



Oregon Public Employees Retirement System

**Legislatively Adopted Budget
2009-2011**

BUDGET NARRATIVE

TABLE OF CONTENTS

INTRODUCTORY INFORMATION

Table of Contents.....	1
Certification.....	4

LEGISLATIVE ACTION

2009 Budget Reports	5
Minutes of the Emergency Board	16
2007 Budget Reports	24

AGENCY SUMMARY

Agency Summary	56
Budget Summary Graphics.....	57
Expenditure by Activity	57
PERS Expenditure and Position Number Comparison	57
Mission Statement & Statutory Authority	61
Agency Strategic Plans	63
Long-Term Plan.....	63
2009-11 Short-Term Plan	67
Agency Programs.....	67
Tier One and Tier Two Programs.....	67
Retiree Health Insurance Programs	68
Judge Member Retirement Program.....	68
Benefit Equalization Fund (BEF).....	69
Social Security Administration (SSA).....	69
Deferred Compensation Program	69
Oregon Public Service Retirement Plan (OPSRP)	70
Debt Service	71
Environmental Factors.....	72
Aging of PERS Membership and Participants	72
Complex, Changing Service Delivery Requirements	74
Information Technology Base Conversion.....	75
Agency Initiatives.....	76
Major Information Technology Projects/Initiatives	100
2007-09 Organization Chart	113
2009-11 Organization Chart	114

BUDGET NARRATIVE

REVENUES

Revenue Forecast Discussion 124
 Detail of Lottery Funds, Other Funds, and Federal Funds Revenue 130
 Agencywide Revenues and Disbursements Summary..... 132

PROGRAM UNITS

Tier One and Tier Two Programs 134
 Oregon Public Service Retirement Plan 138
 Operations..... 142
 Package 010 Non-PICS Personal Services/Vacancy Factor..... 144
 Package 022 Phase-out Program and One-time Costs..... 146
 Package 031 Standard Inflation..... 149
 Package 032 Above Standard Inflation 150
 Package 101 Business Process Owners 155
 Package 102 Maintenance and Enhancement of Current Service Levels..... 160
 Package 103 Infrastructure Maintenance & Enhancement..... 177
 Package 104 Enterprise Applications 182
 Package 105 Standards, Training and Certification 189
 Package 106 Data Transition and Standard Tool Development..... 192
 Package 107 Legal Services 198
 Package 805 Budget Reconciliation Adjustments (HB 5054)..... 200
 Debt Service 211

FACILITIES MAINTENANCE

Facilities Maintenance and Management 215
 Facilities Maintenance Discussion 215
 Facilities Maintenance Summary Report 216
 Facilities Operations and Maintenance Report..... 217
 Facilities Deferred Maintenance Detail Report..... 218

SPECIAL REPORTS

Information Technology-related Project and Initiatives 219
 Major IT Project Business Case Documents 221
 Notes:..... 280
 Audit Response Report 283

BUDGET NARRATIVE

Affirmative Action Report.....	285
Progress made or lost since last biennium	285
ORBITS Report	293
PICS Report.....	293

BUDGET NARRATIVE

CERTIFICATION

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

Oregon Public Employees Retirement System

AGENCY NAME

11410 SW 68th Parkway, Tigard, Oregon 97223

AGENCY ADDRESS



SIGNATURE

Executive Director

TITLE

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

BUDGET NARRATIVE

2009 Budget Reports

75th OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session
BUDGET REPORT AND MEASURE SUMMARY

MEASURE: SB 5539

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. Nathanson
Carrier – Senate: Sen. Winters

Action: Do Pass

Vote: 17 – 4 – 1

- House – Yeas: Buckley, D. Edwards, Gilman, Jenson, Komp, Kotek, Nathanson, Shields, G. Smith
– Nays: Garrard, Richardson
– Exc: Galizio
- Senate – Yeas: Bates, Carter, Johnson, Monroe, Nelson, Verger, Walker, Winters
– Nays: Girod, Whitsett
– Exc:

Prepared By: Bill McGee, Department of Administrative Services

Reviewed By: Laurie Byerly, Legislative Fiscal Office

Meeting Date: March 27, 2009

Agency
Public Employees Retirement System

Budget Page
I-14

LFO Analysis Page
461

Biennium
2009-11

SB 5539
Page 1 of 5

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 5

BUDGET NARRATIVE

Budget Summary*

	2007-09 Legislatively Approved Budget (1)	2009-11 Essential Budget Level	2009-11 Committee Recommendation	Committee Change from 2007-09 Leg. Approved	
				\$ Change	% Change
Other Funds	\$ 81,251,146	\$ 59,408,889	\$ 82,273,645	\$ 1,022,499	1.3 %
Other Funds Debt Service	\$ 5,709,200	\$ 1,423,075	\$ 1,423,075	\$ -4,286,125	-75.1 %
Other Funds Nonlimited	\$ 6,286,947,122	\$ 6,476,885,664	\$ 6,476,885,664	\$ 189,938,542	3.0 %
Total	\$ 6,373,907,468	\$ 6,537,717,628	\$ 6,560,582,384	\$ 186,674,916	2.9 %

Position Summary

Authorized Positions	401	296	362	-39	-9.7 %
Full-time Equivalent (FTE) positions	394.88	295.05	361.55	-33.33	-8.4 %

(1) Includes adjustments through the December 2008 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.

