. In 2005, the agency reorganized and shifted duties and resources within CSD to meet the increased workload. The shift to real-time electronic data reporting has uncovered data quality issues, which now must be resolved quickly to complete member records and pay member benefits in an accurate and timely manner. The division continues to face the critical data quality and technology demands of the agency, and seeks additional resources to meet those needs.

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## *Strengthen Core Operations*

Member demand for PERS' services, especially services provided by the Customer Services Call Center has increased over the past few years, leaving the agency under-resourced to handle the high demand and respond to phone calls and written correspondence. Much of the increased demand for services stems from the implementation of the IAP program for all PERS' members, but primarily from Tier-One and Tier-Two members who are quickly approaching retirement. PERS requests the establishment of 4.00 FTE permanent Retirement Counselor 2 positions to assist the agency in handling member inquiries and problems. These permanent positions would replace existing limited duration positions.

Processing employment separations for members who have separated from public service and/or applied for a retirement benefit has grown in complexity with the introduction of the IAP program. Separations are no longer the simple task of verifying a member account and moving forward. The separation process now involves the reconciliation and processing of information contained on three major systems: RIMS, jClarety, and CitiStreet as the IAP record keeper. Data for each system can be out of synch with the others, causing staff to use manual work-a-rounds to keep the databases synchronized. PERS requests the establishment of 4.00 FTE permanent positions (currently a single limited-duration position in 2005-07) to handle member separation duties. These positions will process the member benefit application preparation, including separation processing and eligibility studies, database fixes for benefits applications in progress, database fixes for the agency, Chapter 238 and 238A withdrawal/refund processing, and identify potential loss of membership.

- 1.00 FTE Retirement Counselor 1
- 7.00 FTE Retirement Counselor 2

## *Loss of Membership (LOM) Refunds*

The CSD handles the agency's Loss of Membership (LOM) refunds, which seek to locate Chapter 238 account owners who have separated from public service and refund their accounts. A project was approved during the 2005-07 biennium, but as of July 2006, there were approximately 24,000 LOM accounts with account balances totaling \$41 million remaining. PERS is required by law to refund member accounts that are in LOM status. To do this, PERS has partnered with the Department of State Lands to improve efforts to notify individuals who are in LOM status and refund their account balances to them, much like how the unclaimed property program works. The primary difficulties in this project are:

- Working between RIMS and jClarety to determine the correct status of the account
- Obtaining current contact information for members who have not been in public service for five or more years

PERS requests the establishment of a permanent position to continue the work approved during the 2005-07 biennium.

- 1.00 Retirement Counselor 1

## *Continue Employer Data Exchange (EDX) Support for Employers*

The Employer Data Exchange (EDX) team develops and maintains employer relationships, provides technical assistance to employers on data reporting, communicates changes in reporting requirements due to system enhancements or legislation, and is responsible for the annual

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reconciliation project. This team also provides education and training for 885 PERS-participating employers by responding to general and specific questions related to statutes, regulations, and employer reporting.

PERS requests that the current 5.00 FTE limited duration positions that were created for the 2005-07 biennium be made into 5.00 FTE permanent positions to aid with EDX. Continuing resources are required due to ongoing complexity of employer reporting, incomplete functionality, and the need for outreach and support of employers in their reporting efforts.

- 5.00 FTE Retirement Counselor 1

### *Standardize and Simplify Method of Correcting Data Problems by Maintaining the Technical Team (MERS)*

The CSD Tech Team plays a pivotal role in gathering, organizing, and presenting data, as well as the implementation of technical tools both for the division and for the entire agency. Its responsibilities include:

- Providing jClarety/RIMS database research and analysis for the agency, the employers and the public
- Creating and maintaining databases and other desktop solutions that are essential to the day to day functioning of the agency
- Assisting in the development and implementation of a PERS' data warehouse
- Testing of new functionality for the RIMS Conversion Project (RCP)

PERS requests that the current 3.00 FTE limited duration positions be extended for the 2007-09 biennium.

- 2.00 FTE Operations and Policy Analyst 2
- 1.00 FTE Information Services Specialist 6

### *Establish Centralized Data Quality Processes for the Agency*

Without data quality and integrity, it is impossible to provide accurate information to members, employers, and the public, which affects PERS' ability to calculate accurate benefits. To provide and maintain data quality and integrity between RIMS and jClarety, streamline the data fix process, provide PERS users with a single point of contact for data problems, and maintain clear accountability for data fixes, PERS proposes the implementation of a Data Quality Unit with dedicated teams to address data migration and the data fix process. These teams will be responsible for data migration from RIMS to jClarety, database fixes for the entire agency, and special projects.

### *Continue Data Quality Assurance, Migration and Database Fix Initiatives*

The agency is responsible for identifying and resolving data inconsistencies between RIMS and jClarety, and modifying member accounts due to implementation of legislative changes, RIMS Conversion Project (RCP), and employer reporting updates. These on-going initiatives ensure that data fixes are processed in a timely and efficient manner, by either addressing the problems directly or organizing the necessary resources. Teams within the CSD also perform regular monitoring and analysis of agency data sources to proactively identify and address data issues before they have major operational impacts. It is especially important to maintain accurate data while the agency transitions its information management systems from RIMS

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to the jClarety platform. PERS requests that the current 3.00 FTE limited duration positions that were approved for the 2005-07 biennium be extended into the 2007-09 biennium.

- 1.00 FTE Principal Executive/Manager B
- 2.00 FTE Operations Policy Analyst 2

## *Continue the Account Reconciliation Team within Member Employer Relations (MERS)*

The Account Reconciliation Team (ART) resolves issues that affect employer accounts. Its functions include resolving annuals, defining workflow process between divisions regarding employer penalties, creating and collecting employer invoices for the IAP until this functionality is created in jClarety, and working with suspended employer accounts receivable. To continue its work, PERS requests that the current 2.00 FTE limited duration positions approved for the 2005-07 biennium be extended into the 2007-09 biennium.

- 1.00 FTE Retirement Counselor 1
- 1.00 FTE Retirement Counselor 2

## *Improve the Organization and Communication of Information by Establishing a Technical Writer Position*

The Communications Section of the agency is responsible for providing essential agency information to members, employers, other stakeholders, and the media. Until 2003, PERS had one retirement program, a deferred compensation plan, and a health plan. The agency now has two additional retirement components, electronic employer reporting, and a greater need to provide timely information to members, employers, and stakeholders. Generally, modifications to these programs occur every Legislative session, which means that agency publications need to be updated every two years. The dynamics of electronic employer reporting also require continual communications to employers.

PERS is also in the midst of converting to a new computer system. The agency must create technical manuals, documentation, and hundreds of policies and procedures to ensure the system will be maintained according to design. To meet this need, PERS requests 1.00 FTE permanent position to support its additional technical writing demands.

- 1.00 FTE Administrative Specialist 1

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

**2009-11 Fiscal Impact:** Seven permanent positions continue into the 2009-11 biennium. The fiscal impact is \$1,488,274 Other Funds for personal services and an additional \$88,125 Other Funds for services and supplies, totaling \$1,576,399 Other Funds.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 113 - Retirement Data Support

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	2,598,488	-	-	-	2,598,488
<b>Total Revenues</b>	-	-	<b>\$2,598,488</b>	-	-	-	<b>\$2,598,488</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	1,579,296	-	-	-	1,579,296
Empl. Rel. Bd. Assessments	-	-	828	-	-	-	828
Public Employees' Retire Cont	-	-	200,728	-	-	-	200,728
Social Security Taxes	-	-	120,820	-	-	-	120,820
Worker's Comp. Assess. (WCD)	-	-	1,426	-	-	-	1,426
Mass Transit Tax	-	-	9,476	-	-	-	9,476
Flexible Benefits	-	-	525,504	-	-	-	525,504
Reconciliation Adjustment	-	-	4,260	-	-	-	4,260
<b>Total Personal Services</b>	-	-	<b>\$2,442,338</b>	-	-	-	<b>\$2,442,338</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	21,150	-	-	-	21,150
Office Expenses	-	-	115,000	-	-	-	115,000
Expendable Prop 250 - 5000	-	-	4,000	-	-	-	4,000
IT Expendable Property	-	-	16,000	-	-	-	16,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$156,150</b>	-	-	-	<b>\$156,150</b>

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 113 - Retirement Data Support

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Total Expenditures</b>							
Total Expenditures	-	-	2,598,488	-	-	-	2,598,488
<b>Total Expenditures</b>	-	-	<b>\$2,598,488</b>	-	-	-	<b>\$2,598,488</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions	-	-	-	-	-	-	23
<b>Total Positions</b>	-	-	-	-	-	-	<b>23</b>
<b>Total FTE</b>							
Total FTE	-	-	-	-	-	-	23.00
<b>Total FTE</b>	-	-	-	-	-	-	<b>23.00</b>

# BUDGET NARRATIVE

8/16/07 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

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

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PACKAGE: 113 - Retirement Data 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
0911301	OA	C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911302	OA	C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911303	OA	C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911304	OA	C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911305	OA	C0871 AA	OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	3,506.00		84,144 40,078			84,144 40,078
0911306	OA	C0871 AA	OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	3,506.00		84,144 40,078			84,144 40,078
0911307	OA	C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911308	OA	C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911309	OA	C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911310	OA	C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911311	OA	C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911312	OA	C0871 AA	OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	3,506.00		84,144 40,078			84,144 40,078
0911313	OA	C0871 AA	OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	3,506.00		84,144 40,078			84,144 40,078
0911314	OA	C1486 IA	INFO SYSTEMS SPECIALIST 6	1	1.00	24.00	02	3,972.00		95,328 42,355			95,328 42,355
0911315	OA	C0107 AA	ADMINISTRATIVE SPECIALIST 1	1	1.00	24.00	02	2,215.00		53,160 33,770			53,160 33,770
0911316	OA	C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308

Agency Request

Governor's Recommended

Legislatively Adopted

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

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

2007-09  
 PICS SYSTEM: BUDGET PREPARATION  
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 PROD FILE

PACKAGE: 113 - Retirement Data 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
0911317	QA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911318	QA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911319	QA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911320	QA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911321	QA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,530.00		60,720 35,308			60,720 35,308
0911322	QA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0911323	MMS X7002 AA	PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	02	3,185.00		76,440 38,509			76,440 38,509
TOTAL PICS SALARY									1,579,296			1,579,296
TOTAL PICS OPE									849,306			849,306
TOTAL PICS PERSONAL SERVICES =			23	23.00	552.00				2,428,602			2,428,602

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 191

# BUDGET NARRATIVE

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## Operations

### Package 114 Operations and Infrastructure Support

#### Package Description

**Purpose:** Continue ongoing efforts in the 2007-09 biennium to stabilize and strengthen the core agency infrastructure as well as ensure best practices to increase overall efficiency and effectiveness. This request includes improvements in agency procurement and contracting, human resources, information technology infrastructure maintenance, document imaging, and workload balancing.

**How Achieved:** Despite significant efforts in recent years creating a stable infrastructure and well established agency procedures, PERS still has many agency infrastructure tasks left to accomplish. Initiatives for agency improvement in 2007-09 include:

- Focus on supporting special projects, including Strunk/Eugene, IAP remediation, and RIMS conversion
- Continue 2005-07 work to strengthen and stabilize core agency infrastructure
- Improve service levels for all divisions
- Develop quality assurance for core processes
- Improve and streamline processes and procedures

Resource constraints that exist throughout the agency could keep PERS from meeting acceptable service standards in 2007-09 in the following areas:

- Human resources
- Procurement support
- IT developers and support staff
- Document imaging
- Retirement services.

Expenditure limitation and position authority are requested to implement administrative changes to the core infrastructure of PERS. Changes include short-term assistance in mail support, human resources, procurement, and development of agency business rules. To address these needs during the 2007-09 biennium, PERS requests 28.00 FTE and \$4,219,993 in Other Funds Limitation.

#### *Human Resource (HR) Support*

The agency requests that 2.00 FTE positions, one permanent Human Resources Assistant 3 position and one limited duration Human Resources Assistant 1, be created during the 2007-09 biennium. The permanent position is necessary to run the daily operations of HR and to act as a team leader to seven staff members. This position also handles the daily employee labor relations issues, oversees recruitment and classification, participates in training and development, and runs day-to-day operations. This position is important because it frees up the HR Director to concentrate on other strategic workforce management initiatives. The limited duration position was originally established in 2005-07 biennium to

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# BUDGET NARRATIVE

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handle potential layoffs. There is still a need for this position to handle potential layoffs in the 2007-09 biennium. In addition, the agency need for position management and classification assistance has grown. Because the agency is in the middle of structural and organizational change position classification audits and requests have increased.

- 1.00 FTE Human Resources Assistant 1
- 1.00 FTE Human Resources Assistant 3

Included in Governor's Recommended Budget as modified:

- Change one permanent, full time Human Resources Assistant 3 position (1.00 FTE) to a limited duration position (1.00 FTE).

### ***72nd Avenue Building Facility Support***

During the 2003-05 and 2005-07 biennia, PERS leased 15,009 sq. ft. at 72<sup>nd</sup> Avenue in Tigard to accommodate approximately 120 staff. PERS anticipates full utilization of this space during the entire 2007-09 biennium. The operational need for a number of these limited duration staff is expected to wind down by the end of the 2007-09 biennium with the anticipated completion of the Strunk/Eugene Project (Package 110). To continue the building lease through the end of the 2007-09 biennium, PERS is requesting an increase in its Facilities Rent of \$667,060. This calculation reflects the signed lease agreement originally scheduled to end in October 2008 that has been extended throughout the 2007-09 biennium with a 3 percent inflation rate at the same square footage.

### ***72nd Avenue Building Telecommunications***

During the 2005-07 biennium, the legislature approved PERS' request for telecommunications infrastructure to improve its internal communications between the agency's 72<sup>nd</sup> Street building and its headquarters at 68<sup>th</sup> Parkway. The agency upgraded its voice communications between the two buildings by adding a second T1 line. This alleviated the capacity issue that the agency had with the single T1 line. In addition, the agency installed a fiber optic line between the two buildings to improve data communications. This gave the staff located at the 72<sup>nd</sup> Street building faster access to the computer network and applications that are located at the 68<sup>th</sup> Parkway building. This enhancement greatly improves application response time for staff. PERS requests \$80,784 in Other Funds Limitation to cover the operating costs for the 2007-09 biennium for these voice and data communications lines between the 72<sup>nd</sup> Street location and the 68<sup>th</sup> Parkway location.

### ***72nd Avenue Building 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 for the 2003-05 and 2005-07 biennia. PERS requests continuation of the 1.00 limited duration FTE position (Mail Services Assistant) to continue this support for the 72<sup>nd</sup> Avenue office in 2007-09.

- 1.00 FTE Mail Services Assistant

# BUDGET NARRATIVE

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## *PERS Headquarters Facility Maintenance*

The carpet in the PERS headquarters building has deteriorated despite past attempts to repair and maintain the carpets. For the last five years, the agency has been patching the building's worn carpets, which bears an expense of \$10,000 annually. Total estimated cost to replace the carpet including labor and materials (less the current biennial maintenance cost of \$20,000) totals \$182,936 Other Funds.

Also, the interior of the PERS headquarters is in need of re-painting, as the building is approaching ten years since building completion with no major re-painting. This project will focus on hallways, restrooms, conference rooms and other areas, primarily those accessible by the general public, in need of updating. Estimated costs for this project are \$15,477.

## *Procurement/Contract Services*

Until the 1990's, PERS' procurement and contracting activities consisted primarily of office supplies, a few maintenance contracts, and three complex contracts for program services. Procurement services were split between different individuals and sections, which contributed to inconsistent contract administration.

In 1999, PERS' need for professional and trade services grew due to the planned conversion of the information technology systems, implementation of new legislation, outside legal services, and more sophisticated financial and actuarial analysis. As a result, the contracts became complex in both scope and administration.

Because of increased volume and complexity in contracting and procurement services, PERS requested and received assistance from the Department of Administrative Services State Procurement Office (DAS-SPO), which helped PERS establish a centralized Procurement and Contracting section in 2004. The new section consists of three permanent positions, two limited duration positions, and a DAS-SPO Senior Contracts Analyst.

Given the ongoing high volume of contracting and procurement services, PERS requests continuation of the 2.00 FTE limited duration positions to provide procurement support for the Procurement and Contracting section during the 2007-09 biennium.

- 1.00 FTE Procurement and Contract Specialist 2
- 1.00 FTE Procurement and Contract Specialist 3

## *IT Infrastructure Maintenance*

The Technical Operations section (TOS) provides information technology (IT) support services for the agency, including the design, implementation, and maintenance of the IT infrastructure. The current workload in the Application Support group has grown significantly due to the increasing complexities of systems being supported as the agency updates its technology associated with the RIMS Conversion Project (RCP). These workload demands within the Application Support group are permanent. PERS requests an addition of 1.00 FTE permanent position for Application Support Lead, as well as converting the current 2.00 FTE limited duration Application Support Systems Analysts into 2.00 FTE permanent positions. These

# BUDGET NARRATIVE

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positions are essential for analyzing plans, developing, integrating, and implementing critical activities that support agency operations, as well as maintaining and installing information systems software.

PERS also requests converting the current 1.00 FTE limited duration Service Desk Analyst position to a 1.00 FTE permanent position, as the service desk is the focal point of the technical (internal) customer service for the agency.

- 2.00 FTE Information Services Specialist 5
- 1.00 FTE Information Services Specialist 4
- 1.00 FTE Information Services Specialist 7

## ***Improve Programming Knowledge Base***

PERS requests expenditure limitation and position authority to convert 4.00 FTE limited duration positions into 4.00 permanent FTE to provide IT development, enhancement, and modification support for the agency. Three of these positions will be for Programmers/Developers and one is for a Requirements Analyst.

The positions 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 HB 2020 program (i.e., OPSRP and the IAP) and the expected implementation of jClarety to accommodate the existing PERS plan (i.e., the 238 Chapter Tier One and Tier Two Program), the Software Engineering Section (SES) 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 and train 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 (Saber Solutions, formerly known as Covansys) is onsite and installing the system.

- 2.00 FTE Information Services Specialist 8
- 1.00 FTE Information Services Specialist 6
- 1.00 FTE Operations and Policy Analyst 2

## ***Document Imaging***

The Image and Information Management (IIM) section provides records management support to approximately 400 agency personnel. The group manages member, employer, and internal agency documents in various media formats including hard copy, microfilm, microfiche, and electronic.

# BUDGET NARRATIVE

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Records management functions include image capture, document retrieval, document retention, information support (research), and program management.

The agency is undergoing a major change in the way it provides service to its customers, namely a transition from a function-oriented organization to a process-oriented one. The primary alteration is to reposition IIM from a back-end processing unit to a front-end document intake center for the agency. It is expected that all incoming agency mail will pass through IIM, and all appropriate documents will be scanned and submitted to the workflow engine for further processing by the rest of the agency.

This change in work is very substantial for the IIM section. Today, the IIM section is at the end of the document trail. All member documents are microfilmed by IIM. Paper documents come into the agency, make their way around to the various business units, and weeks, and sometimes months, later arrive in IIM for storage of the final document on film. The process has become cumbersome and archaic. The critical function in IIM was defined as “document storage and retrieval.” With the RIMS Conversion Project (RCP), IIM becomes the “front door” for agency documents and the initiators of workflow throughout the agency. This shift requires more knowledge and higher skill levels in IIM.

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 requests that the 2005-07 12.00 FTE limited duration positions be made permanent in order to assist IIM in converting all of the microfilmed documents for those members who will be retiring in the next 10 years, recognizing that workflow support will be a core function of the agency.

- 1.00 FTE Support Services Supervisor
- 3.00 FTE Office Specialist 1
- 2.00 FTE Data Entry Operator
- 6.00 FTE Office Assistant 2

## *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 were trained primarily to maintain RIMS, an application based on 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.

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Agency Request

Governor's Recommended

Legislatively Adopted

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# BUDGET NARRATIVE

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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 infrastructure components. The transition began in 2003-05 biennium and continues through the 2007-09 biennium. Meanwhile, PERS' plan is to continue enhancing staff skills as new technologies emerge.

PERS requests \$209,555 Other Funds Limitation to supplement the current ISD staff training budget to meet information system transition needs.

## ***Business Rules***

Business rules must be written to ensure proper implementation of the new jClarety retirement system. 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 jClarety, the risk of inconsistent agency practices and service increases.

PERS created a Business Rule Team within the Policy, Planning and Legislative Analysis Division (PPLAD) in the 2003-05 biennium to develop a complete library of business rules for the Tier One and Tier Two Chapter 238 Program. OPSRP required an estimated 800 total business rules (based on a similar number for the current PERS' Tier One and Tier Two Program) during the 2005-07 biennium.

PERS requests funding and position authority for 3.00 FTE limited duration Retirement Counselor 2 positions to continue the Business Rules Team through the final phase of business rules writing during the 2007-09 biennium. The current team's familiarity with the development of business rules allows a seamless transition to focus on the needs of the jClarety retirement pension administration system and the associated programs.

- 3.00 FTE Retirement Counselor 2

**Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS' programs and activities in accordance with statute and administrative rules. Costs are appropriately assigned to these programs and activities through the PERS' cost allocation system.