The Committee modified the 2009-11 beginning balance due to the current economic downturn, the magnitude of which was not anticipated during creation of the Governor's budget. The agency's beginning balance for retirement benefit trust funds, recorded as Nonlimited Other Funds, is now expected to be \$47.1 million, down from the \$66.7 billion expected when revenue projections were developed in spring 2008. The reduction in Other Funds Nonlimited was \$19,590,927,286. The Other Funds beginning balance was increased slightly, by \$93,290, based on updated projections.

Summary of Committee Action

PERS is responsible for administering retirement programs for public employees, including state, school and local government workers. PERS distributes \$2.7 billion in retirement benefits annually. The agency manages a number of programs, including the Tier One and Tier Two Retirement

BUDGET NARRATIVE

programs, the Oregon Public Service Retirement Program (OPSRP) and the Individual Account Program (IAP), three health insurance programs, Social Security Administration activities and a deferred compensation program.

The Committee approved a budget of \$83,696,720 Other Funds, \$6,476,885,664 Other Funds Nonlimited, and 361.55 full-time equivalent positions. Other Funds and full-time equivalent were reduced from the 2007-09 Legislatively Approved Budget through December 2008 (LAB) by 3.8 percent and 8.4 percent respectively, while Other Funds Nonlimited were increased by three percent. The approved budget includes 327 permanent and 35 limited duration positions.

The Committee approved seven policy packages for a total of \$22,864,756 Other Funds, 66 positions and 66.50 full-time equivalent. The funding level was approved as requested while 32 of the positions were shifted from permanent to limited duration. A total of 35 limited duration positions are assigned primarily for completion of the converting the agency's retirement administration IT platform from the Retirement Information Management System (RIMS) to a new system (jClarety) and related work-process improvements that will remain untested until the systems conversion is finished. The 31 permanent positions approved support workload increases that have been managed with limited duration positions since the 2003-05 biennium.

Tier One and Tier Two Plan

The Tier One and Tier Two Plan program unit accounts for employer contributions and interest earnings related to those retirement plans. It also reflects 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 IAP. This program unit is made up entirely of Other Funds Nonlimited. The Committee 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 Committee 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. The Committee approved all seven policy packages at the funding level requested but shifted 32 positions from permanent to limited duration. Specific actions are as follows:

- Package 101 establishes five positions to institutionalize the agency's Business Process Owners team. This team, which is primarily tasked with developing effective and efficient cross-functional business processes, has previously been supported with limited duration positions. The package is targeted at taking full advantage of investments in the agency's new information technology system (jClarety), achieving strategic plan objectives, meeting key performance measures and continuous process improvements. The Committee approved all five

SB 5539
Page 3 of 5

BUDGET NARRATIVE

positions as limited duration rather than permanent. The full cost of this package will phase-out in the 2011-13 Essential Budget Level (EBL).

- Package 102 adds 44 positions to meet ongoing business needs for the following purposes: business rule development and maintenance; centralized intake for all retirement documents; increased timeliness of eligibility determinations and employer invoicing; development and maintenance of contracts and procurement; program services for IAP and OPSRP; support for current service levels and increasing retirement volume; retirement application process follow-up; call center support; processing of appeals and reviews of agency determinations, legislative analysis and research support; and human resources support.

The Committee approved 21 positions (21.50 full-time equivalent) as permanent, at a total cost of \$2,980,908 Other Funds. These positions and related costs are workload-related due to plan complexity and member demographics and will allow the agency to meet ongoing needs with a consistent level of resources.

An additional 23 positions (23.00 full-time equivalent) were approved as limited duration, at a cost of \$2,898,824 Other Funds. The positions are tied to yet-to-be proven process improvement initiatives. These positions and associated costs will phase-out in the 2011-13 EBL.