**2009-11 Fiscal Impact:** Twenty-one positions continue into the 2009-11 biennium resulting in a fiscal impact of 2,139,254 Other Funds for personal services and an additional \$125,425 for services and supplies, totaling \$2,264,679 Other Funds.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 114 - Operations & Infrastructure Support

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	4,219,993	-	-	-	4,219,993
<b>Total Revenues</b>	-	-	<b>\$4,219,993</b>	-	-	-	<b>\$4,219,993</b>
<b>Transfers Out</b>							
Transfer Out - Intrafund	-	-	(33,759)	-	-	-	(33,759)
<b>Total Transfers Out</b>	-	-	<b>(\$33,759)</b>	-	-	-	<b>(\$33,759)</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	1,855,248	-	-	-	1,855,248
Empl. Rel. Bd. Assessments	-	-	1,008	-	-	-	1,008
Public Employees' Retire Cont	-	-	235,800	-	-	-	235,800
Social Security Taxes	-	-	141,925	-	-	-	141,925
Worker's Comp. Assess. (WCD)	-	-	1,736	-	-	-	1,736
Mass Transit Tax	-	-	11,132	-	-	-	11,132
Flexible Benefits	-	-	639,744	-	-	-	639,744
Reconciliation Adjustment	-	-	5,013	-	-	-	5,013
<b>Total Personal Services</b>	-	-	<b>\$2,891,606</b>	-	-	-	<b>\$2,891,606</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	237,130	-	-	-	237,130
Office Expenses	-	-	140,000	-	-	-	140,000
Telecommunications	-	-	80,784	-	-	-	80,784
Facilities Rental and Taxes	-	-	667,060	-	-	-	667,060
Facilities Maintenance	-	-	198,413	-	-	-	198,413

Essential and Policy Package Fiscal Impact Summary - BPR013

Agency Request

Governor's Recommended

Legislatively Adopted

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 114 - Operations & Infrastructure Support

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Expendable Prop 250 - 5000	-	-	1,000	-	-	-	1,000
IT Expendable Property	-	-	4,000	-	-	-	4,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$1,328,387</b>	-	-	-	<b>\$1,328,387</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	4,219,993	-	-	-	4,219,993
<b>Total Expenditures</b>	-	-	<b>\$4,219,993</b>	-	-	-	<b>\$4,219,993</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(33,759)	-	-	-	(33,759)
<b>Total Ending Balance</b>	-	-	<b>(\$33,759)</b>	-	-	-	<b>(\$33,759)</b>
<b>Total Positions</b>							
Total Positions	-	-	-	-	-	-	28
<b>Total Positions</b>	-	-	-	-	-	-	<b>28</b>
<b>Total FTE</b>							
Total FTE	-	-	-	-	-	-	28.00
<b>Total FTE</b>	-	-	-	-	-	-	<b>28.00</b>

Essential and Policy Package Fiscal Impact Summary - BPR013

Agency Request

Governor's Recommended

Legislatively Adopted

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPOPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

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

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 2007-09  
 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 114 - Operations & Infrastructure Su

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
0911401	OA C1487	IA INFO SYSTEMS SPECIALIST 7	1	1.00	24.00	02	4,398.00		105,552 44,437			105,552 44,437
0911402	OA C1485	IA INFO SYSTEMS SPECIALIST 5	1	1.00	24.00	02	3,714.00		89,136 41,094			89,136 41,094
0911403	OA C1485	IA INFO SYSTEMS SPECIALIST 5	1	1.00	24.00	02	3,714.00		89,136 41,094			89,136 41,094
0911404	OA C1484	IA INFO SYSTEMS SPECIALIST 4	1	1.00	24.00	02	3,326.00		79,824 39,199			79,824 39,199
0911405	OA C1488	IA INFO SYSTEMS SPECIALIST 8	1	1.00	24.00	02	4,792.00		115,008 46,361			115,008 46,361
0911406	OA C1488	IA INFO SYSTEMS SPECIALIST 8	1	1.00	24.00	02	4,792.00		115,008 46,361			115,008 46,361
0911407	OA C1486	IA INFO SYSTEMS SPECIALIST 6	1	1.00	24.00	02	3,972.00		95,328 42,355			95,328 42,355
0911408	OA C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	3,506.00		84,144 40,078			84,144 40,078
0911411	MMS X0112	AA SUPPORT SERVICES SUPERVISOR 1	1	1.00	24.00	02	2,258.00		54,192 33,980			54,192 33,980
0911412	OA C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	02	1,814.00		43,536 31,809			43,536 31,809
0911413	OA C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	02	1,814.00		43,536 31,809			43,536 31,809
0911414	OA C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	02	1,814.00		43,536 31,809			43,536 31,809
0911415	OA C0501	AA DATA ENTRY OPERATOR	1	1.00	24.00	02	1,751.00		42,024 31,502			42,024 31,502
0911416	OA C0501	AA DATA ENTRY OPERATOR	1	1.00	24.00	02	1,751.00		42,024 31,502			42,024 31,502
0911417	OA C0102	AA OFFICE ASSISTANT 2	1	1.00	24.00	02	1,613.00		38,712 30,827			38,712 30,827
0911418	OA C0102	AA OFFICE ASSISTANT 2	1	1.00	24.00	02	1,613.00		38,712 30,827			38,712 30,827

Agency Request

Governor's Recommended

Legislatively Adopted

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 300-00-00 Operations

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

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 2007-09  
 PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 114 - Operations & Infrastructure Su

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	
0911419	OA	C0102	AA OFFICE ASSISTANT 2	1	1.00	24.00	02	1,613.00		38,712 30,827			38,712 30,827	
0911420	OA	C0102	AA OFFICE ASSISTANT 2	1	1.00	24.00	02	1,613.00		38,712 30,827			38,712 30,827	
0911421	OA	C0102	AA OFFICE ASSISTANT 2	1	1.00	24.00	02	1,613.00		38,712 30,827			38,712 30,827	
0911422	OA	C0102	AA OFFICE ASSISTANT 2	1	1.00	24.00	02	1,613.00		38,712 30,827			38,712 30,827	
0911423	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487	
0911424	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487	
0911425	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487	
0911426	OA	C0405	AA MAIL SERVICES ASSISTANT	1	1.00	24.00	02	1,682.00		40,368 31,165			40,368 31,165	
0911427	MMN	X1322	AA HUMAN RESOURCE ANALYST 3	1	1.00	24.00	02	3,870.00		92,880 41,856			92,880 41,856	
0911428	MMN	X1320	AA HUMAN RESOURCE ANALYST 1	1	1.00	24.00	02	2,990.00		71,760 37,557			71,760 37,557	
0911429	OA	C0438	AA PROCUREMENT & CONTRACT SPEC 3	1	1.00	24.00	02	3,847.00		92,328 41,744			92,328 41,744	
0911430	OA	C0437	AA PROCUREMENT & CONTRACT SPEC 2	1	1.00	24.00	02	3,506.00		84,144 40,078			84,144 40,078	
TOTAL PICS SALARY										1,855,248			1,855,248	
TOTAL PICS OPE										1,020,213			1,020,213	
TOTAL PICS PERSONAL SERVICES =									28	28.00	672.00			2,875,461

Agency Request

Governor's Recommended

Legislatively Adopted

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# BUDGET NARRATIVE

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## Operations

### Package 115 Legal Services

#### Package Description

**Purpose:** \$1,000,000 Other Funds to cover costs for legal representation provided by outside counsel.

**How Achieved:** PERS requests continuation of \$1,000,000 Other Funds Limitation to cover costs of legal services provided by outside counsel. The majority of PERS' legal costs continue to be driven by events that are not easily predicted, making an accurate estimate of 2007-09 expenses difficult. PERS believes the amount currently budgeted for Attorney General and standard Department of Justice (DOJ) contested cases is adequate for the 2007-09 biennium. However, there is no base budget amount in 2007-09 for legal services provided by outside legal counsel who have been retained since the 03-05 biennium.

PERS' need for legal services was 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 ORS 238.657 and through discussions with the Governor's office, the PERS Board retained legal counsel independent of the Office of the Attorney General. The purpose of this counsel is to advise the PERS Board on:

- Fiduciary duties
- Litigation resulting from implementation of the 2003 reform legislation and the recent *Strunk* and *Eugene* decisions
- Federal tax issues, including plan qualification
- Administrative rule issues and contested cases that arise due to new legislation

**Staffing Impact:** There is no impact to agency staffing.

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

**2009-11 Fiscal Impact:** The anticipated impact to 2009-11 is an estimated \$1,000,000 Other Funds.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 115 - Legal Services

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

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

Essential and Policy Package Fiscal Impact Summary - BPR013

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 203

# BUDGET NARRATIVE

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## Operations

### Package 802 Ways and Means Co-Chair 2 Percent Reprioritization

#### Package Description

**Purpose:** Meet the two percent efficiency reductions and fund Package 806 through a (\$1,165,484) Other Funds reduction, elimination of two limited duration and two permanent positions, and a phase-out 4.75 FTE limited duration positions.

**How Achieved:** The specific 2 percent efficiency reductions are as follows:

- Eliminate two limited duration (2.00 FTE) imaging positions originally planned for the Strunk/Eugene benefit adjustment work: (\$144,554) Other Funds
- Reduce temporary staffing for year-end processing due to implementation of jClarety: (\$53,000) Other Funds
- Eliminate filming of records for archival purposes following shift to digital imaging: (\$50,000) Other Funds
- Eliminate published handbook for judge members in favor of website-based program materials: (\$8,712) Other Funds
- Defer actuarial audit until 2008 when it will be conducted concurrently with the system valuation: (\$105,000) Other Funds
- Eliminate Contracts and Procurement permanent position (1.00 FTE).due to process streamlining: (\$113,284) Other Funds
- Reduce Department of Justice (DOJ) costs: (\$87,053) Other Funds by denying hearings when no material facts are in dispute.
- Reduce frequency of newsletter production and mailings, increasing reliance on website for communications with members and retirees: (\$43,000) Other Funds.
- Eliminate a Contributions and Banking permanent position (1.00 FTE) due to process streamlining: (\$117,387) Other Funds
- Implement a workforce management program to phase-out Strunk/Eugene Project at the end of the biennium by non-positions specific reductions in Personal Services costs and FTE (4.75 FTE): (\$443,494) Other Funds

#### Staffing Impact:

- (2.00 FTE) Limited duration imaging positions for Strunk/Eugene Project benefit adjustment work
- (1.00 FTE) Contracts and Procurement position
- (1.00 FTE) Contributions and Banking position
- (4.75 FTE) Limited duration Strunk/Eugene Project positions

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

**2009-11 Fiscal Impact:** There is no anticipated impact to 2009-11 Other Funds.

Agency Request

Governor's Recommended

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 802 - Ways and Means Co-Chair 2% Reprioritization

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	(1,165,484)	-	-	-	(1,165,484)
<b>Total Revenues</b>	-	-	<b>(\$1,165,484)</b>	-	-	-	<b>(\$1,165,484)</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	(142,728)	-	-	-	(142,728)
Empl. Rel. Bd. Assessments	-	-	(72)	-	-	-	(72)
Public Employees' Retire Cont	-	-	(18,140)	-	-	-	(18,140)
Pension Bond Contribution	-	-	(4,800)	-	-	-	(4,800)
Social Security Taxes	-	-	(10,919)	-	-	-	(10,919)
Worker's Comp. Assess. (WCD)	-	-	(124)	-	-	-	(124)
Mass Transit Tax	-	-	(1,320)	-	-	-	(1,320)
Flexible Benefits	-	-	(45,696)	-	-	-	(45,696)
Reconciliation Adjustment	-	-	(583,170)	-	-	-	(583,170)
<b>Total Personal Services</b>	-	-	<b>(\$806,969)</b>	-	-	-	<b>(\$806,969)</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	(1,750)	-	-	-	(1,750)
Office Expenses	-	-	(60,000)	-	-	-	(60,000)
Publicity and Publications	-	-	(51,712)	-	-	-	(51,712)
Professional Services	-	-	(158,000)	-	-	-	(158,000)
Attorney General	-	-	(87,053)	-	-	-	(87,053)
<b>Total Services &amp; Supplies</b>	-	-	<b>(\$358,515)</b>	-	-	-	<b>(\$358,515)</b>

Essential and Policy Package Fiscal Impact Summary - BPR013

Agency Request

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 802 - Ways and Means Co-Chair 2% Reprioritization

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Total Expenditures</b>							
Total Expenditures	-	-	(1,165,484)	-	-	-	(1,165,484)
<b>Total Expenditures</b>	-	-	<b>(\$1,165,484)</b>	-	-	-	<b>(\$1,165,484)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							(4)
<b>Total Positions</b>	-	-	-	-	-	-	<b>(4)</b>
<b>Total FTE</b>							
Total FTE							(8.75)
<b>Total FTE</b>	-	-	-	-	-	-	<b>(8.75)</b>

Essential and Policy Package Fiscal Impact Summary - BPR013

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 300-00-00 Operations

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

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 PROD FILE

PACKAGE: 802 - Ways and Means Co-Chair 2% Rep

2007-09  
 PICS SYSTEM: BUDGET PREPARATION

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
0137050	OA C0211	AA ACCOUNTING TECHNICIAN 2	1-	1.00-	24.00-	09	3,044.00		73,056- 37,820-			73,056- 37,820-
9100121	OA C0435	AA PROCUREMENT AND CONTRACT ASST	1-	1.00-	24.00-	06	2,903.00		69,672- 37,131-			69,672- 37,131-
TOTAL PICS SALARY									142,728-			142,728-
TOTAL PICS OPE									74,951-			74,951-
TOTAL PICS PERSONAL SERVICES =			2-	2.00-	48.00-				217,679-			217,679-

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 207

# BUDGET NARRATIVE

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## Operations

### Package 803 Statewide Assessment Adjustments

#### Package Description

**Purpose:** (\$105,013) Other Funds reduction to reflect omnibus adjustments as stated in SB5549-A.

**How Achieved:** Omnibus adjustments reflect the following:

- (\$89,586) Other Funds reduction in Personal Services due to reductions in Public Employee Retirement System rates. The PERS rate for state agencies is reduced from 12.98 percent as assumed in the Governor's budget to the final rate of 12.71 percent. The rate for judges is reduced from 27.14 percent to 25.70 percent.
- (\$2,017) Other Funds reduction in Services and Supplies due to adjusted treasury debt management charges that reflect updated information on agencies' relative debt levels and new debt issuances.
- (\$13,410) Other Funds reduction in Services and Supplies to reflect reductions in the hourly rate for Department of Justice (DOJ) attorney charges.

**Staffing Impact:** There is no impact to agency staffing.

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

**2009-11 Fiscal Impact:** There is no anticipated impact to 2009-11 Other Funds.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 803 - Statewide Assessment Adjustments

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	(102,928)	-	-	-	(102,928)
<b>Total Revenues</b>	-	-	<b>(\$102,928)</b>	-	-	-	<b>(\$102,928)</b>
<b>Transfers Out</b>							
Transfer Out - Intrafund	-	-	116,579	-	-	-	116,579
<b>Total Transfers Out</b>	-	-	<b>\$116,579</b>	-	-	-	<b>\$116,579</b>
<b>Personal Services</b>							
Reconciliation Adjustment	-	-	(89,586)	-	-	-	(89,586)
<b>Total Personal Services</b>	-	-	<b>(\$89,586)</b>	-	-	-	<b>(\$89,586)</b>
<b>Services &amp; Supplies</b>							
State Gov. Service Charges	-	-	(2,017)	-	-	-	(2,017)
Attorney General	-	-	(13,410)	-	-	-	(13,410)
<b>Total Services &amp; Supplies</b>	-	-	<b>(\$15,427)</b>	-	-	-	<b>(\$15,427)</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	(105,013)	-	-	-	(105,013)
<b>Total Expenditures</b>	-	-	<b>(\$105,013)</b>	-	-	-	<b>(\$105,013)</b>

Essential and Policy Package Fiscal Impact Summary - BPR013

Agency Request

Governor's Recommended

Legislatively Adopted

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 803 - Statewide Assessment Adjustments

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	118,664	-	-	-	118,664
<b>Total Ending Balance</b>	-	-	<b>\$118,664</b>	-	-	-	<b>\$118,664</b>

# BUDGET NARRATIVE

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## Operations

### Package 806 Table Request Budget Adjustment

#### Package Description

**Purpose:** The Subcommittee discussed opportunities to improve services to members as they move into retirement. This package was approved to restore \$254,546 Other Funds from the efficiency savings in Package 802 and establish two permanent positions (2.00 FTE) to provide assistance with retirement form completion in areas of the state outside the Willamette Valley.

**How Achieved:** Opportunities for members to have their benefit estimates explained and to review their application forms with a PERS' staff member prior to submittal would be provided in conjunction with group presentations and other scheduled travel. PERS will reassign duties of two existing positions and increase use of overtime to expand its face-to-face application assistance to Willamette Valley members. PERS will also work with its stakeholders to improve access to web-based retirement tools and with private-sector vendors to make pre-retirement education workshops more broadly available throughout the state.

**Staffing Impact:** Establish the following fulltime permanent positions:

- 2.00 FTE Retirement Counselor 2

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

**2009-11 Fiscal Impact:** Two positions continue into the 2009-11 biennium, resulting in an anticipated fiscal impact of \$214,946 Other Funds for personal services and an additional \$39,600 for services and supplies, totaling \$254,546 Other Funds.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 806 - Table Request Budget Adjustment

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	254,546	-	-	-	254,546
<b>Total Revenues</b>	-	-	<b>\$254,546</b>	-	-	-	<b>\$254,546</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	133,008	-	-	-	133,008
Empl. Rel. Bd. Assessments	-	-	72	-	-	-	72
Public Employees' Retire Cont	-	-	16,906	-	-	-	16,906
Pension Bond Contribution	-	-	7,808	-	-	-	7,808
Social Security Taxes	-	-	10,176	-	-	-	10,176
Worker's Comp. Assess. (WCD)	-	-	124	-	-	-	124
Mass Transit Tax	-	-	798	-	-	-	798
Flexible Benefits	-	-	45,696	-	-	-	45,696
Reconciliation Adjustment	-	-	358	-	-	-	358
<b>Total Personal Services</b>	-	-	<b>\$214,946</b>	-	-	-	<b>\$214,946</b>
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	17,850	-	-	-	17,850
Employee Training	-	-	1,750	-	-	-	1,750
Office Expenses	-	-	10,000	-	-	-	10,000
Expendable Prop 250 - 5000	-	-	2,000	-	-	-	2,000
IT Expendable Property	-	-	8,000	-	-	-	8,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$39,600</b>	-	-	-	<b>\$39,600</b>

Essential and Policy Package Fiscal Impact Summary - BPR013

Agency Request

Governor's Recommended

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 806 - Table Request Budget Adjustment

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Total Expenditures</b>							
Total Expenditures	-	-	254,546	-	-	-	254,546
<b>Total Expenditures</b>	-	-	<b>\$254,546</b>	-	-	-	<b>\$254,546</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							2
<b>Total Positions</b>	-	-	-	-	-	-	<b>2</b>
<b>Total FTE</b>							
Total FTE							2.00
<b>Total FTE</b>	-	-	-	-	-	-	<b>2.00</b>

Essential and Policy Package Fiscal Impact Summary - BPR013

Agency Request

Governor's Recommended

Legislatively Adopted

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

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

2007-09  
 PICS SYSTEM: BUDGET PREPARATION  
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PACKAGE: 806 - Table Request Budget Adjustmen

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
0980601	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
0980602	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	2,771.00		66,504 36,487			66,504 36,487
TOTAL PICS SALARY										133,008			133,008
TOTAL PICS OPE										72,974			72,974
TOTAL PICS PERSONAL SERVICES =				2	2.00	48.00				205,982			205,982

Agency Request

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# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2007-09 Biennium

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

Source	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>Other Funds</b>						
Charges for Services	7,348,302	2,197,416	7,837,923	7,889,041	7,889,041	7,889,041
Cert of Participation	9,943,754	-	-	-	-	-
Interest Income	917,098	-	1,627,403	1,609,318	1,609,318	1,609,318
Other Revenues	9,527	32,847	230,200	230,200	230,200	230,200
Transfer In - Intrafund	58,863,236	73,527,174	74,992,717	82,788,935	81,051,434	79,998,475
Transfer Out - Intrafund	(1,109,740)	-	(9,104,102)	(8,223,755)	(8,223,755)	(8,041,588)
<b>Total Other Funds</b>	<b>\$75,972,177</b>	<b>\$75,757,437</b>	<b>\$75,584,141</b>	<b>\$84,293,739</b>	<b>\$82,556,238</b>	<b>\$81,685,446</b>

Detail of LF, OF, and FF Revenues - BPR012

Agency Request

Governor's Recommended

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Program Unit Appropriated Fund Group and Category Summary

Version: Z - 01 - Leg. Adopted Budget

2007-09 Biennium

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

Operations

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>LIMITED BUDGET (Excluding Packages)</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	34,589,508	44,564,938	45,425,988	37,175,742	37,175,742	<del>37,175,742</del>
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	37,179,273	30,384,327	29,363,809	30,384,327	30,384,327	30,384,327
<b>CAPITAL OUTLAY</b>						
Other Funds	4,603,093	1,033,494	1,130,764	1,033,494	1,033,494	1,033,494
<b>TOTAL LIMITED BUDGET (Excluding Packages)</b>						
Other Funds	76,371,874	75,982,759	75,920,561	68,593,563	68,593,563	68,593,563
<b>AUTHORIZED POSITIONS</b>	420	380	379	264	264	264
<b>AUTHORIZED FTE</b>	366.36	379.00	377.79	262.63	262.63	262.63
<b>LIMITED BUDGET (Essential Packages)</b>						
<b>010 NON-PICS PSNL SVC / VACANCY FACTOR</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	-	-	-	33,660	33,660	33,660
<b>022 PHASE-OUT PGM &amp; ONE-TIME COSTS</b>						
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	(16,810,748)	(16,810,748)	(16,810,748)
<b>CAPITAL OUTLAY</b>						
Other Funds	-	-	-	(688,876)	(688,876)	(688,876)
<b>030 INFLATION &amp; PRICE LIST ADJUSTMENTS</b>						

Program Unit Appropriated Fund and Category Summary – BPR007A

Agency Request

Governor's Recommended

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Program Unit Appropriated Fund Group and Category Summary

Version: Z - 01 - Leg. Adopted Budget

2007-09 Biennium

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

Operations

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	736,856	776,174	776,174
<b>CAPITAL OUTLAY</b>						
Other Funds	-	-	-	10,683	10,683	10,683
<b>TOTAL LIMITED BUDGET (Essential Packages)</b>						
Other Funds	-	-	-	(16,718,425)	(16,679,107)	(16,679,107)
<b>LIMITED BUDGET (Essential Budget Level)</b>						
Other Funds	76,371,874	75,982,759	75,920,561	51,875,138	51,914,456	51,914,456
<b>AUTHORIZED POSITIONS</b>	420	380	379	264	264	264
<b>AUTHORIZED FTE</b>	366.36	379.00	377.79	262.63	262.63	262.63
<b>LIMITED BUDGET (Policy Packages)</b>						
<b>PRIORITY 0</b>						
<b>802 WAYS AND MEANS CO-CHAIR 2% REPRIORITIZ</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	-	-	-	-	-	(806,969)
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	-	-	(358,515)
<b>AUTHORIZED POSITIONS</b>	-	-	-	-	-	(4)
<b>AUTHORIZED FTE</b>	-	-	-	-	-	(8.75)
<b>803 STATEWIDE ASSESSMENT ADJUSTMENTS</b>						
<b>PERSONAL SERVICES</b>						

Program Unit Appropriated Fund and Category Summary – BPR007A

Agency Request

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Program Unit Appropriated Fund Group and Category Summary**

Version: Z - 01 - Leg. Adopted Budget

2007-09 Biennium

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

Operations

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
Other Funds	-	-	-	-	-	(89,586)
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	-	-	(15,427)
<b>806 TABLE REQUEST BUDGET ADJUSTMENT</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	-	-	-	-	-	214,946
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	-	-	39,600
<b>AUTHORIZED POSITIONS</b>	-	-	-	-	-	2
<b>AUTHORIZED FTE</b>	-	-	-	-	-	2.00
<b>PRIORITY 1</b>						
<b>112 RETIREMENT PROCESSING</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	-	-	-	2,487,154	2,487,154	2,487,154
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	163,925	163,925	163,925
<b>AUTHORIZED POSITIONS</b>	-	-	-	25	25	25
<b>AUTHORIZED FTE</b>	-	-	-	25.00	25.00	25.00
<b>PRIORITY 2</b>						
<b>113 RETIREMENT DATA SUPPORT</b>						
<b>PERSONAL SERVICES</b>						

Program Unit Appropriated Fund and Category Summary – BPR007A

Agency Request

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Program Unit Appropriated Fund Group and Category Summary**

**Version: Z - 01 - Leg. Adopted Budget**

**2007-09 Biennium**

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

**Operations**

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
Other Funds	-	-	-	2,442,338	2,442,338	2,442,338
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	156,150	156,150	156,150
<b>AUTHORIZED POSITIONS</b>	-	-	-	23	23	23
<b>AUTHORIZED FTE</b>	-	-	-	23.00	23.00	23.00
<b>PRIORITY 3</b>						
<b>114 OPERATIONS &amp; INFRASTRUCTURE SUPPORT</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	-	-	-	2,891,606	2,891,606	2,891,606
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	1,328,387	1,328,387	1,328,387
<b>AUTHORIZED POSITIONS</b>	-	-	-	28	28	28
<b>AUTHORIZED FTE</b>	-	-	-	28.00	28.00	28.00
<b>PRIORITY 4</b>						
<b>115 LEGAL SERVICES</b>						
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	1,000,000	1,000,000	1,000,000
<b>PRIORITY 5</b>						
<b>110 STRUNK/EUGENE</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	-	-	-	5,545,047	5,545,047	5,545,047

Program Unit Appropriated Fund and Category Summary – BPR007A

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Program Unit Appropriated Fund Group and Category Summary

Version: Z - 01 - Leg. Adopted Budget

2007-09 Biennium

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

Operations

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	928,190	798,190	798,190
<b>AUTHORIZED POSITIONS</b>	-	-	-	57	57	57
<b>AUTHORIZED FTE</b>	-	-	-	57.00	57.00	57.00
<b>PRIORITY 6</b>						
<b>111 RIMS CONVERSION PROJECT</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	-	-	-	788,769	788,769	788,769
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	13,766,176	12,158,675	12,158,675
<b>CAPITAL OUTLAY</b>						
Other Funds	-	-	-	592,400	592,400	592,400
<b>AUTHORIZED POSITIONS</b>	-	-	-	6	6	6
<b>AUTHORIZED FTE</b>	-	-	-	6.00	6.00	6.00
<b>TOTAL LIMITED BUDGET (Policy Packages)</b>						
Other Funds	-	-	-	32,090,142	30,352,641	29,336,690
<b>AUTHORIZED POSITIONS</b>	-	-	-	139	139	137
<b>AUTHORIZED FTE</b>	-	-	-	139.00	139.00	132.25
<b>TOTAL LIMITED BUDGET (Including Packages)</b>						
Other Funds	76,371,874	75,982,759	75,920,561	83,985,280	82,267,097	81,251,146
<b>AUTHORIZED POSITIONS</b>	420	380	379	403	403	401

Program Unit Appropriated Fund and Category Summary – BPR007A

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Program Unit Appropriated Fund Group and Category Summary

Version: Z - 01 - Leg. Adopted Budget

2007-09 Biennium

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

Operations

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>AUTHORIZED FTE</b>	366.36	379.00	377.79	401.63	401.63	394.88
<b>OPERATING BUDGET</b>						
Other Funds	76,371,874	75,982,759	75,920,561	83,965,280	82,267,097	81,251,146
<b>AUTHORIZED POSITIONS</b>	420	380	379	403	403	401
<b>AUTHORIZED FTE</b>	366.36	379.00	377.79	401.63	401.63	394.88
<b>TOTAL BUDGET</b>						
Other Funds	76,371,874	75,982,759	75,920,561	83,965,280	82,267,097	81,251,146
<b>AUTHORIZED POSITIONS</b>	420	380	379	403	403	401
<b>AUTHORIZED FTE</b>	366.36	379.00	377.79	401.63	401.63	394.88

Program Unit Appropriated Fund and Category Summary – BPR007A

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# BUDGET NARRATIVE

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## Debt Service

### Overview

This program accounts for debt service payments on Certificates of Participation (COPs) that were issued to finance two major agency projects: the PERS headquarters building construction and capital costs associated with the Oregon Public Service Retirement Plan (OPSRP) technology platform.

Although PERS has significant resources available, COPs were utilized due to interest costs being less than the potential foregone investment 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 Department of Administrative Services (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. The first COP was paid off on May 1, 2006. Earnings on the PERS fund will pay off the remaining balance for the second COP (\$5.825 million as of 06-30-06) by May 2017.

#### *Oregon Public Service Retirement Plan Information Technology Project*

The Legislature recognized that revenues from the Individual Account Program (IAP) IAP and OPSRP 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 and Tier Two Program 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. The last payment will occur on May 1, 2009.

### Base Budget Adjustments

There is a decrease of \$11,750 in Other Funds Limitation debt service. The debt service adjustment is made in accordance with budget instructions and based on established repayment schedules provided by DAS.

# BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon  
2007-09 Biennium

Agency Number: 45900

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

Source	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>Other Funds</b>						
Other Revenues	1,087	-	-	-	-	-
Transfer In - Intrafund	3,562,372	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>Total Other Funds</b>	<b>\$3,563,459</b>	<b>\$5,720,950</b>	<b>\$5,720,950</b>	<b>\$5,709,200</b>	<b>\$5,709,200</b>	<b>\$5,709,200</b>

Detail of LF, OF, and FF Revenues - BPR012

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Program Unit Appropriated Fund Group and Category Summary

Version: Z - 01 - Leg. Adopted Budget

2007-09 Biennium

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

Debt Service

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>DEBT SERVICE (Excluding Packages)</b>						
<b>DEBT SERVICE</b>						
Other Funds	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>TOTAL DEBT SERVICE (Excluding Packages)</b>						
Other Funds	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>DEBT SERVICE (Essential Budget Level)</b>						
Other Funds	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>TOTAL DEBT SERVICE (Including Packages)</b>						
Other Funds	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>TOTAL BUDGET</b>						
Other Funds	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200

Program Unit Appropriated Fund and Category Summary – BPR007A

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# BUDGET NARRATIVE

## INFORMATION TECHNOLOGY PROJECTS IN 2007-09 (that Equal or Exceed \$150,000)

Agency Name:	PUBLIC EMPLOYEES RETIREMENT SYSTEM				
Project Name:	RIMS CONVERSION PROGRAM				
Mandated Project?	Yes or No	NO	By: Legislature, Federal Gov, Other (identify it)		
Base Budget or POP?	POP 111		Which agency or state plans or goals does it align with and/or support?	Agency goal to provide better, more accurate service to employers and members. State goal to provide better access to government services for Oregonians.	

**Project Description:**  
 The RIMS Conversion Project (RCP) is Phase II of a two-phase project to implement an enterprise-wide technology architecture, the goal of which is to create an integrated platform for providing pension administration services across all retirement programs.

RCP will extend and further customize the jClarety application template implemented in Phase I to administer the Oregon Public Service Retirement Plan (OPSRP) established by the 2003 PERS' reform. The scope of the RCP includes the retirement plan administration components needed to administer the PERS' Chapter 238 Tier One and Tier Two Program, currently being managed by the Retirement Information Management System (RIMS), its associated desktop applications, and manual processes. This project will provide PERS with an integrated platform for providing member services and benefits across all retirement plans. In addition to extending the jClarety application, the RCP will also implement electronic workflow, electronic content management and member/employer self-service systems at the agency.

The project will be completed over the course of several biennia. The expected cost of the project is \$27.5M and the expected completion date is November 2009. The 07-09 biennium costs for this project are shown in the chart schedule below.

<b>Cost Summary</b>							
Estimated cost by fund:	General Fund	Lottery Funds	Other Funds	Non-Limited	Federal Funds	Non-Limited	Total Funds
	\$	\$	\$13,539,844	\$	\$	\$	\$13,539,844

Estimated Cost by category:	Personal Services	Services & Supplies	Capital Outlay	Special Payments	Debt Service
	\$788,769	\$12,158,675	\$592,400	\$	\$

Expected Start Date:	6/2005		
Expected Completion Date:	11/2009		
		Positions:	6
		Internal/ Contractor	6/variou
		FTE:	6.00

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# BUDGET NARRATIVE

## INFORMATION TECHNOLOGY PROJECTS IN 2007-09 (that Equal or Exceed \$150,000)

Agency Name:	PUBLIC EMPLOYEES RETIREMENT SYSTEM				
Project Name:	STRUNK/EUGENE PROJECT				
Mandated Project?	Yes or No	YES	By: Legislature, Federal Gov, Other (identify it)	Supreme Court Decisions	
Base Budget or POP?	POP 110		Which agency or state plans or goals does it align with and/or support?	This project implements two court rulings. The results of this project support the agency's goal of providing accurate member benefits and allow the agency to satisfy its fiduciary responsibility under Oregon statute.	

**Project Description:**  
 To comply with the Oregon Supreme Court's rulings in the *Strunk* and *Eugene* cases, and the associated Board settlement agreement. As a result of those rulings, PERS must re-calculate member account balances, recalculate and adjust benefits, and recover over-payments made on the basis of 1999 earnings over-crediting. PERS will use additional limited duration staff to handle the increased workload associated with this project. While the majority of the costs associated with this project are related to FTE in the operational sections of the agency, there is an application modification (programming) component of the project that exceeds the \$150,000 threshold for this document. The expected programming costs associated with this project is \$200,000, which will be used to procure contract programming services to work in conjunction with business and IT staff in the design, specification and implementation of the system changes required to support successful completion of the project.

Cost Summary							
Estimated cost by fund:	General Fund	Lottery Funds	Other Funds	Non-Limited	Federal Funds	Non-Limited	Total Funds
	\$	\$	\$200,000	\$	\$	\$	\$200,000

Estimated Cost by category:	Personal Services	Services & Supplies	Capital Outlay	Special Payments	Debt Service
	\$200,000	\$	\$	\$	\$

Expected Start Date: 7/2007

Positions:	
Internal/ Contractor	
FTE:	

Expected Completion Date: 6/2009

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# BUDGET NARRATIVE

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## Audit Response Report

The following reports were completed and/or issued by the Secretary of State or the Joint Legislative Audit Committee in the 2003-2005 biennium and thus far in the 2005-07 biennium:

### 2005-2007

- The PERS Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2006 was issued in December 2006 by the Audits Division. No reportable conditions were reported and no management letter was issued.
- jClarety Application Controls Review: The Audits Division completed an evaluation of the computer controls governing the jClarety computer application, the software being implemented as the replacement for the legacy Retirement Information Management System (RIMS). The report was presented to the PERS Audit Committee on February 16, 2007.
- The PERS' CAFR for the fiscal year ended June 30, 2005 was issued in December 2005. One reportable condition related to internal controls was reported. The Agency has implemented appropriate corrective measures.

### 2003-2005

- PERS' Change of Director Review: Letters dated May 11, 2004 and August 4, 2004 were issued, with no substantive findings.
- The PERS' CAFR for the fiscal year ended June 30, 2004 was issued in December 2004. One reportable condition was reported. Corrective measures have been implemented along with a work plan to prevent the problem from reoccurring in future years.
- The PERS' CAFR for the fiscal year ended June 30, 2003 was issued in December 2003. No reportable conditions were identified.

## BUDGET NARRATIVE

In addition, the following reviews and engagements were conducted by the PERS Internal Audit Section, DAS, or by independent contractors during the above periods:

Report Title	Date Issued	Conducted By
Payroll Review	02/2007	PERS Internal Audits
Employee Account Review	09/06/2006	PERS Internal Audits
Quality Assurance Oversight: HB 2020 Program	05/17/2006	Agilis Solutions
Information Technology General Controls Review	10/17/2005	Quality Plus Engineering
Work-Out-of-Class Review	09/30/2005	DAS HRSD
Disabilities Risk Assessment	09/24/2005	Quality Plus Engineering
Administrative Classification Review Study	07/15/2005	DAS HRSD
jClarety Pension Plan Determination and Contribution Accuracy	03/24/2005	PERS Internal Audits
jClarety User Logical Access Review	12/09/2004	PERS Internal Audits
Member Retirement Purchases Options	09/13/2004	PERS Internal Audits
Total Lump Sum Benefit Option Review	06/22/2004	PERS Internal Audits
Assessment of PERS' Performance Measurement System Integrity and Outcomes	06/04/2004	PERS Internal Audits
Travel Card Review	06/03/2004	PERS Internal Audits
Small Purchase Order Transaction System (SPOTS) Card Review	04/28/2004	PERS Internal Audits
Travel Expense Review	04/05/2004	PERS Internal Audits
Accounts Receivable and Invoicing	03/08/2004	PERS Internal Audits
Death Benefit Unit Risk Assessment	02/05/2004	PERS Internal Audits
Minimum Account Balance	01/29/2004	PERS Internal Audits
Hardship Manual Refunds Review	10/23/2003	PERS Internal Audits

Recommendations for improvement from these reviews and engagements have been and are in the process of evaluation and implementation. Some will occur as part of the implementation of the new jClarety application.

# 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	05-07 LONG RANGE GOALS	EMPLOYEE NUMBERS JUNE 2005	EMPLOYEE NUMBERS APRIL 2006	CHANGE	MET 05-07 GOAL?
WOMEN							
Middle management	A01	2	1	15	10	-5	NO
PEOPLE OF COLOR							
Middle management	A01	1	1	7	4	-3	NO
Upper management	A02	1	1	1	1	0	NO
Personnel/ Employment*	B10	1	1	8	6	-2	NO
Program coord/ analyst	B16	2	1	3	5	+2	YES
Administrative support	F00	1	1	11	15	+4	YES

\* B10 includes retirement counselors 1 and 2. This group makes up our largest job classification at PERS or approximately 36 percent of our positions.

Although PERS met some of its goals in the last biennium, PERS continues to strive towards making positive progress on the long-range goals for the 05-07 biennium.

An area we are particularly interested in improving is attracting, hiring, and retaining people of color in our upper management positions. PERS increased our numbers in middle management, which will develop people for future upper management positions. We also have three upper management positions open at this time, creating an opportunity to attract and hire people of color into those positions.

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. In 2005, PERS hired a consultant to conduct Cultural Competency training for executives and managers in an effort to educate them on diversity and to help them gain an understanding of the advantages of creating a welcoming work environment for PERS employees with diverse backgrounds.

\_\_\_ Agency Request

\_\_\_ Governor's Recommended

X  Legislatively Adopted

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# BUDGET NARRATIVE

Although we are a small agency, we have expanded our recruitment efforts in the Portland area through outreach programs such as the One Stop Career Center/Workforce Network, putting ads on television public channels, and ads in diverse newspapers. In 2005 and 2006, we partnered with other agencies to participate at cultural job fairs to promote working for the State and PERS.

Within our agency, the Human Resources Director has been attending new employee orientation to meet new employees and welcome them to PERS. After the cultural competency assessment and follow-up training, PERS implemented one of the consultant's recommendations by creating a Diversity Committee comprised of employees throughout the agency. The main purpose of the committee is to educate and create awareness around the importance of diversity at PERS.

## B. By Equal Employment Opportunity Categories

EEO CATEGORY	JOB GROUP	03-07 LONG RANGE GOALS	05-07 LONG RANGE GOALS	EMPLOYEE NUMBERS JUNE 2005	EMPLOYEE NUMBERS APRIL 2006	CHANGE	MET 05-07 GOAL?
WOMEN	A (officials/admin)	2	1	18	11	-7	NO
AFRICAN AMERICANS	A (officials/admin)	1	1	0	0	0	NO
	B (professionals)	1	1	5	3	-2	NO
	F (admin support)	1	1	0	0	0	NO
HISPANIC AMERICANS	A (officials/admin)	1	1	1	1	+1	YES
	B (professionals)	1	1	3	4	+1	YES
ASIAN AMERICANS	B (professionals)	1	1	10	15	+5	YES
NATIVE AMERICANS	F (admin support)	1	1	0	1	+1	YES

PERS met half of the long-range goals for the 05-07 biennium. However, it is important to note that 144 of our current 388 positions are limited duration. These will end June 30, 2006 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 a bit of ground on hiring African Americans into management positions and are currently below our goal. We will continue to target this group with our outreach efforts, attending related job fairs, advertisements and through 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.

**Hispanic Americans:** Although we met the long-range goals for Hispanic Americans, we continue to do outreach though 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

# BUDGET NARRATIVE

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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 though posting jobs in the *Observer* and the *Asian Reporter* newspapers. 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 met the long-range goals for Native Americans. We will continue to do outreach activities by contacting the local Confederated Tribes of Grand Ronde to see if we can put ads or articles in their tribal newsletter and contact the Oregon Native American Chamber of Commerce to see about partnering with them.

**Disabled:** Although we do not have any long-term goals set for people with disabilities, 17 or 4 percent of our work force are people with disabilities. We post our jobs with various Vocational Rehabilitation Services in the area. We continue to be welcoming to people with disabilities by ensuring we are in compliance with the American's with Disabilities Act for access and by engaging in an interactive process around reasonable accommodation requests.

## Summary

PERS does extensive recruitment through colleges, companies facing a reduction in workforce, alternative newspapers, Job Corps, the Department of Veterans Affairs Vocational Rehabilitation 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 Diversity Committee and the PERS' Your Office Committee (YOC).

# BUDGET NARRATIVE

## List of Efficiencies

Name of Agency: Public Employees Retirement System (PERS)

Contact Person: Brian DeForest

Telephone: (503) 603-7568

Short Description of Efficiency	Program Affected	Who/What Impacted (internal and external)	Description of Savings	Amount of Savings - if applicable (include units and time period)
Placing more disability retirees on biennial reviews	PERS Chapter 238 Disability Retirement	Disability retirees and PERS staff	Disability cases that fit certain criteria (illness/injury and length of disability status) can be placed on a biennial review cycle, as opposed to annual review. The PERS medical advisor reviews and approves the review cycle. This saves the disability retiree time and money by eliminating medical reviews and corresponding insurance issues. PERS staff saves time on case load management and spends less time supporting customer inquiries about the review process.	There are approx 6,000 disability retirees. Every case eliminated from annual review saves a minimum of one hour staff time. In addition, phone calls between staff and customers are eliminated. Staff can be re-focused toward immediate workload needs.
Capturing documents in electronic, retrievable form (FYI)	BPD	Internal - RSS staff External - retirees	Reduced time in receiving retirement documents and increased responsiveness to stakeholders.	1 to 2 days per application
Automated workflow for IAP retirement and withdrawal processing (FYI)	IAP Disbursement	Internal - IAP retirement and withdrawal team External - IAP retirees and members withdrawing	Use of FYI workflow to process IAP disbursement applications. FYI allows staff to view document images electronically view a web interface. Automated workflow manages the distribution process, provides better process controls, and increases management reporting and oversight capabilities. Reduced paper copying, printing, and routing. Eliminates lost paperwork.	An average of 500 IAP disbursements per month totaling \$1.75 million. Application process time was cut in half and currently takes approximately 55 minutes to process each application.
Implementation of automated desktop benefit calculation programs	BPD	Internal - RSS staff External - retirees	Accuracy improved, processing time shortened, rework reduced.	From 3 hours average time to 1½ hours per calculation. Average 500 calculations per month.
Reduced BPD Strunk//Eugene staff	BPD	External - stakeholders	Through the comprehensive planning and development of new processes and tools, PERS reduced the BPD Strunk/Eugene staff needs from the original projections.	Savings is expressed as cost avoidance. Reduced BPD resource need from the original estimate of 65 FTE to 37 FTE, saving 28 FTE from being requested.
Converted employer reporting of member data from paper to 100 percent electronic. Referred to as EDX	PERS Employer Reporting	External - employers and members	Better member service. Data is transferred electronically from employer payroll unit via the Internet. No manual interfacing of data between employers and PERS staff. Allows for more data to be transferred and less risk of polluting the data from manual handling.	Precise savings has not yet been determined as the system has not reached full maturity and employers are still learning the system.

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Legislatively Adopted

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# BUDGET NARRATIVE

Short Description of Efficiency	Program Affected	Who/What Impacted (internal and external)	Description of Savings	Amount of Savings - if applicable (include units and time period)
Created PDF-fillable and printable forms on the PERS website	PERS Customer Service Center	External - member	Better customer service, reduced staff time and streamlined process	This provides 24/7 access to forms that previously could only be requested via phone, correspondence or in-person. Since the inception, approximately 800 forms per week have been downloaded and printed from the Internet. Period: 2005/2006
Revised web calculator to use Annual Statement data so member can receive an estimate that is equivalent to the estimate PERS could calculate internally	PERS Customer Service Center	External - member	Better customer service, reduced staff time and streamlined process	This provides 24/7 access to benefit estimates that previously could only be secured by requesting PERS to complete the estimate. Since the introduction of the new web calculator, the website receives 1900 hits per week from PERS members. Period: 2004-2006
Implemented new call center telephony system	PERS Customer Service Center	Internal - Customer Service staff External - member	Better customer service and streamlined process.	New telephone system self-directs members to PERS subject matter experts who can better answer member content-specific questions. System records all calls for training and documentation purposes. System has reduced follow-up by 20 percent. Follow-up can now be completed with only 2 staff versus 3 staff. Period: 2005-2006
Automated benefit estimate request calculation process	PERS Customer Service Center	Members as calculated by Internal Customer Service staff	Better customer service, reduced staff time and streamlined process	Automated manual calculation steps involved in performing a benefit estimate. Reduced staff time that was focused on this process and eliminated 25,000 backlog within 6 months. PERS can now meet and exceed service standards. Period: 2004-2006.

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

Summary Cross Reference Listing and Packages

2007-09 Biennium

Agency Number: 45900

BAM Analyst: McGee, Bill

Budget Coordinator: Barnett, Linda - (503)603-7570

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
100-00-00-00000	Tier One and Tier Two Plan	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	021	0	Phase-in	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	022	0	Phase-out Pgm & One-time Costs	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	030	0	Inflation & Price List Adjustments	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	801	0	LFO Analyst Adjustment	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	802	0	Ways and Means Co-Chair 2% Reprioritization	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	803	0	Statewide Assessment Adjustments	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	806	0	Table Request Budget Adjustment	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	021	0	Phase-in	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	022	0	Phase-out Pgm & One-time Costs	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	030	0	Inflation & Price List Adjustments	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	801	0	LFO Analyst Adjustment	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	802	0	Ways and Means Co-Chair 2% Reprioritization	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	803	0	Statewide Assessment Adjustments	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	806	0	Table Request Budget Adjustment	Policy Packages
300-00-00-00000	Operations	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
300-00-00-00000	Operations	021	0	Phase-in	Essential Packages
300-00-00-00000	Operations	022	0	Phase-out Pgm & One-time Costs	Essential Packages
300-00-00-00000	Operations	030	0	Inflation & Price List Adjustments	Essential Packages
300-00-00-00000	Operations	060	0	Technical Adjustments	Essential Packages
300-00-00-00000	Operations	801	0	LFO Analyst Adjustment	Policy Packages

Summary Cross Reference Listing and Packages BSU003A

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

Summary Cross Reference Listing and Packages  
2007-09 Biennium

Agency Number: 45900  
BAM Analyst: McGee, Bill  
Budget Coordinator: Barnett, Linda - (503)603-7570

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
300-00-00-00000	Operations	802	0	Ways and Means Co-Chair 2% Reprioritization	Policy Packages
300-00-00-00000	Operations	803	0	Statewide Assessment Adjustments	Policy Packages
300-00-00-00000	Operations	806	0	Table Request Budget Adjustment	Policy Packages
300-00-00-00000	Operations	110	5	Strunk/Eugene	Policy Packages
300-00-00-00000	Operations	111	6	RIMS Conversion Project	Policy Packages
300-00-00-00000	Operations	112	1	Retirement Processing	Policy Packages
300-00-00-00000	Operations	113	2	Retirement Data Support	Policy Packages
300-00-00-00000	Operations	114	3	Operations & Infrastructure Support	Policy Packages
300-00-00-00000	Operations	115	4	Legal Services	Policy Packages
400-00-00-00000	Debt Service	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
400-00-00-00000	Debt Service	021	0	Phase-in	Essential Packages
400-00-00-00000	Debt Service	022	0	Phase-out Pgm & One-time Costs	Essential Packages
400-00-00-00000	Debt Service	030	0	Inflation & Price List Adjustments	Essential Packages
400-00-00-00000	Debt Service	801	0	LFO Analyst Adjustment	Policy Packages
400-00-00-00000	Debt Service	802	0	Ways and Means Co-Chair 2% Reprioritization	Policy Packages
400-00-00-00000	Debt Service	803	0	Statewide Assessment Adjustments	Policy Packages
400-00-00-00000	Debt Service	806	0	Table Request Budget Adjustment	Policy Packages

Summary Cross Reference Listing and Packages BSU003A

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# BUDGET NARRATIVE

## Public Employees Retirement System, Oregon

Policy Package List by Priority  
2007-09 Biennium

Agency Number: 45900

BAM Analyst: McGee, Bill

Budget Coordinator: Barnett, Linda - (503)603-7570

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	801	LFO Analyst Adjustment	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 Co-Chair 2% Reprioritization	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	Statewide Assessment 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
806	Table Request Budget Adjustment	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	
1	112	Retirement Processing	300-00-00-00000	Operations
2	113	Retirement Data Support	300-00-00-00000	Operations
3	114	Operations & Infrastructure Support	300-00-00-00000	Operations
4	115	Legal Services	300-00-00-00000	Operations
5	110	Strunk/Eugene	300-00-00-00000	Operations
6	111	RIMS Conversion Project	300-00-00-00000	Operations

Policy Package List by Priority BSU004A

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

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

**2007-09 Biennium**

**Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2003-05 Actuals</i>	<i>2005-07 Leg Adopted Budget</i>	<i>2005-07 Estimates</i>	<i>2007-09 Agency Request Budget</i>	<i>2007-09 Governor's Rec. Budget</i>	<i>2007-09 Leg Adopted Budget</i>
<b>BEGINNING BALANCE</b>						
<b>0025 Beginning Balance</b>						
3200 Other Funds Non-Ltd	32,909,336,400	42,489,378,833	49,148,616,119	63,636,981,761	63,636,981,761	63,636,981,761
3400 Other Funds Ltd	1,654,114	2,170,781	1,254,417	917,997	917,997	917,997
All Funds	32,910,990,514	42,491,549,614	49,149,870,536	63,637,899,758	63,637,899,758	63,637,899,758
<b>0030 Beginning Balance Adjustment</b>						
3200 Other Funds Non-Ltd	5,602,053,792	-	-	-	-	-
<b>BEGINNING BALANCE</b>						
3200 Other Funds Non-Ltd	38,511,390,192	42,489,378,833	49,148,616,119	63,636,981,761	63,636,981,761	63,636,981,761
3400 Other Funds Ltd	1,654,114	2,170,781	1,254,417	917,997	917,997	917,997
<b>TOTAL BEGINNING BALANCE</b>	<b>\$38,513,044,306</b>	<b>\$42,491,549,614</b>	<b>\$49,149,870,536</b>	<b>\$63,637,899,758</b>	<b>\$63,637,899,758</b>	<b>\$63,637,899,758</b>
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
<b>0410 Charges for Services</b>						
3200 Other Funds Non-Ltd	581,324	-	155,910	160,910	160,910	160,910
3400 Other Funds Ltd	7,348,302	2,197,416	7,837,923	7,889,041	7,889,041	7,889,041
All Funds	7,929,626	2,197,416	7,993,833	8,049,951	8,049,951	8,049,951
<b>BOND SALES</b>						
<b>0580 Cert of Participation</b>						
3400 Other Funds Ltd	9,943,754	-	-	-	-	-
<b>INTEREST EARNINGS</b>						
<b>0605 Interest Income</b>						
3200 Other Funds Non-Ltd	11,269,159,012	4,328,611,411	16,251,412,904	10,465,082,009	10,465,082,009	10,465,082,009

Budget Support – Detail Revenues & Expenditures BVD103A

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

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

2007-09 Biennium

**Public Employees Retirement System, Oregon**

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
3400 Other Funds Ltd	917,098	-	1,627,403	1,609,318	1,609,318	1,609,318
All Funds	11,270,076,110	4,328,611,411	16,253,040,307	10,466,691,327	10,466,691,327	10,466,691,327
<b>DONATIONS AND CONTRIBUTIONS</b>						
<b>0915 Retirement System Contribution</b>						
3200 Other Funds Non-Ltd	4,643,154,568	2,676,451,597	3,873,289,582	3,497,161,820	3,497,161,820	3,497,161,820
<b>OTHER</b>						
<b>0975 Other Revenues</b>						
3200 Other Funds Non-Ltd	689,273	300,000	742,531	773,312	773,312	773,312
3400 Other Funds Ltd	9,527	32,847	230,200	230,200	230,200	230,200
3430 Other Funds Debt Svc Ltd	1,087	-	-	-	-	-
All Funds	699,887	332,847	972,731	1,003,512	1,003,512	1,003,512
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
3400 Other Funds Ltd	58,863,236	73,527,174	74,992,717	82,788,935	81,051,434	79,998,475
3430 Other Funds Debt Svc Ltd	3,562,372	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
All Funds	62,425,608	79,248,124	80,713,667	88,498,135	86,760,634	85,707,675
<b>REVENUE CATEGORIES</b>						
3200 Other Funds Non-Ltd	15,913,584,177	7,005,363,008	20,125,600,927	13,963,178,051	13,963,178,051	13,963,178,051
3400 Other Funds Ltd	77,081,917	75,757,437	84,688,243	92,517,494	90,779,993	89,727,034
3430 Other Funds Debt Svc Ltd	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$15,994,229,553</b>	<b>\$7,086,841,395</b>	<b>\$20,216,010,120</b>	<b>\$14,061,404,745</b>	<b>\$14,059,667,244</b>	<b>\$14,058,614,285</b>

**TRANSFERS OUT**

**2010 Transfer Out - Intrafund**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

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

**2007-09 Biennium**

**Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2003-05 Actuals</i>	<i>2005-07 Leg Adopted Budget</i>	<i>2005-07 Estimates</i>	<i>2007-09 Agency Request Budget</i>	<i>2007-09 Governor's Rec. Budget</i>	<i>2007-09 Leg Adopted Budget</i>
3200 Other Funds Non-Ltd	(61,315,868)	(79,248,124)	(71,609,565)	(80,274,380)	(78,536,879)	(77,666,087)
3400 Other Funds Ltd	(1,109,740)	-	(9,104,102)	(8,223,755)	(8,223,755)	(8,041,588)
All Funds	(62,425,608)	(79,248,124)	(80,713,667)	(88,498,135)	(86,760,634)	(85,707,675)
<b>AVAILABLE REVENUES</b>						
3200 Other Funds Non-Ltd	54,363,658,501	49,415,493,717	69,202,607,481	77,519,885,432	77,521,622,933	77,522,493,725
3400 Other Funds Ltd	77,626,291	77,928,218	76,838,558	85,211,736	83,474,235	82,603,443
3430 Other Funds Debt Svc Ltd	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$54,444,848,251</b>	<b>\$49,499,142,885</b>	<b>\$69,285,166,989</b>	<b>\$77,610,806,368</b>	<b>\$77,610,806,368</b>	<b>\$77,610,806,368</b>
<b>EXPENDITURES</b>						
<b>PERSONAL SERVICES</b>						
<b>SALARIES &amp; WAGES</b>						
<b>3110 Class/Unclass Sal. and Per Diem</b>						
3400 Other Funds Ltd	22,558,198	28,490,581	28,903,795	32,761,383	32,767,863	32,544,614
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd	492,482	156,924	181,075	161,789	161,789	161,789
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd	742,610	540,501	338,515	557,257	557,257	557,257
<b>3180 Shift Differential</b>						
3400 Other Funds Ltd	15,618	1,978	7,456	2,039	2,039	2,039
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd	275,423	209,351	256,631	215,841	215,841	215,841
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd	24,084,331	29,399,335	29,687,472	33,698,309	33,704,789	33,481,540

Budget Support – Detail Revenues & Expenditures BVD103A

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

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

2007-09 Biennium

Public Employees Retirement System, Oregon

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$24,084,331</b>	<b>\$29,399,335</b>	<b>\$29,687,472</b>	<b>\$33,698,309</b>	<b>\$33,704,789</b>	<b>\$33,481,540</b>
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	9,536	12,096	13,523	14,508	14,508	14,256
<b>3220 Public Employees' Retire Cont</b>						
3400 Other Funds Ltd	2,532,758	4,278,123	4,195,966	4,353,006	4,353,850	4,234,931
<b>3221 Pension Bond Contribution</b>						
3400 Other Funds Ltd	931,163	1,375,395	1,824,612	1,437,542	1,437,542	1,440,550
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	1,828,360	2,249,083	2,265,699	2,576,533	2,577,016	2,559,938
<b>3240 Unemployment Assessments</b>						
3400 Other Funds Ltd	60,715	37,390	20,715	38,550	38,550	38,550
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	16,715	26,835	24,514	24,986	24,986	24,552
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	144,755	177,399	176,459	202,190	202,190	201,668
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	4,981,175	6,976,368	7,217,028	9,207,744	9,207,744	9,047,808
<b>OTHER PAYROLL EXPENSES</b>						
3400 Other Funds Ltd	10,505,177	15,132,689	15,738,516	17,855,059	17,856,386	17,562,253
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$10,505,177</b>	<b>\$15,132,689</b>	<b>\$15,738,516</b>	<b>\$17,855,059</b>	<b>\$17,856,386</b>	<b>\$17,562,253</b>
<b>P.S. BUDGET ADJUSTMENTS</b>						
3455 Vacancy Savings						

Budget Support - Detail Revenues & Expenditures BVD103A

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

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

2007-09 Biennium

Public Employees Retirement System, Oregon

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
3400 Other Funds Ltd	-	(155,537)	-	(189,052)	(189,052)	(189,052)
<b>3465 Reconciliation Adjustment</b>						
3400 Other Funds Ltd	-	188,451	-	-	(7,807)	(172,034)
<b>P.S. BUDGET ADJUSTMENTS</b>						
3400 Other Funds Ltd	-	32,914	-	(189,052)	(196,859)	(361,086)
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>-</b>	<b>\$32,914</b>	<b>-</b>	<b>(\$189,052)</b>	<b>(\$196,859)</b>	<b>(\$361,086)</b>
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	34,589,508	44,564,938	45,425,988	51,364,316	51,364,316	50,682,707
<b>TOTAL PERSONAL SERVICES</b>	<b>\$34,589,508</b>	<b>\$44,564,938</b>	<b>\$45,425,988</b>	<b>\$51,364,316</b>	<b>\$51,364,316</b>	<b>\$50,682,707</b>
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	182,344	116,894	173,701	182,376	192,911	210,761
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	775	31,127	4,275	11,472	11,472	11,472
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	260,336	488,069	303,711	714,454	714,454	714,454
<b>4175 Office Expenses</b>						
3400 Other Funds Ltd	1,449,601	2,063,722	1,707,394	2,211,910	2,211,910	2,161,910
<b>4200 Telecommunications</b>						
3400 Other Funds Ltd	562,313	503,503	495,691	612,136	612,136	612,136
<b>4225 State Gov. Service Charges</b>						
3400 Other Funds Ltd	1,100,064	1,580,081	1,580,081	1,829,632	1,862,879	1,860,862
<b>4250 Data Processing</b>						

Budget Support – Detail Revenues & Expenditures BVD103A

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

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

**2007-09 Biennium**

**Public Employees Retirement System, Oregon**

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
3400 Other Funds Ltd	4,047,556	5,215,262	3,958,724	6,055,976	5,935,976	5,935,976
<b>4275 Publicity and Publications</b>						
3400 Other Funds Ltd	127,694	292,704	143,454	301,777	301,777	250,065
<b>4300 Professional Services</b>						
3200 Other Funds Non-Ltd	-	8,657,237	8,626,997	9,530,522	9,530,522	9,530,522
3400 Other Funds Ltd	23,650,482	2,862,534	6,053,925	2,787,520	2,787,520	2,629,520
All Funds	23,650,482	11,519,771	14,680,922	12,318,042	12,318,042	12,160,042
<b>4315 IT Professional Services</b>						
3400 Other Funds Ltd	-	13,897,953	11,635,000	13,024,531	11,417,030	11,417,030
<b>4325 Attorney General</b>						
3400 Other Funds Ltd	2,949,687	947,681	874,664	1,080,356	1,080,356	979,893
<b>4350 Dispute Resolution Services</b>						
3400 Other Funds Ltd	48,868	73,736	58,604	83,322	83,322	83,322
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	192,682	58,036	146,068	59,834	59,834	59,834
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	57,962	50,702	31,882	52,273	52,273	52,273
<b>4425 Facilities Rental and Taxes</b>						
3400 Other Funds Ltd	641,457	703,597	813,513	839,209	834,745	834,745
<b>4450 Fuels and Utilities</b>						
3400 Other Funds Ltd	182,112	121,063	162,456	166,056	166,056	166,056
<b>4475 Facilities Maintenance</b>						
3400 Other Funds Ltd	682,296	724,698	543,191	902,010	902,010	902,010

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

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

**2007-09 Biennium**

**Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2003-05 Actuals</i>	<i>2005-07 Leg Adopted Budget</i>	<i>2005-07 Estimates</i>	<i>2007-09 Agency Request Budget</i>	<i>2007-09 Governor's Rec. Budget</i>	<i>2007-09 Leg Adopted Budget</i>
<b>4625 Other COP Costs</b>						
3400 Other Funds Ltd	120,943	6,500	1,653	6,500	6,500	6,500
<b>4650 Other Services and Supplies</b>						
3400 Other Funds Ltd	89,203	2,700	11,712	2,783	2,783	2,783
<b>4700 Expendable Prop 250 - 5000</b>						
3400 Other Funds Ltd	832,898	193,465	150,375	92,232	82,232	84,232
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	-	450,300	513,735	636,904	636,904	644,904
<b>SERVICES &amp; SUPPLIES</b>						
3200 Other Funds Non-Ltd	-	8,657,237	8,626,997	9,530,522	9,530,522	9,530,522
3400 Other Funds Ltd	37,179,273	30,384,327	29,363,809	31,653,263	29,955,080	29,620,738
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$37,179,273</b>	<b>\$39,041,564</b>	<b>\$37,990,806</b>	<b>\$41,183,785</b>	<b>\$39,485,602</b>	<b>\$39,151,260</b>
<b>CAPITAL OUTLAY</b>						
<b>5100 Office Furniture and Fixtures</b>						
3400 Other Funds Ltd	-	30,868	-	31,825	31,825	31,825
<b>5150 Telecommunications Equipment</b>						
3400 Other Funds Ltd	491,024	-	-	64,695	64,695	64,695
<b>5200 Technical Equipment</b>						
3400 Other Funds Ltd	52,562	62,750	-	-	-	-
<b>5550 Data Processing Software</b>						
3400 Other Funds Ltd	3,496,332	447,019	560,030	184,624	184,624	184,624
<b>5600 Data Processing Hardware</b>						
3400 Other Funds Ltd	563,175	492,857	570,734	666,557	666,557	666,557

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

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

2007-09 Biennium

Public Employees Retirement System, Oregon

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>CAPITAL OUTLAY</b>						
3400 Other Funds Ltd	4,603,093	1,033,494	1,130,764	947,701	947,701	947,701
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$4,603,093</b>	<b>\$1,033,494</b>	<b>\$1,130,764</b>	<b>\$947,701</b>	<b>\$947,701</b>	<b>\$947,701</b>
<b>SPECIAL PAYMENTS</b>						
<b>6030 Dist to Non-Gov Units</b>						
3200 Other Funds Non-Ltd	219,549,010	259,583,999	245,375,795	266,916,600	266,916,600	266,916,600
<b>6035 Dist to Individuals</b>						
3200 Other Funds Non-Ltd	4,995,493,372	5,378,523,838	5,311,622,928	6,010,500,000	6,010,500,000	6,010,500,000
<b>SPECIAL PAYMENTS</b>						
3200 Other Funds Non-Ltd	5,215,042,382	5,638,107,837	5,556,998,723	6,277,416,600	6,277,416,600	6,277,416,600
<b>TOTAL SPECIAL PAYMENTS</b>	<b>\$5,215,042,382</b>	<b>\$5,638,107,837</b>	<b>\$5,556,998,723</b>	<b>\$6,277,416,600</b>	<b>\$6,277,416,600</b>	<b>\$6,277,416,600</b>
<b>DEBT SERVICE</b>						
<b>7200 Principal - COP</b>						
3430 Other Funds Debt Svc Ltd	2,625,000	4,665,000	4,665,000	4,960,000	4,960,000	4,960,000
<b>7250 Interest - COP</b>						
3430 Other Funds Debt Svc Ltd	938,459	1,055,950	1,055,950	749,200	749,200	749,200
<b>DEBT SERVICE</b>						
3430 Other Funds Debt Svc Ltd	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>TOTAL DEBT SERVICE</b>	<b>\$3,563,459</b>	<b>\$5,720,950</b>	<b>\$5,720,950</b>	<b>\$5,709,200</b>	<b>\$5,709,200</b>	<b>\$5,709,200</b>
<b>EXPENDITURES</b>						
3200 Other Funds Non-Ltd	5,215,042,382	5,646,765,074	5,565,625,720	6,286,947,122	6,286,947,122	6,286,947,122
3400 Other Funds Ltd	76,371,874	75,982,759	75,920,561	83,965,280	82,267,097	81,251,146
3430 Other Funds Debt Svc Ltd	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

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

2007-09 Biennium

Public Employees Retirement System, Oregon

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>TOTAL EXPENDITURES</b>	<b>\$5,294,977,715</b>	<b>\$5,728,468,783</b>	<b>\$5,647,267,231</b>	<b>\$6,376,621,602</b>	<b>\$6,374,923,419</b>	<b>\$6,373,907,468</b>
<b>ENDING BALANCE</b>						
3200 Other Funds Non-Ltd	49,148,616,119	43,768,728,643	63,636,981,761	71,232,938,310	71,234,675,811	71,235,546,603
3400 Other Funds Ltd	1,254,417	1,945,459	917,997	1,246,456	1,207,138	1,352,297
<b>TOTAL ENDING BALANCE</b>	<b>\$49,149,870,536</b>	<b>\$43,770,674,102</b>	<b>\$63,637,899,758</b>	<b>\$71,234,184,766</b>	<b>\$71,235,882,949</b>	<b>\$71,236,898,900</b>
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	420	378	379	403	403	396
8180 Position Reconciliation	-	2	-	-	-	5
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>420</b>	<b>380</b>	<b>379</b>	<b>403</b>	<b>403</b>	<b>401</b>
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	366.36	377.25	377.79	401.63	401.63	395.42
8280 FTE Reconciliation	-	1.75	-	-	-	(0.54)
<b>TOTAL AUTHORIZED FTE</b>	<b>366.36</b>	<b>379.00</b>	<b>377.79</b>	<b>401.63</b>	<b>401.63</b>	<b>394.88</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

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Tier One and Tier Two Plan

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	32,909,336,400	41,215,783,978	48,536,702,921	62,099,693,632	62,099,693,632	62,099,693,632
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	5,602,053,792	-	-	-	-	-
<b>BEGINNING BALANCE</b>						
3200 Other Funds Non-Ltd	38,511,390,192	41,215,783,978	48,536,702,921	62,099,693,632	62,099,693,632	62,099,693,632
<b>TOTAL BEGINNING BALANCE</b>	<b>\$38,511,390,192</b>	<b>\$41,215,783,978</b>	<b>\$48,536,702,921</b>	<b>\$62,099,693,632</b>	<b>\$62,099,693,632</b>	<b>\$62,099,693,632</b>
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
3200 Other Funds Non-Ltd	184,442	-	155,910	160,910	160,910	160,910
<b>INTEREST EARNINGS</b>						
0605 Interest Income						
3200 Other Funds Non-Ltd	11,224,019,952	4,307,844,007	16,214,084,418	10,413,284,889	10,413,284,889	10,413,284,889
<b>DONATIONS AND CONTRIBUTIONS</b>						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	4,064,737,322	1,378,488,842	2,934,378,576	2,511,305,270	2,511,305,270	2,511,305,270
<b>OTHER</b>						
0975 Other Revenues						
3200 Other Funds Non-Ltd	689,273	300,000	742,531	773,312	773,312	773,312
<b>REVENUE CATEGORIES</b>						
3200 Other Funds Non-Ltd	15,289,630,989	5,686,632,849	19,149,361,435	12,925,524,381	12,925,524,381	12,925,524,381

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

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

**2007-09 Biennium**

**Tier One and Tier Two Plan**

<i>Description</i>	<i>2003-05 Actuals</i>	<i>2005-07 Leg Adopted Budget</i>	<i>2005-07 Estimates</i>	<i>2007-09 Agency Request Budget</i>	<i>2007-09 Governor's Rec. Budget</i>	<i>2007-09 Leg Adopted Budget</i>
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$15,289,630,989</b>	<b>\$5,686,632,849</b>	<b>\$19,149,361,435</b>	<b>\$12,925,524,381</b>	<b>\$12,925,524,381</b>	<b>\$12,925,524,381</b>
<b>TRANSFERS OUT</b>						
<b>2010 Transfer Out - Intrafund</b>						
3200 Other Funds Non-Ltd	(49,663,054)	(74,650,601)	(54,749,224)	(63,336,673)	(61,982,432)	(61,161,083)
<b>AVAILABLE REVENUES</b>						
3200 Other Funds Non-Ltd	53,751,358,127	46,827,766,226	67,631,315,132	74,961,881,340	74,963,235,581	74,964,056,930
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$53,751,358,127</b>	<b>\$46,827,766,226</b>	<b>\$67,631,315,132</b>	<b>\$74,961,881,340</b>	<b>\$74,963,235,581</b>	<b>\$74,964,056,930</b>
<b>EXPENDITURES</b>						
<b>SERVICES &amp; SUPPLIES</b>						
<b>4300 Professional Services</b>						
3200 Other Funds Non-Ltd	-	4,561,237	4,676,256	5,307,546	5,307,546	5,307,546
<b>SPECIAL PAYMENTS</b>						
<b>6030 Dist to Non-Gov Units</b>						
3200 Other Funds Non-Ltd	219,549,010	259,583,999	245,375,795	266,916,600	266,916,600	266,916,600
<b>6035 Dist to Individuals</b>						
3200 Other Funds Non-Ltd	4,995,106,196	5,377,523,838	5,281,569,449	5,960,000,000	5,960,000,000	5,960,000,000
<b>SPECIAL PAYMENTS</b>						
3200 Other Funds Non-Ltd	5,214,655,206	5,637,107,837	5,526,945,244	6,226,916,600	6,226,916,600	6,226,916,600
<b>TOTAL SPECIAL PAYMENTS</b>	<b>\$5,214,655,206</b>	<b>\$5,637,107,837</b>	<b>\$5,526,945,244</b>	<b>\$6,226,916,600</b>	<b>\$6,226,916,600</b>	<b>\$6,226,916,600</b>
<b>EXPENDITURES</b>						
3200 Other Funds Non-Ltd	5,214,655,206	5,641,669,074	5,531,621,500	6,232,224,146	6,232,224,146	6,232,224,146
<b>TOTAL EXPENDITURES</b>	<b>\$5,214,655,206</b>	<b>\$5,641,669,074</b>	<b>\$5,531,621,500</b>	<b>\$6,232,224,146</b>	<b>\$6,232,224,146</b>	<b>\$6,232,224,146</b>
<b>ENDING BALANCE</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

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Tier One and Tier Two Plan

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
3200 Other Funds Non-Ltd	48,536,702,921	41,186,097,152	62,099,693,632	68,729,657,194	68,731,011,435	68,731,832,784
<b>TOTAL ENDING BALANCE</b>	<b>\$48,536,702,921</b>	<b>\$41,186,097,152</b>	<b>\$62,099,693,632</b>	<b>\$68,729,657,194</b>	<b>\$68,731,011,435</b>	<b>\$68,731,832,784</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

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

2007-09 Biennium

Oregon Public Service Retirement Plan

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	-	1,273,594,855	611,913,198	1,537,288,129	1,537,288,129	1,537,288,129
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
3200 Other Funds Non-Ltd	396,882	-	-	-	-	-
<b>INTEREST EARNINGS</b>						
0605 Interest Income						
3200 Other Funds Non-Ltd	45,139,060	20,767,404	37,328,486	51,797,120	51,797,120	51,797,120
<b>DONATIONS AND CONTRIBUTIONS</b>						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	578,417,246	1,297,962,755	938,911,006	985,856,550	985,856,550	985,856,550
<b>REVENUE CATEGORIES</b>						
3200 Other Funds Non-Ltd	623,953,188	1,318,730,159	976,239,492	1,037,653,670	1,037,653,670	1,037,653,670
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$623,953,188</b>	<b>\$1,318,730,159</b>	<b>\$976,239,492</b>	<b>\$1,037,653,670</b>	<b>\$1,037,653,670</b>	<b>\$1,037,653,670</b>
<b>TRANSFERS OUT</b>						
2010 Transfer Out - Intrafund						
3200 Other Funds Non-Ltd	(11,652,814)	(4,597,523)	(16,860,341)	(16,937,707)	(16,554,447)	(16,505,004)
<b>AVAILABLE REVENUES</b>						
3200 Other Funds Non-Ltd	612,300,374	2,587,727,491	1,571,292,349	2,558,004,092	2,558,387,352	2,558,436,795
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$612,300,374</b>	<b>\$2,587,727,491</b>	<b>\$1,571,292,349</b>	<b>\$2,558,004,092</b>	<b>\$2,558,387,352</b>	<b>\$2,558,436,795</b>
<b>EXPENDITURES</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

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

2007-09 Biennium

Oregon Public Service Retirement Plan

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>SERVICES &amp; SUPPLIES</b>						
4300 Professional Services						
3200 Other Funds Non-Ltd	-	4,096,000	3,950,741	4,222,976	4,222,976	4,222,976
<b>SPECIAL PAYMENTS</b>						
6035 Dist to Individuals						
3200 Other Funds Non-Ltd	387,176	1,000,000	30,053,479	50,500,000	50,500,000	50,500,000
<b>EXPENDITURES</b>						
3200 Other Funds Non-Ltd	387,176	5,096,000	34,004,220	54,722,976	54,722,976	54,722,976
<b>TOTAL EXPENDITURES</b>	<b>\$387,176</b>	<b>\$5,096,000</b>	<b>\$34,004,220</b>	<b>\$54,722,976</b>	<b>\$54,722,976</b>	<b>\$54,722,976</b>
<b>ENDING BALANCE</b>						
3200 Other Funds Non-Ltd	611,913,198	2,582,631,491	1,537,288,129	2,503,281,116	2,503,664,376	2,503,713,819
<b>TOTAL ENDING BALANCE</b>	<b>\$611,913,198</b>	<b>\$2,582,631,491</b>	<b>\$1,537,288,129</b>	<b>\$2,503,281,116</b>	<b>\$2,503,664,376</b>	<b>\$2,503,713,819</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

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

2007-09 Biennium

Operations

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
3400 Other Funds Ltd	1,654,114	2,170,781	1,254,417	917,997	917,997	917,997
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
3400 Other Funds Ltd	7,348,302	2,197,416	7,837,923	7,889,041	7,889,041	7,889,041
<b>BOND SALES</b>						
0580 Cert of Participation						
3400 Other Funds Ltd	9,943,754	-	-	-	-	-
<b>INTEREST EARNINGS</b>						
0605 Interest Income						
3400 Other Funds Ltd	917,098	-	1,627,403	1,609,318	1,609,318	1,609,318
<b>OTHER</b>						
0975 Other Revenues						
3400 Other Funds Ltd	9,527	32,847	230,200	230,200	230,200	230,200
<b>TRANSFERS IN</b>						
1010 Transfer In - Intrafund						
3400 Other Funds Ltd	58,863,236	73,527,174	74,992,717	82,788,935	81,051,434	79,998,475
<b>REVENUE CATEGORIES</b>						
3400 Other Funds Ltd	77,081,917	75,757,437	84,688,243	92,517,494	90,779,993	89,727,034
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$77,081,917</b>	<b>\$75,757,437</b>	<b>\$84,688,243</b>	<b>\$92,517,494</b>	<b>\$90,779,993</b>	<b>\$89,727,034</b>

**TRANSFERS OUT**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

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**2007-09 Biennium**

**Operations**

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>2010 Transfer Out - Intrafund</b>						
3400 Other Funds Ltd	(1,109,740)	-	(9,104,102)	(8,223,755)	(8,223,755)	(8,041,588)
<b>AVAILABLE REVENUES</b>						
3400 Other Funds Ltd	77,626,291	77,928,218	76,838,558	85,211,736	83,474,235	82,603,443
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$77,626,291</b>	<b>\$77,928,218</b>	<b>\$76,838,558</b>	<b>\$85,211,736</b>	<b>\$83,474,235</b>	<b>\$82,603,443</b>
<b>EXPENDITURES</b>						
<b>PERSONAL SERVICES</b>						
<b>SALARIES &amp; WAGES</b>						
<b>3110 Class/Unclass Sal. and Per Diem</b>						
3400 Other Funds Ltd	22,558,198	28,490,581	28,903,795	32,761,383	32,767,863	32,544,614
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd	492,482	156,924	181,075	161,789	161,789	161,789
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd	742,610	540,501	338,515	557,257	557,257	557,257
<b>3180 Shift Differential</b>						
3400 Other Funds Ltd	15,618	1,978	7,456	2,039	2,039	2,039
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd	275,423	209,351	256,631	215,841	215,841	215,841
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd	24,084,331	29,399,335	29,687,472	33,698,309	33,704,789	33,481,540
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$24,084,331</b>	<b>\$29,399,335</b>	<b>\$29,687,472</b>	<b>\$33,698,309</b>	<b>\$33,704,789</b>	<b>\$33,481,540</b>
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

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

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Operations

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
3400 Other Funds Ltd	9,536	12,096	13,523	14,508	14,508	14,256
<b>3220 Public Employees' Retire Cont</b>						
3400 Other Funds Ltd	2,532,758	4,278,123	4,195,966	4,353,006	4,353,850	4,234,931
<b>3221 Pension Bond Contribution</b>						
3400 Other Funds Ltd	931,163	1,375,395	1,824,612	1,437,542	1,437,542	1,440,550
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	1,828,360	2,249,083	2,265,699	2,576,533	2,577,016	2,559,938
<b>3240 Unemployment Assessments</b>						
3400 Other Funds Ltd	60,715	37,390	20,715	38,550	38,550	38,550
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	16,715	26,835	24,514	24,986	24,986	24,552
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	144,755	177,399	176,459	202,190	202,190	201,668
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	4,981,175	6,976,368	7,217,028	9,207,744	9,207,744	9,047,808
<b>OTHER PAYROLL EXPENSES</b>						
3400 Other Funds Ltd	10,505,177	15,132,689	15,738,516	17,855,059	17,856,386	17,562,253
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$10,505,177</b>	<b>\$15,132,689</b>	<b>\$15,738,516</b>	<b>\$17,855,059</b>	<b>\$17,856,386</b>	<b>\$17,562,253</b>
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3455 Vacancy Savings</b>						
3400 Other Funds Ltd	-	(155,537)	-	(189,052)	(189,052)	(189,052)
<b>3465 Reconciliation Adjustment</b>						
3400 Other Funds Ltd	-	188,451	-	-	(7,807)	(172,034)

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

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

2007-09 Biennium

Operations

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>P.S. BUDGET ADJUSTMENTS</b>						
3400 Other Funds Ltd	-	32,914	-	(189,052)	(196,859)	(361,086)
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	<b>\$32,914</b>	-	<b>(\$189,052)</b>	<b>(\$196,859)</b>	<b>(\$361,086)</b>
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	34,589,508	44,564,938	45,425,988	51,364,316	51,364,316	50,682,707
<b>TOTAL PERSONAL SERVICES</b>	<b>\$34,589,508</b>	<b>\$44,564,938</b>	<b>\$45,425,988</b>	<b>\$51,364,316</b>	<b>\$51,364,316</b>	<b>\$50,682,707</b>
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	182,344	116,894	173,701	182,376	192,911	210,761
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	775	31,127	4,275	11,472	11,472	11,472
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	260,336	488,069	303,711	714,454	714,454	714,454
<b>4175 Office Expenses</b>						
3400 Other Funds Ltd	1,449,601	2,063,722	1,707,394	2,211,910	2,211,910	2,161,910
<b>4200 Telecommunications</b>						
3400 Other Funds Ltd	562,313	503,503	495,691	612,136	612,136	612,136
<b>4225 State Gov. Service Charges</b>						
3400 Other Funds Ltd	1,100,064	1,580,081	1,580,081	1,829,632	1,862,879	1,860,862
<b>4250 Data Processing</b>						
3400 Other Funds Ltd	4,047,556	5,215,262	3,958,724	6,055,976	5,935,976	5,935,976
<b>4275 Publicity and Publications</b>						
3400 Other Funds Ltd	127,694	292,704	143,454	301,777	301,777	250,065

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

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

**2007-09 Biennium**

**Operations**

<i>Description</i>	<i>2003-05 Actuals</i>	<i>2005-07 Leg Adopted Budget</i>	<i>2005-07 Estimates</i>	<i>2007-09 Agency Request Budget</i>	<i>2007-09 Governor's Rec. Budget</i>	<i>2007-09 Leg Adopted Budget</i>
<b>4300 Professional Services</b>						
3400 Other Funds Ltd	23,650,482	2,862,534	6,053,925	2,787,520	2,787,520	2,629,520
<b>4315 IT Professional Services</b>						
3400 Other Funds Ltd	-	13,897,953	11,635,000	13,024,531	11,417,030	11,417,030
<b>4325 Attorney General</b>						
3400 Other Funds Ltd	2,949,687	947,681	874,664	1,080,356	1,080,356	979,893
<b>4350 Dispute Resolution Services</b>						
3400 Other Funds Ltd	48,868	73,736	58,604	83,322	83,322	83,322
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	192,682	58,036	146,068	59,834	59,834	59,834
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	57,962	50,702	31,882	52,273	52,273	52,273
<b>4425 Facilities Rental and Taxes</b>						
3400 Other Funds Ltd	641,457	703,597	813,513	839,209	834,745	834,745
<b>4450 Fuels and Utilities</b>						
3400 Other Funds Ltd	182,112	121,063	162,456	166,056	166,056	166,056
<b>4475 Facilities Maintenance</b>						
3400 Other Funds Ltd	682,296	724,698	543,191	902,010	902,010	902,010
<b>4625 Other COP Costs</b>						
3400 Other Funds Ltd	120,943	6,500	1,653	6,500	6,500	6,500
<b>4650 Other Services and Supplies</b>						
3400 Other Funds Ltd	89,203	2,700	11,712	2,783	2,783	2,783
<b>4700 Expendable Prop 250 - 5000</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

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

**2007-09 Biennium**

**Operations**

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
3400 Other Funds Ltd	832,898	193,465	150,375	92,232	82,232	84,232
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	-	450,300	513,735	636,904	636,904	644,904
<b>SERVICES &amp; SUPPLIES</b>						
3400 Other Funds Ltd	37,179,273	30,384,327	29,363,809	31,653,263	29,955,080	29,620,738
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$37,179,273</b>	<b>\$30,384,327</b>	<b>\$29,363,809</b>	<b>\$31,653,263</b>	<b>\$29,955,080</b>	<b>\$29,620,738</b>
<b>CAPITAL OUTLAY</b>						
<b>5100 Office Furniture and Fixtures</b>						
3400 Other Funds Ltd	-	30,868	-	31,825	31,825	31,825
<b>5150 Telecommunications Equipment</b>						
3400 Other Funds Ltd	491,024	-	-	64,695	64,695	64,695
<b>5200 Technical Equipment</b>						
3400 Other Funds Ltd	52,562	62,750	-	-	-	-
<b>5550 Data Processing Software</b>						
3400 Other Funds Ltd	3,496,332	447,019	560,030	184,624	184,624	184,624
<b>5600 Data Processing Hardware</b>						
3400 Other Funds Ltd	563,175	492,857	570,734	666,557	666,557	666,557
<b>CAPITAL OUTLAY</b>						
3400 Other Funds Ltd	4,603,093	1,033,494	1,130,764	947,701	947,701	947,701
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$4,603,093</b>	<b>\$1,033,494</b>	<b>\$1,130,764</b>	<b>\$947,701</b>	<b>\$947,701</b>	<b>\$947,701</b>
<b>EXPENDITURES</b>						
3400 Other Funds Ltd	76,371,874	75,982,759	75,920,561	83,965,280	82,267,097	81,251,146
<b>TOTAL EXPENDITURES</b>	<b>\$76,371,874</b>	<b>\$75,982,759</b>	<b>\$75,920,561</b>	<b>\$83,965,280</b>	<b>\$82,267,097</b>	<b>\$81,251,146</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

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

2007-09 Biennium

Operations

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>ENDING BALANCE</b>						
3400 Other Funds Ltd	1,254,417	1,945,459	917,997	1,246,456	1,207,138	1,352,297
<b>TOTAL ENDING BALANCE</b>	<b>\$1,254,417</b>	<b>\$1,945,459</b>	<b>\$917,997</b>	<b>\$1,246,456</b>	<b>\$1,207,138</b>	<b>\$1,352,297</b>
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	420	378	379	403	403	396
8180 Position Reconciliation	-	2	-	-	-	5
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>420</b>	<b>380</b>	<b>379</b>	<b>403</b>	<b>403</b>	<b>401</b>
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	366.36	377.25	377.79	401.63	401.63	395.42
8280 FTE Reconciliation	-	1.75	-	-	-	(0.54)
<b>TOTAL AUTHORIZED FTE</b>	<b>366.36</b>	<b>379.00</b>	<b>377.79</b>	<b>401.63</b>	<b>401.63</b>	<b>394.88</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

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

2007-09 Biennium

Debt Service

Description	2003-05 Actuals	2005-07 Leg Adopted Budget	2005-07 Estimates	2007-09 Agency Request Budget	2007-09 Governor's Rec. Budget	2007-09 Leg Adopted Budget
<b>REVENUE CATEGORIES</b>						
<b>OTHER</b>						
0975 Other Revenues						
3430 Other Funds Debt Svc Ltd	1,087	-	-	-	-	-
<b>TRANSFERS IN</b>						
1010 Transfer In - Intrafund						
3430 Other Funds Debt Svc Ltd	3,562,372	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>REVENUE CATEGORIES</b>						
3430 Other Funds Debt Svc Ltd	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$3,563,459</b>	<b>\$5,720,950</b>	<b>\$5,720,950</b>	<b>\$5,709,200</b>	<b>\$5,709,200</b>	<b>\$5,709,200</b>
<b>AVAILABLE REVENUES</b>						
3430 Other Funds Debt Svc Ltd	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$3,563,459</b>	<b>\$5,720,950</b>	<b>\$5,720,950</b>	<b>\$5,709,200</b>	<b>\$5,709,200</b>	<b>\$5,709,200</b>
<b>EXPENDITURES</b>						
<b>DEBT SERVICE</b>						
7200 Principal - COP						
3430 Other Funds Debt Svc Ltd	2,625,000	4,665,000	4,665,000	4,960,000	4,960,000	4,960,000
7250 Interest - COP						
3430 Other Funds Debt Svc Ltd	938,459	1,055,950	1,055,950	749,200	749,200	749,200
<b>DEBT SERVICE</b>						
3430 Other Funds Debt Svc Ltd	3,563,459	5,720,950	5,720,950	5,709,200	5,709,200	5,709,200
<b>TOTAL DEBT SERVICE</b>	<b>\$3,563,459</b>	<b>\$5,720,950</b>	<b>\$5,720,950</b>	<b>\$5,709,200</b>	<b>\$5,709,200</b>	<b>\$5,709,200</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

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

2007-09 Biennium

Tier One and Tier Two Plan

Description	Governor's Rec. Budget (Y-01) 2007-09 Base Budget	Leg. Adopted Budget (Z-01) 2007-09 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>BEGINNING BALANCE</b>				
0025 Beginning Balance				
3200 Other Funds Non-Ltd	62,099,693,632	62,099,693,632	0	-
<b>REVENUE CATEGORIES</b>				
<b>CHARGES FOR SERVICES</b>				
0410 Charges for Services				
3200 Other Funds Non-Ltd	160,910	160,910	0	-
<b>INTEREST EARNINGS</b>				
0605 Interest Income				
3200 Other Funds Non-Ltd	10,413,284,889	10,413,284,889	0	-
<b>DONATIONS AND CONTRIBUTIONS</b>				
0915 Retirement System Contribution				
3200 Other Funds Non-Ltd	2,511,305,270	2,511,305,270	0	-
<b>OTHER</b>				
0975 Other Revenues				
3200 Other Funds Non-Ltd	773,312	773,312	0	-
<b>TOTAL REVENUES</b>				
3200 Other Funds Non-Ltd	12,925,524,381	12,925,524,381	0	-
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	(73,928,817)	(73,928,817)	0	-
<b>AVAILABLE REVENUES</b>				
3200 Other Funds Non-Ltd	74,951,289,196	74,951,289,196	0	-
<b>EXPENDITURES</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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2007-09 Biennium

Tier One and Tier Two Plan

Description	Governor's Rec. Budget (Y-01) 2007-09 Base Budget	Leg. Adopted Budget (Z-01) 2007-09 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>SERVICES &amp; SUPPLIES</b>				
<b>4300 Professional Services</b>				
3200 Other Funds Non-Ltd	5,307,546	5,307,546	0	-
<b>SPECIAL PAYMENTS</b>				
<b>6030 Dist to Non-Gov Units</b>				
3200 Other Funds Non-Ltd	266,916,600	266,916,600	0	-
<b>6035 Dist to Individuals</b>				
3200 Other Funds Non-Ltd	5,960,000,000	5,960,000,000	0	-
<b>TOTAL SPECIAL PAYMENTS</b>				
3200 Other Funds Non-Ltd	6,226,916,600	6,226,916,600	0	-
<b>TOTAL EXPENDITURES</b>				
3200 Other Funds Non-Ltd	6,232,224,146	6,232,224,146	0	-
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	68,719,065,050	68,719,065,050	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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

2007-09 Biennium

Oregon Public Service Retirement Plan

Description	Governor's Rec. Budget (Y-01) 2007-09 Base Budget	Leg. Adopted Budget (Z-01) 2007-09 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>BEGINNING BALANCE</b>				
0025 Beginning Balance				
3200 Other Funds Non-Ltd	1,537,288,129	1,537,288,129	0	-
<b>REVENUE CATEGORIES</b>				
<b>INTEREST EARNINGS</b>				
0605 Interest Income				
3200 Other Funds Non-Ltd	51,797,120	51,797,120	0	-
<b>DONATIONS AND CONTRIBUTIONS</b>				
0915 Retirement System Contribution				
3200 Other Funds Non-Ltd	985,856,550	985,856,550	0	-
<b>TOTAL REVENUES</b>				
3200 Other Funds Non-Ltd	1,037,653,670	1,037,653,670	0	-
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	(20,922,425)	(20,922,425)	0	-
<b>AVAILABLE REVENUES</b>				
3200 Other Funds Non-Ltd	2,554,019,374	2,554,019,374	0	-
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
4300 Professional Services				
3200 Other Funds Non-Ltd	4,222,976	4,222,976	0	-
<b>SPECIAL PAYMENTS</b>				
6035 Dist to Individuals				
3200 Other Funds Non-Ltd	50,500,000	50,500,000	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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

2007-09 Biennium

Oregon Public Service Retirement Plan

Description	Governor's Rec. Budget (Y-01) 2007-09 Base Budget	Leg. Adopted Budget (Z-01) 2007-09 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL EXPENDITURES</b>				
3200 Other Funds Non-Ltd	54,722,976	54,722,976	0	-
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	2,499,296,398	2,499,296,398	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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2007-09 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2007-09 Base Budget	Leg. Adopted Budget (Z-01) 2007-09 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>BEGINNING BALANCE</b>				
0025 Beginning Balance				
3400 Other Funds Ltd	917,997	917,997	0	-
<b>REVENUE CATEGORIES</b>				
<b>CHARGES FOR SERVICES</b>				
0410 Charges for Services				
3400 Other Funds Ltd	7,889,041	7,889,041	0	-
<b>INTEREST EARNINGS</b>				
0605 Interest Income				
3400 Other Funds Ltd	1,609,318	1,609,318	0	-
<b>OTHER</b>				
0975 Other Revenues				
3400 Other Funds Ltd	230,200	230,200	0	-
<b>TRANSFERS IN</b>				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	67,417,531	67,382,349	(35,182)	-0.05%
<b>TOTAL REVENUES</b>				
3400 Other Funds Ltd	77,146,090	77,110,908	(35,182)	-0.05%
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3400 Other Funds Ltd	(8,594,371)	(8,540,868)	53,503	0.62%
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	69,469,716	69,488,037	18,321	0.03%
<b>EXPENDITURES</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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 2007-09 Biennium  
 Operations

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

Description	Governor's Rec. Budget (Y-01) 2007-09 Base Budget	Leg. Adopted Budget (Z-01) 2007-09 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>PERSONAL SERVICES</b>				
<b>SALARIES &amp; WAGES</b>				
<b>3110 Class/Unclass Sal. and Per Diem</b>				
3400 Other Funds Ltd	23,722,719	23,586,614	(136,105)	-0.57%
<b>3160 Temporary Appointments</b>				
3400 Other Funds Ltd	156,924	156,924	0	-
<b>3170 Overtime Payments</b>				
3400 Other Funds Ltd	540,501	540,501	0	-
<b>3180 Shift Differential</b>				
3400 Other Funds Ltd	1,978	1,978	0	-
<b>3190 All Other Differential</b>				
3400 Other Funds Ltd	209,351	209,351	0	-
<b>TOTAL SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	24,631,473	24,495,368	(136,105)	-0.55%
<b>OTHER PAYROLL EXPENSES</b>				
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	9,504	9,324	(180)	-1.89%
<b>3220 Public Employees' Retire Cont</b>				
3400 Other Funds Ltd	3,176,784	3,093,410	(83,374)	-2.62%
<b>3221 Pension Bond Contribution</b>				
3400 Other Funds Ltd	1,375,395	1,375,395	0	-
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	1,882,901	1,872,488	(10,413)	-0.55%
<b>3240 Unemployment Assessments</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

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2007-09 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2007-09 Base Budget	Leg. Adopted Budget (Z-01) 2007-09 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	37,390	37,390	0	-
<b>3250 Worker's Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	16,368	16,058	(310)	-1.89%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	177,399	177,399	0	-
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	6,031,872	5,917,632	(114,240)	-1.89%
<b>TOTAL OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	12,707,613	12,499,096	(208,517)	-1.64%
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(155,537)	(155,537)	0	-
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	(7,807)	336,815	344,622	4,414.27%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	(163,344)	181,278	344,622	210.98%
<b>TOTAL PERSONAL SERVICES</b>				
3400 Other Funds Ltd	37,175,742	37,175,742	0	-
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				
3400 Other Funds Ltd	176,894	176,894	0	-
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	11,127	11,127	0	-
<b>4150 Employee Training</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

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

2007-09 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2007-09 Base Budget	Leg. Adopted Budget (Z-01) 2007-09 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	488,069	488,069	0	-
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	1,983,722	1,983,722	0	-
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	503,503	503,503	0	-
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	1,580,081	1,580,081	0	-
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	5,215,262	5,215,262	0	-
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	292,704	292,704	0	-
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	2,862,534	2,862,534	0	-
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	13,897,953	13,897,953	0	-
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	947,681	947,681	0	-
<b>4350 Dispute Resolution Services</b>				
3400 Other Funds Ltd	73,736	73,736	0	-
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	58,036	58,036	0	-
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	50,702	50,702	0	-
<b>4425 Facilities Rental and Taxes</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

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

2007-09 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2007-09 Base Budget	Leg. Adopted Budget (Z-01) 2007-09 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	703,597	703,597	0	-
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	161,063	161,063	0	-
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	724,698	724,698	0	-
<b>4625 Other COP Costs</b>				
3400 Other Funds Ltd	6,500	6,500	0	-
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	2,700	2,700	0	-
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	143,413	143,413	0	-
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	500,352	500,352	0	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	30,384,327	30,384,327	0	-
<b>CAPITAL OUTLAY</b>				
<b>5100 Office Furniture and Fixtures</b>				
3400 Other Funds Ltd	30,868	30,868	0	-
<b>5150 Telecommunications Equipment</b>				
3400 Other Funds Ltd	62,750	62,750	0	-
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	404,019	404,019	0	-
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	535,857	535,857	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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 2007-09 Biennium  
 Operations

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

Description	Governor's Rec. Budget (Y-01) 2007-09 Base Budget	Leg. Adopted Budget (Z-01) 2007-09 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	1,033,494	1,033,494	0	-
<b>TOTAL EXPENDITURES</b>				
3400 Other Funds Ltd	68,593,563	68,593,563	0	-
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	876,153	894,474	18,321	2.09%
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	264	259	(5)	-1.89%
8180 Position Reconciliation	-	5	5	100.00%
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>264</b>	<b>264</b>	<b>0</b>	<b>-</b>
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	262.63	258.42	(4.21)	-1.60%
8280 FTE Reconciliation	-	4.21	4.21	100.00%
<b>TOTAL AUTHORIZED FTE</b>	<b>262.63</b>	<b>262.63</b>	<b>0</b>	<b>-</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

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

2007-09 Biennium

Debt Service

Description	Governor's Rec. Budget (Y-01) 2007-09 Base Budget	Leg. Adopted Budget (Z-01) 2007-09 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	5,709,200	5,709,200	0	-
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**AVAILABLE REVENUES**

3430 Other Funds Debt Svc Ltd	5,709,200	5,709,200	0	-
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**EXPENDITURES**

**DEBT SERVICE**

**7200 Principal - COP**

3430 Other Funds Debt Svc Ltd	4,960,000	4,960,000	0	-
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**7250 Interest - COP**

3430 Other Funds Debt Svc Ltd	749,200	749,200	0	-
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**TOTAL DEBT SERVICE**

3430 Other Funds Debt Svc Ltd	5,709,200	5,709,200	0	-
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

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

2007-09 Biennium

Package: Phase-out Pgm & One-time Costs

Tier One and Tier Two Plan

Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	11,946,385	11,946,385	0	0.00%
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	11,946,385	11,946,385	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>\$11,946,385</b>	<b>\$11,946,385</b>	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Tier One and Tier Two Plan

Cross Reference Number: 45900-100-00-00-00000  
Package: Statewide Assessment Adjustments  
Pkg Group: POL Pkg Type: LFO Pkg Number: 803

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	-	821,349	821,349	100.00%
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	-	821,349	821,349	100.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>\$821,349</b>	<b>\$821,349</b>	<b>100.00%</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

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

2007-09 Biennium

Package: Phase-out Pgm & One-time Costs

Oregon Public Service Retirement Plan

Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	4,367,978	4,367,978	0	0.00%
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	4,367,978	4,367,978	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>\$4,367,978</b>	<b>\$4,367,978</b>	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
 2007-09 Biennium  
 Oregon Public Service Retirement Plan

Cross Reference Number: 45900-200-00-00-00000  
 Package: Statewide Assessment Adjustments  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 803

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	-	49,443	49,443	100.00%
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	-	49,443	49,443	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>\$49,443</b>	<b>\$49,443</b>	<b>100.00%</b>

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3160 Temporary Appointments**

3400 Other Funds Ltd	4,865	4,865	0	0.00%
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**3170 Overtime Payments**

3400 Other Funds Ltd	16,756	16,756	0	0.00%
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**3180 Shift Differential**

3400 Other Funds Ltd	61	61	0	0.00%
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**3190 All Other Differential**

3400 Other Funds Ltd	6,490	6,490	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	28,172	28,172	0	0.00%
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**TOTAL SALARIES & WAGES**

	<b>\$28,172</b>	<b>\$28,172</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	3,023	2,968	(55)	(1.82%)
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**3221 Pension Bond Contribution**

3400 Other Funds Ltd	62,147	62,147	0	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	2,154	2,154	0	0.00%
<b>3240 Unemployment Assessments</b>				
3400 Other Funds Ltd	1,160	1,160	0	0.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	(29,481)	(29,481)	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	39,003	38,948	(55)	(0.14%)
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$39,003</b>	<b>\$38,948</b>	<b>(\$55)</b>	<b>(0.14%)</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(33,515)	(33,515)	0	0.00%
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	55	55	100.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	(33,515)	(33,460)	55	0.16%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>(\$33,515)</b>	<b>(\$33,460)</b>	<b>\$55</b>	<b>0.16%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	33,660	33,660	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
 2007-09 Biennium  
 Operations

Cross Reference Number: 45900-300-00-00-00000  
 Package: Non-PICS Psnl Svc / Vacancy Factor  
 Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL PERSONAL SERVICES</b>	\$33,660	\$33,660	\$0	0.00%
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	33,660	33,660	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$33,660</b>	<b>\$33,660</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(33,660)	(33,660)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$33,660)</b>	<b>(\$33,660)</b>	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Phase-out Pgm & One-time Costs  
Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	(578,881)	(578,881)	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	(71,413)	(71,413)	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	(17,516)	(17,516)	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	(16,810,748)	(16,810,748)	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>(\$16,810,748)</b>	<b>(\$16,810,748)</b>	<b>\$0</b>	<b>0.00%</b>
<b>CAPITAL OUTLAY</b>				
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	(300,019)	(300,019)	0	0.00%
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	(388,857)	(388,857)	0	0.00%
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	(688,876)	(688,876)	0	0.00%
<b>TOTAL CAPITAL OUTLAY</b>	<b>(\$688,876)</b>	<b>(\$688,876)</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	(17,499,624)	(17,499,624)	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Phase-out Pgm & One-time Costs  
Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL EXPENDITURES</b>	(\$17,499,624)	(\$17,499,624)	\$0	0.00%
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	338,054	334,218	(3,836)	(1.13%)
<b>TOTAL ENDING BALANCE</b>	<b>\$338,054</b>	<b>\$334,218</b>	<b>(\$3,836)</b>	<b>(1.13%)</b>



# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Package Comparison Report - Detail  
2007-09 Biennium  
Operations**

**Cross Reference Number: 45900-300-00-00-00000  
Package: Inflation & Price List Adjustments  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 030**

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	45,612	45,612	0	0.00%
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	15,609	15,609	0	0.00%
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	282,798	282,798	0	0.00%
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	131,661	131,661	0	0.00%
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	9,073	9,073	0	0.00%
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	58,706	58,706	0	0.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	15,424	15,424	0	0.00%
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	132,675	132,675	0	0.00%
<b>4350 Dispute Resolution Services</b>				
3400 Other Funds Ltd	9,586	9,586	0	0.00%
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	1,798	1,798	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Package Comparison Report - Detail  
2007-09 Biennium  
Operations**

**Cross Reference Number: 45900-300-00-00-00000  
Package: Inflation & Price List Adjustments  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 030**

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	1,571	1,571	0	0.00%
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	(598)	(598)	0	0.00%
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	4,993	4,993	0	0.00%
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	22,466	22,466	0	0.00%
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	83	83	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	2,232	2,232	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	14,968	14,968	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	776,174	776,174	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$776,174</b>	<b>\$776,174</b>	<b>\$0</b>	<b>0.00%</b>

**CAPITAL OUTLAY**

**5100 Office Furniture and Fixtures**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Inflation & Price List Adjustments  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 030

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	957	957	0	0.00%
<b>5150 Telecommunications Equipment</b>				
3400 Other Funds Ltd	1,945	1,945	0	0.00%
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	3,224	3,224	0	0.00%
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	4,557	4,557	0	0.00%
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	10,683	10,683	0	0.00%
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$10,683</b>	<b>\$10,683</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	786,857	786,857	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$786,857</b>	<b>\$786,857</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	60,350	72,360	12,010	19.90%
<b>TOTAL ENDING BALANCE</b>	<b>\$60,350</b>	<b>\$72,360</b>	<b>\$12,010</b>	<b>19.90%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
 2007-09 Biennium  
 Operations

Cross Reference Number: 45900-300-00-00-00000  
 Package: Technical Adjustments  
 Pkg Group: ESS Pkg Type: 060 Pkg Number: 060

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	43,567	43,567	0	0.00%
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	(43,567)	(43,567)	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	-	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL EXPENDITURES</b>	-	-	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

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

Package: Strunk/Eugene

Pkg Group: POL Pkg Type: POL Pkg Number: 110

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	6,343,237	6,343,237	0	0.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	6,343,237	6,343,237	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$6,343,237</b>	<b>\$6,343,237</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	3,495,120	3,417,696	(77,424)	(2.22%)
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**SALARIES & WAGES**

3400 Other Funds Ltd	3,495,120	3,417,696	(77,424)	(2.22%)
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$3,495,120</b>	<b>\$3,417,696</b>	<b>(\$77,424)</b>	<b>(2.22%)</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	2,052	1,980	(72)	(3.51%)
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**3220 Public Employees Retire Cont**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

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

Package: Strunk/Eugene

Pkg Group: POL Pkg Type: POL Pkg Number: 110

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	453,656	434,382	(19,274)	(4.25%)
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	267,378	261,456	(5,922)	(2.21%)
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	3,534	3,410	(124)	(3.51%)
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	20,971	20,971	0	0.00%
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	1,302,336	1,256,640	(45,696)	(3.51%)
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	2,049,927	1,978,839	(71,088)	(3.47%)
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$2,049,927</b>	<b>\$1,978,839</b>	<b>(\$71,088)</b>	<b>(3.47%)</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	148,512	148,512	100.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	-	148,512	148,512	100.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>-</b>	<b>\$148,512</b>	<b>\$148,512</b>	<b>100.00%</b>

**PERSONAL SERVICES**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

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

Package: Strunk/Eugene

Pkg Group: POL Pkg Type: POL Pkg Number: 110

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	5,545,047	5,545,047	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$5,545,047</b>	<b>\$5,545,047</b>	<b>\$0</b>	<b>0.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
4150 Employee Training				
3400 Other Funds Ltd	52,950	52,950	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	285,000	285,000	0	0.00%
4200 Telecommunications				
3400 Other Funds Ltd	12,240	12,240	0	0.00%
4250 Data Processing				
3400 Other Funds Ltd	240,000	240,000	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	200,000	200,000	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	8,000	8,000	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	798,190	798,190	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$798,190</b>	<b>\$798,190</b>	<b>\$0</b>	<b>0.00%</b>

**EXPENDITURES**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
 2007-09 Biennium  
 Operations

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

Package: Strunk/Eugene

Pkg Group: POL Pkg Type: POL Pkg Number: 110

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	6,343,237	6,343,237	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$6,343,237</b>	<b>\$6,343,237</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	57	55	(2)	(3.51%)
8180 Position Reconciliation	-	2	2	100.00%
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>57</b>	<b>57</b>	<b>0</b>	<b>0.00%</b>
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	57.00	55.00	(2.00)	(3.51%)
8280 FTE Reconciliation	-	2.00	2.00	100.00%
<b>TOTAL AUTHORIZED FTE</b>	<b>57.00</b>	<b>57.00</b>	<b>0.00</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

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

Package: RIMS Conversion Project

Pkg Group: POL Pkg Type: POL Pkg Number: 111

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	13,539,844	13,539,844	0	0.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	13,539,844	13,539,844	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$13,539,844</b>	<b>\$13,539,844</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	537,072	537,072	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	537,072	537,072	0	0.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$537,072</b>	<b>\$537,072</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	216	216	0	0.00%
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**3220 Public Employees Retire Cont**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

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

Package: RIMS Conversion Project

Pkg Group: POL Pkg Type: POL Pkg Number: 111

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	69,713	68,263	(1,450)	(2.08%)
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	41,086	41,086	0	0.00%
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	372	372	0	0.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	3,222	3,222	0	0.00%
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	137,088	137,088	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	251,697	250,247	(1,450)	(0.58%)
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$251,697</b>	<b>\$250,247</b>	<b>(\$1,450)</b>	<b>(0.58%)</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	1,450	1,450	100.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	-	1,450	1,450	100.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>-</b>	<b>\$1,450</b>	<b>\$1,450</b>	<b>100.00%</b>

**PERSONAL SERVICES**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

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

Package: RIMS Conversion Project

Pkg Group: POL Pkg Type: POL Pkg Number: 111

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	788,769	788,769	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$788,769</b>	<b>\$788,769</b>	<b>\$0</b>	<b>0.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
4150 Employee Training				
3400 Other Funds Ltd	8,325	8,325	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	30,000	30,000	0	0.00%
4250 Data Processing				
3400 Other Funds Ltd	1,317,200	1,317,200	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	10,704,050	10,704,050	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	99,100	99,100	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	12,158,675	12,158,675	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$12,158,675</b>	<b>\$12,158,675</b>	<b>\$0</b>	<b>0.00%</b>

**CAPITAL OUTLAY**

5550 Data Processing Software

3400 Other Funds Ltd	77,400	77,400	0	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: RIMS Conversion Project  
Pkg Group: POL Pkg Type: POL Pkg Number: 111

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	515,000	515,000	0	0.00%
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	592,400	592,400	0	0.00%
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$592,400</b>	<b>\$592,400</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	13,539,844	13,539,844	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$13,539,844</b>	<b>\$13,539,844</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	6	6	0	0.00%
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	6.00	6.00	0.00	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

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

Package: Retirement Processing

Pkg Group: POL Pkg Type: POL Pkg Number: 112

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	2,651,079	2,651,079	0	0.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	2,651,079	2,651,079	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$2,651,079</b>	<b>\$2,651,079</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	1,578,408	1,578,408	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	1,578,408	1,578,408	0	0.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$1,578,408</b>	<b>\$1,578,408</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	900	900	0	0.00%
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**3220 Public Employees Retire Cont**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
 2007-09 Biennium  
 Operations

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

Package: Retirement Processing

Pkg Group: POL Pkg Type: POL Pkg Number: 112

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	204,873	200,614	(4,259)	(2.08%)
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	120,752	120,752	0	0.00%
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	1,550	1,550	0	0.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	9,471	9,471	0	0.00%
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	571,200	571,200	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	908,746	904,487	(4,259)	(0.47%)
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$908,746</b>	<b>\$904,487</b>	<b>(\$4,259)</b>	<b>(0.47%)</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	4,259	4,259	100.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	-	4,259	4,259	100.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>-</b>	<b>\$4,259</b>	<b>\$4,259</b>	<b>100.00%</b>

**PERSONAL SERVICES**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

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

Package: Retirement Processing

Pkg Group: POL Pkg Type: POL Pkg Number: 112

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	2,487,154	2,487,154	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$2,487,154</b>	<b>\$2,487,154</b>	<b>\$0</b>	<b>0.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
4150 Employee Training				
3400 Other Funds Ltd	23,925	23,925	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	125,000	125,000	0	0.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	3,000	3,000	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	12,000	12,000	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	163,925	163,925	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$163,925</b>	<b>\$163,925</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	2,651,079	2,651,079	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$2,651,079</b>	<b>\$2,651,079</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
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 Operations

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

Package: Retirement Processing

Pkg Group: POL Pkg Type: POL Pkg Number: 112

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL ENDING BALANCE</b>	-	-	\$0	0.00%

**AUTHORIZED POSITIONS**

8150 Class/Unclass Positions	25	25	0	0.00%
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**AUTHORIZED FTE**

8250 Class/Unclass FTE Positions	25.00	25.00	0.00	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
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Cross Reference Number: 45900-300-00-00-00000

Package: Retirement Data Support

Pkg Group: POL Pkg Type: POL Pkg Number: 113

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	2,598,488	2,598,488	0	0.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	2,598,488	2,598,488	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$2,598,488</b>	<b>\$2,598,488</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	1,579,296	1,579,296	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	1,579,296	1,579,296	0	0.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$1,579,296</b>	<b>\$1,579,296</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	828	828	0	0.00%
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**3220 Public Employees Retire Cont**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

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

Package: Retirement Data Support

Pkg Group: POL Pkg Type: POL Pkg Number: 113

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	204,988	200,728	(4,260)	(2.08%)
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	120,820	120,820	0	0.00%
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	1,426	1,426	0	0.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	9,476	9,476	0	0.00%
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	525,504	525,504	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	863,042	858,782	(4,260)	(0.49%)
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$863,042</b>	<b>\$858,782</b>	<b>(\$4,260)</b>	<b>(0.49%)</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	4,260	4,260	100.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	-	4,260	4,260	100.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>-</b>	<b>\$4,260</b>	<b>\$4,260</b>	<b>100.00%</b>

**PERSONAL SERVICES**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

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

Package: Retirement Data Support

Pkg Group: POL Pkg Type: POL Pkg Number: 113

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	2,442,338	2,442,338	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$2,442,338</b>	<b>\$2,442,338</b>	<b>\$0</b>	<b>0.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
4150 Employee Training				
3400 Other Funds Ltd	21,150	21,150	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	115,000	115,000	0	0.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	4,000	4,000	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	16,000	16,000	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	156,150	156,150	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$156,150</b>	<b>\$156,150</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	2,598,488	2,598,488	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$2,598,488</b>	<b>\$2,598,488</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd			0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
 2007-09 Biennium  
 Operations

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

Package: Retirement Data Support

Pkg Group: POL Pkg Type: POL Pkg Number: 113

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL ENDING BALANCE</b>	-	-	\$0	0.00%

**AUTHORIZED POSITIONS**

8150 Class/Unclass Positions	23	23	0	0.00%
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**AUTHORIZED FTE**

8250 Class/Unclass FTE Positions	23.00	23.00	0.00	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Operations & Infrastructure Support  
Pkg Group: POL Pkg Type: POL Pkg Number: 114

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	4,219,993	4,219,993	0	0.00%
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**TRANSFERS OUT**

**2010 Transfer Out - Intrafund**

3400 Other Funds Ltd	(33,759)	(33,759)	0	0.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	4,219,993	4,219,993	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$4,219,993</b>	<b>\$4,219,993</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	1,855,248	1,855,248	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	1,855,248	1,855,248	0	0.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$1,855,248</b>	<b>\$1,855,248</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

Package Comparison Report - Detail ANA101A

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
 2007-09 Biennium  
 Operations

Cross Reference Number: 45900-300-00-00-00000  
 Package: Operations & Infrastructure Support  
 Pkg Group: POL Pkg Type: POL Pkg Number: 114

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	1,008	1,008	0	0.00%
<b>3220 Public Employees Retire Cont</b>				
3400 Other Funds Ltd	240,813	235,800	(5,013)	(2.08%)
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	141,925	141,925	0	0.00%
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	1,736	1,736	0	0.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	11,132	11,132	0	0.00%
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	639,744	639,744	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	1,036,358	1,031,345	(5,013)	(0.48%)
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$1,036,358</b>	<b>\$1,031,345</b>	<b>(\$5,013)</b>	<b>(0.48%)</b>

**P.S. BUDGET ADJUSTMENTS**

**3465 Reconciliation Adjustment**

3400 Other Funds Ltd	-	5,013	5,013	100.00%
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**P.S. BUDGET ADJUSTMENTS**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Operations & Infrastructure Support  
Pkg Group: POL Pkg Type: POL Pkg Number: 114

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	5,013	5,013	100.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	<b>\$5,013</b>	<b>\$5,013</b>	<b>100.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	2,891,606	2,891,606	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$2,891,606</b>	<b>\$2,891,606</b>	<b>\$0</b>	<b>0.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	237,130	237,130	0	0.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	140,000	140,000	0	0.00%
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	80,784	80,784	0	0.00%
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	667,060	667,060	0	0.00%
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	198,413	198,413	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	1,000	1,000	0	0.00%
<b>4715 IT Expendable Property</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
 2007-09 Biennium  
 Operations

Cross Reference Number: 45900-300-00-00-00000  
 Package: Operations & Infrastructure Support  
 Pkg Group: POL Pkg Type: POL Pkg Number: 114

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	4,000	4,000	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	1,328,387	1,328,387	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$1,328,387</b>	<b>\$1,328,387</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	4,219,993	4,219,993	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$4,219,993</b>	<b>\$4,219,993</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(33,759)	(33,759)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$33,759)</b>	<b>(\$33,759)</b>	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	28	28	0	0.00%
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	28.00	28.00	0.00	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

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

Package: Legal Services

Pkg Group: POL Pkg Type: POL Pkg Number: 115

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

1010 Transfer In - Intrafund

3400 Other Funds Ltd	1,000,000	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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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>0.00%</b>
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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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<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

3400 Other Funds Ltd	1,000,000	1,000,000	0	0.00%
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<b>TOTAL EXPENDITURES</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>0.00%</b>
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**ENDING BALANCE**

3400 Other Funds Ltd	-	-	0	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
 2007-09 Biennium  
 Operations

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

Package: Legal Services

Pkg Group: POL Pkg Type: POL Pkg Number: 115

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL ENDING BALANCE</b>	-	-	\$0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Ways and Means Co-Chair 2% Reprioritization  
Pkg Group: POL Pkg Type: LFO Pkg Number: 802

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	-	(1,165,484)	(1,165,484)	100.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	-	(1,165,484)	(1,165,484)	100.00%
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<b>TOTAL AVAILABLE REVENUES</b>	-	<b>(\$1,165,484)</b>	<b>(\$1,165,484)</b>	<b>100.00%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	-	(142,728)	(142,728)	100.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	-	(142,728)	(142,728)	100.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	-	<b>(\$142,728)</b>	<b>(\$142,728)</b>	<b>100.00%</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	-	(72)	(72)	100.00%
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**3220 Public Employees Retire Cont**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
 2007-09 Biennium  
 Operations

Cross Reference Number: 45900-300-00-00-00000  
 Package: Ways and Means Co-Chair 2% Reprioritization  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 802

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	(18,140)	(18,140)	100.00%
<b>3221 Pension Bond Contribution</b>				
3400 Other Funds Ltd	-	(4,800)	(4,800)	100.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	-	(10,919)	(10,919)	100.00%
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	-	(124)	(124)	100.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	-	(1,320)	(1,320)	100.00%
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	-	(45,696)	(45,696)	100.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	-	(81,071)	(81,071)	100.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>(\$81,071)</b>	<b>(\$81,071)</b>	<b>100.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	(583,170)	(583,170)	100.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	-	(583,170)	(583,170)	100.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Ways and Means Co-Chair 2% Reprioritization  
Pkg Group: POL Pkg Type: LFO Pkg Number: 802

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	(\$583,170)	(\$583,170)	100.00%
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	-	(806,969)	(806,969)	100.00%
<b>TOTAL PERSONAL SERVICES</b>	-	(\$806,969)	(\$806,969)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	-	(1,750)	(1,750)	100.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	-	(60,000)	(60,000)	100.00%
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	-	(51,712)	(51,712)	100.00%
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	-	(158,000)	(158,000)	100.00%
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	-	(87,053)	(87,053)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(358,515)	(358,515)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	(\$358,515)	(\$358,515)	100.00%

**EXPENDITURES**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Ways and Means Co-Chair 2% Reprioritization  
Pkg Group: POL Pkg Type: LFO Pkg Number: 802

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	(1,165,484)	(1,165,484)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(\$1,165,484)</b>	<b>(\$1,165,484)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	-	(2)	(2)	100.00%
8180 Position Reconciliation	-	(2)	(2)	100.00%
<b>TOTAL AUTHORIZED POSITIONS</b>	-	<b>(4)</b>	<b>(4)</b>	<b>100.00%</b>
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	-	(2.00)	(2.00)	100.00%
8280 FTE Reconciliation	-	(6.75)	(6.75)	100.00%
<b>TOTAL AUTHORIZED FTE</b>	-	<b>(8.75)</b>	<b>(8.75)</b>	<b>100.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Statewide Assessment Adjustments  
Pkg Group: POL Pkg Type: LFO Pkg Number: 803

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	-	(102,928)	(102,928)	100.00%
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**TRANSFERS OUT**

**2010 Transfer Out - Intrafund**

3400 Other Funds Ltd	-	116,579	116,579	100.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	-	(102,928)	(102,928)	100.00%
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<b>TOTAL AVAILABLE REVENUES</b>	-	<b>(\$102,928)</b>	<b>(\$102,928)</b>	<b>100.00%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**P.S. BUDGET ADJUSTMENTS**

**3465 Reconciliation Adjustment**

3400 Other Funds Ltd	-	(89,586)	(89,586)	100.00%
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**P.S. BUDGET ADJUSTMENTS**

3400 Other Funds Ltd	-	(89,586)	(89,586)	100.00%
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<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	<b>(\$89,586)</b>	<b>(\$89,586)</b>	<b>100.00%</b>
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**PERSONAL SERVICES**

Package Comparison Report - Detail ANA101A

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
 2007-09 Biennium  
 Operations

Cross Reference Number: 45900-300-00-00-00000  
 Package: Statewide Assessment Adjustments  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 803

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	(89,586)	(89,586)	100.00%
<b>TOTAL PERSONAL SERVICES</b>	-	<b>(\$89,586)</b>	<b>(\$89,586)</b>	<b>100.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	-	(2,017)	(2,017)	100.00%
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	-	(13,410)	(13,410)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(15,427)	(15,427)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$15,427)</b>	<b>(\$15,427)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(105,013)	(105,013)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(\$105,013)</b>	<b>(\$105,013)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	118,664	118,664	100.00%
<b>TOTAL ENDING BALANCE</b>	-	<b>\$118,664</b>	<b>\$118,664</b>	<b>100.00%</b>

Package Comparison Report - Detail ANA101A

Agency Request

Governor's Recommended

Legislatively Adopted

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Table Request Budget Adjustment  
Pkg Group: POL Pkg Type: LFO Pkg Number: 806

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	-	254,546	254,546	100.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	-	254,546	254,546	100.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>-</b>	<b>\$254,546</b>	<b>\$254,546</b>	<b>100.00%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	-	133,008	133,008	100.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	-	133,008	133,008	100.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>-</b>	<b>\$133,008</b>	<b>\$133,008</b>	<b>100.00%</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	-	72	72	100.00%
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**3220 Public Employees Retire Cont**

Package Comparison Report - Detail ANA101A

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Table Request Budget Adjustment  
Pkg Group: POL Pkg Type: LFO Pkg Number: 806

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	16,906	16,906	100.00%
<b>3221 Pension Bond Contribution</b>				
3400 Other Funds Ltd	-	7,808	7,808	100.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	-	10,176	10,176	100.00%
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	-	124	124	100.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	-	798	798	100.00%
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	-	45,696	45,696	100.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	-	81,580	81,580	100.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>\$81,580</b>	<b>\$81,580</b>	<b>100.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	358	358	100.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	-	358	358	100.00%

Package Comparison Report - Detail ANA101A

Agency Request

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Table Request Budget Adjustment  
Pkg Group: POL Pkg Type: LFO Pkg Number: 806

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	\$358	\$358	100.00%
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	-	214,946	214,946	100.00%
<b>TOTAL PERSONAL SERVICES</b>	-	\$214,946	\$214,946	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				
3400 Other Funds Ltd	-	17,850	17,850	100.00%
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	-	1,750	1,750	100.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	-	10,000	10,000	100.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	-	2,000	2,000	100.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	-	8,000	8,000	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	39,600	39,600	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	\$39,600	\$39,600	100.00%

**EXPENDITURES**

Package Comparison Report - Detail ANA101A

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2007-09 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Table Request Budget Adjustment  
Pkg Group: POL Pkg Type: LFO Pkg Number: 806

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	254,546	254,546	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>\$254,546</b>	<b>\$254,546</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	-	2	2	100.00%
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	-	2.00	2.00	100.00%

Package Comparison Report - Detail ANA101A

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 000 Operations

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

PAGE 1  
 PROD FILE  
 PICS SYSTEM: 2007-09 BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	B	Y7500	AE BOARD AND COMMISSION MEMBER		.00	.00	0.00					
000	MENNZ0118	AA	EXECUTIVE SUPPORT SPECIALIST 1	1	1.00	24.00	2,465.00		59,160			59,160
000	MESNZ0119	AA	EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	3,454.00		82,896			82,896
000	MESNZ7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	4	4.00	96.00	6,716.00		644,736			644,736
000	MESNZ7010	IA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	8,415.00		201,960			201,960
000	MESNZ7012	AA	PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	7,279.00		174,696			174,696
000	MESNZ7014	AA	PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	24.00	9,276.00		222,624			222,624
000	MMN X0871	AA	OPERATIONS & POLICY ANALYST 2	3	3.00	72.00	4,484.00		322,848			322,848
000	MMN X0872	AA	OPERATIONS & POLICY ANALYST 3	2	2.00	48.00	4,373.50		209,928			209,928
000	MMN X1319	AA	HUMAN RESOURCE ASSISTANT	2	2.00	48.00	3,281.00		157,488			157,488
000	MMN X1320	AA	HUMAN RESOURCE ANALYST 1	1	1.00	24.00	3,625.00		87,000			87,000
000	MMN X1321	AA	HUMAN RESOURCE ANALYST 2	1	1.00	24.00	4,061.00		97,464			97,464
000	MMN X1338	AA	TRAINING & DEVELOPMENT SPEC 1	1	1.00	24.00	4,184.00		100,416			100,416
000	MMN X5617	AA	INTERNAL AUDITOR 2	1	1.00	24.00	3,689.00		88,536			88,536
000	MMN X5618	AA	INTERNAL AUDITOR 3	1	1.00	24.00	4,265.00		102,360			102,360
000	MMS X0855	AA	PROJECT MANAGER 2	1	1.00	24.00	3,870.00		92,880			92,880
000	MMS X0863	AA	PROGRAM ANALYST 4	1	1.00	24.00	5,996.00		143,904			143,904
000	MMS X0872	AA	OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	5,708.00		136,992			136,992
000	MMS X1339	AA	TRAINING & DEVELOPMENT SPEC 2	1	1.00	24.00	4,482.00		107,568			107,568
000	MMS X7000	AA	PRINCIPAL EXECUTIVE/MANAGER A	1	1.00	24.00	2,903.00		69,672			69,672
000	MMS X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	8	8.00	192.00	4,041.37		775,944			775,944
000	MMS X7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	9	9.00	216.00	5,342.66		1,154,016			1,154,016
000	MMS X7008	AA	PRINCIPAL EXECUTIVE/MANAGER E	3	3.00	72.00	6,397.33		460,608			460,608
000	MMS X7008	IA	PRINCIPAL EXECUTIVE/MANAGER E	3	3.00	72.00	7,172.66		516,432			516,432
000	MMS X7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	4,937.00		118,488			118,488

Agency Request

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 000 Operations

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

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 2007-09  
 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	0A	C0102	AA OFFICE ASSISTANT 2	6	6.00	144.00	1,812.33		260,976			260,976
000	0A	C0103	AA OFFICE SPECIALIST 1	3	3.00	72.00	2,228.00		160,416			160,416
000	0A	C0104	AA OFFICE SPECIALIST 2	12	12.00	288.00	2,291.41		659,928			659,928
000	0A	C0107	AA ADMINISTRATIVE SPECIALIST 1	4	4.00	96.00	2,635.75		253,032			253,032
000	0A	C0108	AA ADMINISTRATIVE SPECIALIST 2	5	5.00	120.00	3,082.20		369,864			369,864
000	0A	C0118	AA EXECUTIVE SUPPORT SPECIALIST 1	2	2.00	48.00	2,420.00		116,160			116,160
000	0A	C0211	AA ACCOUNTING TECHNICIAN 2	2	2.00	48.00	2,846.50		136,632			136,632
000	0A	C0212	AA ACCOUNTING TECHNICIAN 3	4	4.00	96.00	3,069.25		294,648			294,648
000	0A	C0323	AA PUBLIC SERVICE REP 3	9	9.00	216.00	2,402.88		519,024			519,024
000	0A	C0405	AA MAIL SERVICES ASSISTANT	1	1.00	24.00	2,049.00		49,176			49,176
000	0A	C0435	AA PROCUREMENT AND CONTRACT ASST	2	2.00	48.00	2,661.50		127,752			127,752
000	0A	C0436	AA PROCUREMENT & CONTRACT SPEC 1	1	1.00	24.00	2,903.00		69,672			69,672
000	0A	C0841	AA RETIREMENT COUNSELOR 1	39	39.00	936.00	2,995.02		2,803,344			2,803,344
000	0A	C0842	AA RETIREMENT COUNSELOR 2	31	31.00	744.00	3,340.80		2,485,560			2,485,560
000	0A	C0854	AA PROJECT MANAGER 1	1	1.00	24.00	4,657.00		111,768			111,768
000	0A	C0855	AA PROJECT MANAGER 2	4	4.00	96.00	4,657.00		447,072			447,072
000	0A	C0861	AA PROGRAM ANALYST 2	2	2.00	48.00	4,333.00		207,984			207,984
000	0A	C0870	AA OPERATIONS & POLICY ANALYST 1	2	2.00	48.00	3,467.50		166,440			166,440
000	0A	C0871	AA OPERATIONS & POLICY ANALYST 2	17	17.00	408.00	4,105.35		1,674,984			1,674,984
000	0A	C1117	AA RESEARCH ANALYST 3	1	1.00	24.00	4,229.00		101,496			101,496
000	0A	C1215	AA ACCOUNTANT 1	3	3.00	72.00	3,047.66		219,432			219,432
000	0A	C1216	AA ACCOUNTANT 2	6	5.92	142.00	3,614.66		514,706			514,706
000	0A	C1217	AA ACCOUNTANT 3	5	5.00	120.00	4,673.40		560,808			560,808
000	0A	C1218	AA ACCOUNTANT 4	1	1.00	24.00	5,630.00		135,120			135,120
000	0A	C1244	AA FISCAL ANALYST 2	1	1.00	24.00	4,229.00		101,496			101,496

\_\_\_ Agency Request

\_\_\_ Governor's Recommended

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 000 Operations

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

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 2007-09  
 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	0A	C1245	AA FISCAL ANALYST 3	1	1.00	24.00	5,630.00		135,120			135,120
000	0A	C1338	AA TRAINING & DEVELOPMENT SPEC 1	1	1.00	24.00	3,506.00		84,144			84,144
000	0A	C1482	IA INFO SYSTEMS SPECIALIST 2	4	4.00	96.00	3,455.75		331,752			331,752
000	0A	C1484	IA INFO SYSTEMS SPECIALIST 4	17	17.00	408.00	4,326.52		1,765,224			1,765,224
000	0A	C1485	IA INFO SYSTEMS SPECIALIST 5	1	1.00	24.00	4,262.00		102,288			102,288
000	0A	C1486	IA INFO SYSTEMS SPECIALIST 6	5	5.00	120.00	5,199.00		623,880			623,880
000	0A	C1487	IA INFO SYSTEMS SPECIALIST 7	5	5.00	120.00	5,804.40		696,528			696,528
000	0A	C1488	IA INFO SYSTEMS SPECIALIST 8	5	5.00	120.00	6,172.20		740,664			740,664
000	0A	C2510	AA ELECTRONIC PUB DESIGN SPEC 1	3	3.00	72.00	2,798.66		201,504			201,504
000	0A	C2511	AA ELECTRONIC PUB DESIGN SPEC 2	1	1.00	24.00	2,903.00		69,672			69,672
000	0A	C5247	AA COMPLIANCE SPECIALIST 2	2	1.50	36.00	4,437.00		159,732			159,732
000				259	258.42	6202.00	3,731.95		23,586,614			23,586,614

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 110 Operations

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

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 PICS SYSTEM: BUDGET PREPARATION  
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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
110	MMS	X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	2	2.00	48.00	3,185.00		152,880			152,880
110	MMS	X7008	AA PRINCIPAL EXECUTIVE/MANAGER E	1	1.00	24.00	4,482.00		107,568			107,568
110	OA	C0102	AA OFFICE ASSISTANT 2	8	8.00	192.00	1,613.00		309,696			309,696
110	OA	C0104	AA OFFICE SPECIALIST 2	3	3.00	72.00	2,049.00		147,528			147,528
110	OA	C0841	AA RETIREMENT COUNSELOR 1	19	19.00	456.00	2,530.00		1,153,680			1,153,680
110	OA	C0842	AA RETIREMENT COUNSELOR 2	12	12.00	288.00	2,771.00		798,048			798,048
110	OA	C0855	AA PROJECT MANAGER 2	1	1.00	24.00	3,847.00		92,328			92,328
110	OA	C0870	AA OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	2,903.00		69,672			69,672
110	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	4	4.00	96.00	3,506.00		336,576			336,576
110	OA	C1484	IA INFO SYSTEMS SPECIALIST 4	1	1.00	24.00	3,326.00		79,824			79,824
110	OA	C5110	AA REVENUE AGENT 1	2	2.00	48.00	2,215.00		106,320			106,320
110	OA	C5246	AA COMPLIANCE SPECIALIST 1	1	1.00	24.00	2,649.00		63,576			63,576
110				55	55.00	1320.00	2,589.16		3,417,696			3,417,696

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 111 Operations

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

2007-09  
 PICS SYSTEM: BUDGET PREPARATION  
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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
111	NMN	X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	4,061.00		97,464			97,464
111	MMS	X7006	AA PRINCIPAL EXECUTIVE/MANAGER D	2	2.00	48.00	4,061.00		194,928			194,928
111	OA	C1217	AA ACCOUNTANT 3	2	2.00	48.00	3,506.00		168,288			168,288
111	OA	C5247	AA COMPLIANCE SPECIALIST 2	1	1.00	24.00	3,183.00		76,392			76,392
111				6	6.00	144.00	3,729.66		537,072			537,072

Agency Request

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PDPPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 112 Operations

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

2007-09  
 PICS SYSTEM: BUDGET PREPARATION  
 PAGE 6  
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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
112	MMS	X7000 AA	PRINCIPAL EXECUTIVE/MANAGER A	1	1.00	24.00	2,903.00		69,672			69,672
112	MMS	X7002 AA	PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	3,185.00		76,440			76,440
112	OA	C0104 AA	OFFICE SPECIALIST 2	7	7.00	168.00	2,049.00		344,232			344,232
112	OA	C0841 AA	RETIREMENT COUNSELOR 1	5	5.00	120.00	2,530.00		303,600			303,600
112	OA	C0842 AA	RETIREMENT COUNSELOR 2	8	8.00	192.00	2,771.00		532,032			532,032
112	OA	C0871 AA	OPERATIONS & POLICY ANALYST 2	3	3.00	72.00	3,506.00		252,432			252,432
112				25	25.00	600.00	2,630.68		1,578,408			1,578,408

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 113 Operations

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

2007-09  
 PICS SYSTEM: BUDGET PREPARATION

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
113	HMS	X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	3,185.00		76,440			76,440
113	OA	C0107	AA ADMINISTRATIVE SPECIALIST 1	1	1.00	24.00	2,215.00		53,160			53,160
113	OA	C0841	AA RETIREMENT COUNSELOR 1	8	8.00	192.00	2,530.00		485,760			485,760
113	OA	C0842	AA RETIREMENT COUNSELOR 2	8	8.00	192.00	2,771.00		532,032			532,032
113	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	4	4.00	96.00	3,506.00		336,576			336,576
113	OA	C1486	IA INFO SYSTEMS SPECIALIST 6	1	1.00	24.00	3,972.00		95,328			95,328
113				23	23.00	552.00	2,861.04		1,579,296			1,579,296

Agency Request

Governor's Recommended

Legislatively Adopted

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 114 Operations

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

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
114	MMN	X1320	AA HUMAN RESOURCE ANALYST 1	1	1.00	24.00	2,990.00		71,760			71,760
114	MMN	X1322	AA HUMAN RESOURCE ANALYST 3	1	1.00	24.00	3,870.00		92,880			92,880
114	MMS	X0112	AA SUPPORT SERVICES SUPERVISOR 1	1	1.00	24.00	2,258.00		54,192			54,192
114	OA	C0102	AA OFFICE ASSISTANT 2	6	6.00	144.00	1,613.00		232,272			232,272
114	OA	C0103	AA OFFICE SPECIALIST 1	3	3.00	72.00	1,814.00		130,608			130,608
114	OA	C0405	AA MAIL SERVICES ASSISTANT	1	1.00	24.00	1,682.00		40,368			40,368
114	OA	C0437	AA PROCUREMENT & CONTRACT SPEC 2	1	1.00	24.00	3,506.00		84,144			84,144
114	OA	C0438	AA PROCUREMENT & CONTRACT SPEC 3	1	1.00	24.00	3,847.00		92,328			92,328
114	OA	C0501	AA DATA ENTRY OPERATOR	2	2.00	48.00	1,751.00		84,048			84,048
114	OA	C0842	AA RETIREMENT COUNSELOR 2	3	3.00	72.00	2,771.00		199,512			199,512
114	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	3,506.00		84,144			84,144
114	OA	C1484	IA INFO SYSTEMS SPECIALIST 4	1	1.00	24.00	3,326.00		79,824			79,824
114	OA	C1485	IA INFO SYSTEMS SPECIALIST 5	2	2.00	48.00	3,714.00		178,272			178,272
114	OA	C1486	IA INFO SYSTEMS SPECIALIST 6	1	1.00	24.00	3,972.00		95,328			95,328
114	OA	C1487	IA INFO SYSTEMS SPECIALIST 7	1	1.00	24.00	4,398.00		105,552			105,552
114	OA	C1488	IA INFO SYSTEMS SPECIALIST 8	2	2.00	48.00	4,792.00		230,016			230,016
114				28	28.00	672.00	2,760.78		1,855,248			1,855,248

Agency Request

Governor's Recommended

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 802 Operations

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 PICS SYSTEM: BUDGET PREPARATION  
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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
802	0A	C0102	AA OFFICE ASSISTANT 2		.00	.00	1,613.00					
802	0A	C0211	AA ACCOUNTING TECHNICIAN 2	1-	1.00-	24.00-	3,044.00		73,056-			73,056-
802	0A	C0435	AA PROCUREMENT AND CONTRACT ASST	1-	1.00-	24.00-	2,903.00		69,672-			69,672-
802				2-	2.00-	48.00-	2,293.25		142,728-			142,728-

Agency Request

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 806 Operations

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

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
806	0A	C0842	AA RETIREMENT COUNSELOR 2	2	2.00	48.00	2,771.00		133,008			133,008
806				2	2.00	48.00	2,771.00		133,008			133,008
				396	395.42	9490.00	3,374.95		32,544,614			32,544,614
				396	395.42	9490.00	3,374.95		32,544,614			32,544,614

Agency Request

Governor's Recommended

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 806 Operations

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

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
				396	395.42	9490.00	3,374.95		32,544,614			32,544,614

Agency Request

Governor's Recommended

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLAGYCL  
 REPORT: SUMMARY LIST BY PKG BY AGENCY  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM

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

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	B	Y7500	AE BOARD AND COMMISSION MEMBER		.00	.00	0.00					
000	MENNZ0118	AA	EXECUTIVE SUPPORT SPECIALIST 1	1	1.00	24.00	2,465.00		59,160			59,160
000	MESNZ0119	AA	EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	3,454.00		82,896			82,896
000	MESNZ7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	4	4.00	96.00	6,716.00		644,736			644,736
000	MESNZ7010	IA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	8,415.00		201,960			201,960
000	MESNZ7012	AA	PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	7,279.00		174,696			174,696
000	MESNZ7014	AA	PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	24.00	9,276.00		222,624			222,624
000	MMN X0871	AA	OPERATIONS & POLICY ANALYST 2	3	3.00	72.00	4,484.00		322,848			322,848
111	MMN X0872	AA	OPERATIONS & POLICY ANALYST 3	3	3.00	72.00	4,269.33		307,392			307,392
000	MMN X1319	AA	HUMAN RESOURCE ASSISTANT	2	2.00	48.00	3,281.00		157,488			157,488
114	MMN X1320	AA	HUMAN RESOURCE ANALYST 1	2	2.00	48.00	3,307.50		158,760			158,760
000	MMN X1321	AA	HUMAN RESOURCE ANALYST 2	1	1.00	24.00	4,061.00		97,464			97,464
114	MMN X1322	AA	HUMAN RESOURCE ANALYST 3	1	1.00	24.00	3,870.00		92,880			92,880
000	MMN X1338	AA	TRAINING & DEVELOPMENT SPEC 1	1	1.00	24.00	4,184.00		100,416			100,416
000	MMN X5617	AA	INTERNAL AUDITOR 2	1	1.00	24.00	3,689.00		88,536			88,536
000	MMN X5618	AA	INTERNAL AUDITOR 3	1	1.00	24.00	4,265.00		102,360			102,360
114	MMS X0112	AA	SUPPORT SERVICES SUPERVISOR 1	1	1.00	24.00	2,258.00		54,192			54,192
000	MMS X0855	AA	PROJECT MANAGER 2	1	1.00	24.00	3,870.00		92,880			92,880
000	MMS X0863	AA	PROGRAM ANALYST 4	1	1.00	24.00	5,996.00		143,904			143,904
000	MMS X0872	AA	OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	5,708.00		136,992			136,992
000	MMS X1339	AA	TRAINING & DEVELOPMENT SPEC 2	1	1.00	24.00	4,482.00		107,568			107,568
112	MMS X7000	AA	PRINCIPAL EXECUTIVE/MANAGER A	2	2.00	48.00	2,903.00		139,344			139,344
113	MMS X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	12	12.00	288.00	3,755.91		1,081,704			1,081,704
000	MMS X7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	11	11.00	264.00	5,109.63		1,348,944			1,348,944
110	MMS X7008	AA	PRINCIPAL EXECUTIVE/MANAGER E	4	4.00	96.00	5,918.50		568,176			568,176

\_\_\_ Agency Request

\_\_\_ Governor's Recommended

X Legislatively Adopted

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLAGYCL  
 REPORT: SUMMARY LIST BY PKG BY AGENCY  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM

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

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 PICS SYSTEM: 2007-09 BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	MMS	X7008	IA PRINCIPAL EXECUTIVE/MANAGER E	3	3.00	72.00	7,172.66		516,432			516,432
000	MMS	X7010	AA PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	4,937.00		118,488			118,488
114	OA	C0102	AA OFFICE ASSISTANT 2	20	20.00	480.00	1,667.36		802,944			802,944
114	OA	C0103	AA OFFICE SPECIALIST 1	6	6.00	144.00	2,021.00		291,024			291,024
112	OA	C0104	AA OFFICE SPECIALIST 2	22	22.00	528.00	2,181.22		1,151,688			1,151,688
113	OA	C0107	AA ADMINISTRATIVE SPECIALIST 1	5	5.00	120.00	2,551.60		306,192			306,192
000	OA	C0108	AA ADMINISTRATIVE SPECIALIST 2	5	5.00	120.00	3,082.20		369,864			369,864
000	OA	C0118	AA EXECUTIVE SUPPORT SPECIALIST 1	2	2.00	48.00	2,420.00		116,160			116,160
000	OA	C0211	AA ACCOUNTING TECHNICIAN 2	1	1.00	24.00	2,912.33		63,576			63,576
000	OA	C0212	AA ACCOUNTING TECHNICIAN 3	4	4.00	96.00	3,069.25		294,648			294,648
000	OA	C0323	AA PUBLIC SERVICE REP 3	9	9.00	216.00	2,402.88		519,024			519,024
114	OA	C0405	AA MAIL SERVICES ASSISTANT	2	2.00	48.00	1,865.50		89,544			89,544
802	OA	C0435	AA PROCUREMENT AND CONTRACT ASST	1	1.00	24.00	2,742.00		58,080			58,080
000	OA	C0436	AA PROCUREMENT & CONTRACT SPEC 1	1	1.00	24.00	2,903.00		69,672			69,672
114	OA	C0437	AA PROCUREMENT & CONTRACT SPEC 2	1	1.00	24.00	3,506.00		84,144			84,144
114	OA	C0438	AA PROCUREMENT & CONTRACT SPEC 3	1	1.00	24.00	3,847.00		92,328			92,328
114	OA	C0501	AA DATA ENTRY OPERATOR	2	2.00	48.00	1,751.00		84,048			84,048
113	OA	C0841	AA RETIREMENT COUNSELOR 1	71	71.00	1704.00	2,785.43		4,746,384			4,746,384
806	OA	C0842	AA RETIREMENT COUNSELOR 2	64	64.00	1536.00	3,047.00		4,680,192			4,680,192
000	OA	C0854	AA PROJECT MANAGER 1	1	1.00	24.00	4,657.00		111,768			111,768
110	OA	C0855	AA PROJECT MANAGER 2	5	5.00	120.00	4,495.00		539,400			539,400
000	OA	C0861	AA PROGRAM ANALYST 2	2	2.00	48.00	4,333.00		207,984			207,984
110	OA	C0870	AA OPERATIONS & POLICY ANALYST 1	3	3.00	72.00	3,279.33		236,112			236,112
112	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	29	29.00	696.00	3,857.34		2,684,712			2,684,712
000	OA	C1117	AA RESEARCH ANALYST 3	1	1.00	24.00	4,229.00		101,496			101,496

\_\_\_ Agency Request

\_\_\_ Governor's Recommended

X Legislatively Adopted

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLAGYCL  
 REPORT: SUMMARY LIST BY PKG BY AGENCY  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM

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

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 PICS SYSTEM: 2007-09 BUDGET PREPARATION

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	3,047.66		219,432			219,432
000	OA	C1216	AA ACCOUNTANT 2	6	5.92	142.00	3,614.66		514,706			514,706
111	OA	C1217	AA ACCOUNTANT 3	7	7.00	168.00	4,339.85		729,096			729,096
000	OA	C1218	AA ACCOUNTANT 4	1	1.00	24.00	5,630.00		135,120			135,120
000	OA	C1244	AA FISCAL ANALYST 2	1	1.00	24.00	4,229.00		101,496			101,496
000	OA	C1245	AA FISCAL ANALYST 3	1	1.00	24.00	5,630.00		135,120			135,120
000	OA	C1338	AA TRAINING & DEVELOPMENT SPEC 1	1	1.00	24.00	3,506.00		84,144			84,144
000	OA	C1482	IA INFO SYSTEMS SPECIALIST 2	4	4.00	96.00	3,455.75		331,752			331,752
114	OA	C1484	IA INFO SYSTEMS SPECIALIST 4	19	19.00	456.00	4,221.21		1,924,872			1,924,872
114	OA	C1485	IA INFO SYSTEMS SPECIALIST 5	3	3.00	72.00	3,896.66		280,560			280,560
114	OA	C1486	IA INFO SYSTEMS SPECIALIST 6	7	7.00	168.00	4,848.42		814,536			814,536
114	OA	C1487	IA INFO SYSTEMS SPECIALIST 7	6	6.00	144.00	5,570.00		802,080			802,080
114	OA	C1488	IA INFO SYSTEMS SPECIALIST 8	7	7.00	168.00	5,777.85		970,680			970,680
000	OA	C2510	AA ELECTRONIC PUB DESIGN SPEC 1	3	3.00	72.00	2,798.66		201,504			201,504
000	OA	C2511	AA ELECTRONIC PUB DESIGN SPEC 2	1	1.00	24.00	2,903.00		69,672			69,672
110	OA	C5110	AA REVENUE AGENT 1	2	2.00	48.00	2,215.00		106,320			106,320
110	OA	C5246	AA COMPLIANCE SPECIALIST 1	1	1.00	24.00	2,649.00		63,576			63,576
111	OA	C5247	AA COMPLIANCE SPECIALIST 2	3	2.50	60.00	4,019.00		236,124			236,124
				396	395.42	9490.00	3,374.95		32,544,614			32,544,614

Agency Request

Governor's Recommended

Legislatively Adopted

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLAGYCL  
 REPORT: SUMMARY LIST BY PKG BY AGENCY  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM

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

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 PICS SYSTEM: BUDGET PREPARATION  
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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
				396	395.42	9490.00	3,374.95		32,544,614			32,544,614

Agency Request

Governor's Recommended

Legislatively Adopted

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PP0PLWSBUD  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 300-00-00 110 Operations

DEPT. OF ADMIN. SVCS. -- PP0B PICS SYSTEM

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 PICS SYSTEM: BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	PKG Y TYP	F POS CLASS COMP	RNG P	S T POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
0911001	000982630	300-02-01-00000	110 0 LF	OA C0855 AA	29 02	1	1.00	3,847.00	24.00		92,328			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911002	000982640	300-02-01-00000	110 0 LF	OA C0871 AA	27 02	1	1.00	3,506.00	24.00		84,144			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911003	000982650	300-02-01-00000	110 0 LF	OA C0871 AA	27 02	1	1.00	3,506.00	24.00		84,144			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911004	000982660	300-02-01-00000	110 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911005	000982670	300-02-01-00000	110 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911006	000982680	300-02-01-00000	110 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911007	000982690	300-02-01-00000	110 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911008	000982700	300-02-01-00000	110 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911009	000982710	300-02-01-00000	110 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911011	000982720	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911012	000982730	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911013	000982740	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911014	000982750	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911015	000982760	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911016	000982770	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911017	000982780	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLWSBUD  
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 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 300-00-00 110 Operations

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	RNG	S T POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
0911018	000982790	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911019	000982800	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911020	000982810	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911021	000982820	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911022	000982830	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911023	000982840	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911024	000982850	300-02-01-00000	110 0 LF	OA C0104 AA	15 02	1	1.00	2,049.00	24.00		49,176			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911025	000982860	300-02-01-00000	110 0 LF	OA C0104 AA	15 02	1	1.00	2,049.00	24.00		49,176			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911033	000982870	300-06-00-00000	110 0 LF	OA C5246 AA	21 02	1	1.00	2,649.00	24.00		63,576			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911050	000982880	300-02-01-00000	110 0 LF	MMS X7008 AA	33X 02	1	1.00	4,482.00	24.00		107,568			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911051	000982890	300-02-01-00000	110 0 LF	MMS X7002 AA	26X 02	1	1.00	3,185.00	24.00		76,440			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911052	000982900	300-02-01-00000	110 0 LF	MMS X7002 AA	26X 02	1	1.00	3,185.00	24.00		76,440			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911053	000982910	300-02-01-00000	110 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911054	000982920	300-02-01-00000	110 0 LF	OA C0870 AA	23 02	1	1.00	2,903.00	24.00		69,672			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911055	000982930	300-02-01-00000	110 0 LF	OA C0104 AA	15 02	1	1.00	2,049.00	24.00		49,176			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911056	000982940	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLWSBUD  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 300-00-00 110 Operations

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 PICS SYSTEM: 2007-09 BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	PKG Y TYP	F POS CLASS COMP	RNG P	S T POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
0911057	000982950	300-05-01-00000	110 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911058	000982960	300-05-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911059	000982970	300-05-01-00000	110 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911060	000982980	300-05-01-00000	110 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911061	000982990	300-05-01-00000	110 0 LF	OA C1484 IA	25 02	1	1.00	3,326.00	24.00		79,824			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911062	000983000	300-05-01-00000	110 0 LF	OA C0871 AA	27 02	1	1.00	3,506.00	24.00		84,144			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911063	000983010	300-05-01-00000	110 0 LF	OA C0871 AA	27 02	1	1.00	3,506.00	24.00		84,144			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911064	000984370	300-04-02-00000	110 0 LF	OA C0102 AA	09 02	1	1.00	1,613.00	24.00		38,712			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911065	000984380	300-04-02-00000	110 0 LF	OA C0102 AA	09 02	1	1.00	1,613.00	24.00		38,712			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911066	000984390	300-04-02-00000	110 0 LF	OA C0102 AA	09 02	1	1.00	1,613.00	24.00		38,712			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911067	000984400	300-04-02-00000	110 0 LF	OA C0102 AA	09 02	1	1.00	1,613.00	24.00		38,712			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911068	000984410	300-04-02-00000	110 0 LF	OA C0102 AA	09 02	1	1.00	1,613.00	24.00		38,712			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911069	000984420	300-04-02-00000	110 0 LF	OA C0102 AA	09 02	1	1.00	1,613.00	24.00		38,712			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911070	000984430	300-04-02-00000	110 0 LF	OA C0102 AA	09 02	1	1.00	1,613.00	24.00		38,712			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911071	000984440	300-04-02-00000	110 0 LF	OA C0102 AA	09 02	1	1.00	1,613.00	24.00		38,712			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911074	000983020	300-03-09-00000	110 0 LF	OA C5110 AA	17 02	1	1.00	2,215.00	24.00		53,160			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														

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# BUDGET NARRATIVE

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 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
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 SUMMARY XREF: 300-00-00 110 Operations

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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
0911075	000983030	300-03-09-00000	110 0 LF	OA C5110 AA	17 02	1	1.00	2,215.00	24.00		53,160			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911076	000983040	300-05-01-00000	110 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911077	000983050	300-05-01-00000	110 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911078	000983060	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911079	000983070	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911080	000983080	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911081	000983090	300-02-01-00000	110 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
			110				55	55.00	1320.00		3,417,696			

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 SUMMARY XREF: 300-00-00 111 Operations

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 PICS SYSTEM: 2007-09 BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	PKG Y TYP	F POS CLASS COMP	RNG P	S T POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
0911101	000983100	300-04-04-00000	111 0 LF	OA C5247 AA	25 02	1	1.00	3,183.00	24.00		76,392			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911102	000983110	300-04-04-00000	111 0 LF	MMN X0872 AA	30 02	1	1.00	4,061.00	24.00		97,464			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911103	000983120	300-04-04-00000	111 0 LF	MMS X7006 AA	31X 02	1	1.00	4,061.00	24.00		97,464			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911104	000983130	300-04-04-00000	111 0 LF	MMS X7006 AA	31X 02	1	1.00	4,061.00	24.00		97,464			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911105	000983140	300-04-04-00000	111 0 LF	OA C1217 AA	27 02	1	1.00	3,506.00	24.00		84,144			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911106	000983150	300-04-04-00000	111 0 LF	OA C1217 AA	27 02	1	1.00	3,506.00	24.00		84,144			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
111						6	6.00		144.00		537,072			

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 PICS SYSTEM: 2007-09 BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	RNG	S T POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
0911201	000985160	300-02-09-00000	112 0 PF	QA C0871 AA	27 02	1	1.00	3,506.00	24.00		84,144			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01														
0911202	000983160	300-02-02-00000	112 0 LF	MMS X7000 AA	24X 02	1	1.00	2,903.00	24.00		69,672			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911203	000983170	300-02-02-00000	112 0 LF	MMS X7002 AA	26X 02	1	1.00	3,185.00	24.00		76,440			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911204	000983180	300-02-03-00000	112 0 LF	QA C0104 AA	15 02	1	1.00	2,049.00	24.00		49,176			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911205	000983190	300-02-02-00000	112 0 LF	QA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911206	000983200	300-02-02-00000	112 0 LF	QA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911207	000983210	300-02-02-00000	112 0 LF	QA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911208	000983220	300-02-02-00000	112 0 LF	QA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911209	000983230	300-02-03-00000	112 0 LF	QA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911210	000983240	300-02-02-00000	112 0 LF	QA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911211	000983250	300-02-03-00000	112 0 LF	QA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911212	000983260	300-02-02-00000	112 0 LF	QA C0104 AA	15 02	1	1.00	2,049.00	24.00		49,176			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911213	000983270	300-02-03-00000	112 0 LF	QA C0104 AA	15 02	1	1.00	2,049.00	24.00		49,176			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911214	000983280	300-02-02-00000	112 0 LF	QA C0104 AA	15 02	1	1.00	2,049.00	24.00		49,176			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911215	000983290	300-02-02-00000	112 0 LF	QA C0104 AA	15 02	1	1.00	2,049.00	24.00		49,176			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911216	000983300	300-02-02-00000	112 0 LF	QA C0871 AA	27 02	1	1.00	3,506.00	24.00		84,144			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														

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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
0911217	000983310	300-02-02-00000	112 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911218	000983320	300-02-02-00000	112 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911219	000983330	300-02-02-00000	112 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911220	000983340	300-02-02-00000	112 0 LF	OA C0104 AA	15 02	1	1.00	2,049.00	24.00		49,176			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911221	000983350	300-02-02-00000	112 0 LF	OA C0104 AA	15 02	1	1.00	2,049.00	24.00		49,176			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911222	000983360	300-02-02-00000	112 0 PF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01														
0911223	000983370	300-02-02-00000	112 0 LF	OA C0871 AA	27 02	1	1.00	3,506.00	24.00		84,144			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911224	000983380	300-05-01-00000	112 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911225	000983390	300-05-01-00000	112 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
112						25	25.00		600.00		1,578,408			

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 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
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 PICS SYSTEM: 2007-09 BUDGET PREPARATION

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
0911301	000983400	300-05-01-00000	113 0 PF	OA C0842 AA	22	02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911302	000983410	300-05-01-00000	113 0 PF	OA C0842 AA	22	02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911303	000983420	300-05-01-00000	113 0 PF	OA C0842 AA	22	02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911304	000983430	300-05-01-00000	113 0 PF	OA C0842 AA	22	02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911305	000983440	300-05-01-00000	113 0 LF	OA C0871 AA	27	02	1	1.00	3,506.00	24.00		84,144			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30															
0911306	000983450	300-05-01-00000	113 0 LF	OA C0871 AA	27	02	1	1.00	3,506.00	24.00		84,144			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30															
0911307	000983460	300-05-02-00000	113 0 PF	OA C0841 AA	20	02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911308	000983470	300-05-02-00000	113 0 PF	OA C0841 AA	20	02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911309	000983480	300-05-02-00000	113 0 PF	OA C0841 AA	20	02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911310	000983490	300-05-02-00000	113 0 PF	OA C0841 AA	20	02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911311	000983500	300-05-02-00000	113 0 PF	OA C0841 AA	20	02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911312	000983510	300-05-02-00000	113 0 LF	OA C0871 AA	27	02	1	1.00	3,506.00	24.00		84,144			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30															
0911313	000983520	300-05-02-00000	113 0 LF	OA C0871 AA	27	02	1	1.00	3,506.00	24.00		84,144			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30															
0911314	000983540	300-05-02-00000	113 0 LF	OA C1486 IA	29	02	1	1.00	3,972.00	24.00		95,328			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30															
0911315	000983550	300-05-04-00000	113 0 PF	OA C0107 AA	17	02	1	1.00	2,215.00	24.00		53,160			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911316	000983570	300-05-01-00000	113 0 PF	OA C0841 AA	20	02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															

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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
0911317	000983580	300-05-01-00000	113 0 PF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01														
0911318	000983590	300-05-01-00000	113 0 PF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01														
0911319	000983600	300-05-01-00000	113 0 PF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01														
0911320	000983610	300-05-01-00000	113 0 PF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01														
0911321	000983620	300-05-02-00000	113 0 LF	OA C0841 AA	20 02	1	1.00	2,530.00	24.00		60,720			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911322	000983630	300-05-02-00000	113 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911323	000983640	300-05-02-00000	113 0 LF	MMS X7002 AA	26X 02	1	1.00	3,185.00	24.00		76,440			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
			113				23	23.00	552.00		1,579,296			

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8/16/07 REPORT NO.: PPDPLWSBUD  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 300-00-00 114 Operations

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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
0911401	000983650	300-04-06-00000	114 0 PF	OA C1487 IA	31	02	1	1.00	4,398.00	24.00		105,552			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911402	000983660	300-04-06-00000	114 0 PF	OA C1485 IA	28	02	1	1.00	3,714.00	24.00		89,136			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911403	000983670	300-04-06-00000	114 0 PF	OA C1485 IA	28	02	1	1.00	3,714.00	24.00		89,136			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911404	000983680	300-04-06-00000	114 0 PF	OA C1484 IA	25	02	1	1.00	3,326.00	24.00		79,824			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911405	000983690	300-04-05-00000	114 0 PF	OA C1488 IA	33	02	1	1.00	4,792.00	24.00		115,008			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911406	000983700	300-04-05-00000	114 0 PF	OA C1488 IA	33	02	1	1.00	4,792.00	24.00		115,008			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911407	000983710	300-04-05-00000	114 0 PF	OA C1486 IA	29	02	1	1.00	3,972.00	24.00		95,328			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911408	000983720	300-04-05-00000	114 0 PF	OA C0871 AA	27	02	1	1.00	3,506.00	24.00		84,144			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911411	000983730	300-04-02-00000	114 0 PF	MMS X0112 AA	17	02	1	1.00	2,258.00	24.00		54,192			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911412	000983740	300-04-02-00000	114 0 PF	OA C0103 AA	12	02	1	1.00	1,814.00	24.00		43,536			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911413	000983750	300-04-02-00000	114 0 PF	OA C0103 AA	12	02	1	1.00	1,814.00	24.00		43,536			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911414	000983760	300-04-02-00000	114 0 PF	OA C0103 AA	12	02	1	1.00	1,814.00	24.00		43,536			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911415	000983770	300-04-02-00000	114 0 PF	OA C0501 AA	11	02	1	1.00	1,751.00	24.00		42,024			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911416	000983780	300-04-02-00000	114 0 PF	OA C0501 AA	11	02	1	1.00	1,751.00	24.00		42,024			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911417	000984470	300-04-02-00000	114 0 PF	OA C0102 AA	09	02	1	1.00	1,613.00	24.00		38,712			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															
0911418	000984480	300-04-02-00000	114 0 PF	OA C0102 AA	09	02	1	1.00	1,613.00	24.00		38,712			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01															

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PP0PLWSBUD  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 300-00-00 114 Operations

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POSITION NUMBER	AUTH NO	ORG STRUC	PKG Y TYP	F POS CLASS COMP	RNG P	S T POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
0911419	000984490	300-04-02-00000	114 0 PF	OA C0102 AA	09 02	1	1.00	1,613.00	24.00		38,712			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01														
0911420	000984500	300-04-02-00000	114 0 PF	OA C0102 AA	09 02	1	1.00	1,613.00	24.00		38,712			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01														
0911421	000984510	300-04-02-00000	114 0 PF	OA C0102 AA	09 02	1	1.00	1,613.00	24.00		38,712			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01														
0911422	000984520	300-04-02-00000	114 0 PF	OA C0102 AA	09 02	1	1.00	1,613.00	24.00		38,712			
EST DATE: 2007/07/01 EXP DATE: 9999/01/01														
0911423	000983790	300-06-00-00000	114 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911424	000983800	300-06-00-00000	114 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911425	000983810	300-06-00-00000	114 0 LF	OA C0842 AA	22 02	1	1.00	2,771.00	24.00		66,504			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911426	000983820	300-03-04-00000	114 0 LF	OA C0405 AA	10 02	1	1.00	1,682.00	24.00		40,368			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911427	000983830	300-01-03-00000	114 0 LF	MMN X1322 AA	29 02	1	1.00	3,870.00	24.00		92,880			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911428	000983840	300-01-03-00000	114 0 LF	MMN X1320 AA	23 02	1	1.00	2,990.00	24.00		71,760			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911429	000983850	300-03-04-00000	114 0 LF	OA C0438 AA	29 02	1	1.00	3,847.00	24.00		92,328			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
0911430	000983860	300-03-04-00000	114 0 LF	OA C0437 AA	27 02	1	1.00	3,506.00	24.00		84,144			
EST DATE: 2007/07/01 EXP DATE: 2009/06/30														
114						28	28.00		672.00		1,855,248			
						137	137.00		3288.00		8,967,720			
						137	137.00		3288.00		8,967,720			

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# BUDGET NARRATIVE

8/16/07 REPORT NO.: PPDPLMSBUD  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 300-00-00 114 Operations

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 PICS SYSTEM: 2007-09 BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	S T RNG P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
						137	137.00		3288.00		8,967,720			

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