- Package 103 extends the use of leased office space, funds building maintenance, covers software licensing costs and pays for periodic replacement of computer hardware. The Committee approved two document imaging positions as limited duration rather than permanent, approved a limited duration mail and supplies support position as requested, and approved \$1,960,513 Other Funds for information technology maintenance agreements, service charges and lifecycle equipment replacement on a permanent basis. Funding for the three limited duration positions and costs related to the leased 72nd Avenue facility, totaling \$1,177,680 Other Funds, were approved on a one-time basis and will phase-out in the 2011-13 EBL.
- Package 104 funds completion of the RIMS conversion project, scheduled for June 2010. The package includes support for contract services, post-conversion system maintenance, data migration, data preparation, data quality and integrity review and enterprise application support. The Committee approved all four positions as limited duration; three had been requested as permanent. Funds for post-conversion system maintenance and enhancement (\$700,000 Other Funds) and data migration and preparation (\$720,000) were approved as permanent. The positions and remaining \$8,294,912 were approved as one-time costs and will phase-out in the 2011-13 EBL.
- Package 105 provides funding for additional actuarial services, an actuarial audit, an internal audit peer review and standardized financial reporting software; the package was approved as requested. Costs for the actuarial audit (\$110,000 Other Funds) were approved on a one-time basis and will phase out in the 2011-13 EBL. The remaining \$645,000 Other Funds were approved as permanent. No positions are included in this package.
- Package 106 adds 10 permanent positions to provide technical support for agency operations involving reporting, data bridging, or transactions that, because of their complex or unique nature, must be researched, calculated and processed manually. The package was approved as requested.

BUDGET NARRATIVE

- Package 107 continues funding for outside legal counsel for fiduciary, federal tax plan compliance and litigation issues for which the Department of Justice cannot represent the agency. The Committee approved the request as submitted on a permanent basis. No positions are included in the package.

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 Committee approved the requested budget for this program.

Summary of Performance Measure Action

The Committee approved performance measures as submitted by the agency. See attached Legislatively Adopted 2009-11 Key Performance Measures form.

BUDGET NARRATIVE

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5539

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 Legislatively Approved Budget at Dec 2008 *	\$0	\$0	\$86,960,346	\$6,286,947,122	\$0	\$0	\$6,373,907,468	401	394.88
2009-11 ORBITS printed Essential Budget Level (EBL)*	\$0	\$0	\$60,831,964	\$6,476,885,664	\$0	\$0	\$6,537,717,628	296	295.05
COMMITTEE ADJUSTMENTS (from EBL)									
Program Unit 300 Operations									
101: Business Owners Process			849,600				849,600	5	5.00
102: Maintenance & Enhancement of Current Svc Levels			5,879,732				5,879,732	44	44.50
103: Infrastructure Maintenance & Enhancement			3,138,193				3,138,193	3	3.00
104: Enterprise Applications			9,714,912				9,714,912	4	4.00
105: Standards, Training & Certification			755,000				755,000		
106: Data Transition & Standard Tool Development			1,527,319				1,527,319	10	10.00
107: Legal Services			1,000,000				1,000,000		
TOTAL ADJUSTMENTS	\$0	\$0	\$22,864,756	\$0	\$0	\$0	\$22,864,756	66	66.50
COMMITTEE RECOMMENDATION *	\$0	\$0	\$83,696,720	\$6,476,885,664	\$0	\$0	\$6,560,582,384	362	361.55
% Change from 2007-09 Leg Approved Budget	0.00%	0.00%	-3.75%	3.02%	0.00%	0.00%	2.93%	-9.73%	-8.44%
% Change from 2009-11 Essential Budget Level	0.00%	0.00%	37.59%	0.00%	0.00%	0.00%	0.35%	22.30%	22.54%

* Excludes Capital Construction Expenditures

BUDGET NARRATIVE

LEGISLATIVELY ADOPTED 2009-11 KEY PERFORMANCE MEASURES

AGENCY NAME: PUBLIC EMPLOYEES RETIREMENT SYSTEM, OREGON

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

#	Legislatively Adopted KPMs for 2009-11	Customer Service Category	Agency Request	Most Current Result	Target 2010	Target 2011
1	TIMELY RETIREMENT PAYMENTS: Percent of initial service retirements paid within 45 days from retirement date.		Approved KPM	33	80	80
2	TOTAL BENEFIT ADMIN COSTS: Total benefit administration costs per member.		Approved KPM	136	125	125
3	MEMBER TO STAFF RATIO: Ratio of members to FTE staff.		Approved KPM	845	925	935
4	AVERAGE DOLLARS DEFERRED: Average monthly deferral per state employee deferred compensation participant		Approved KPM	390	450	472
5	LEVEL OF PARTICIPATION: Percent of state employees participating in the deferred compensation program.		Approved KPM	38	40	41
6	CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	91	80	80
6	CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	89	80	80
6	CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	91	80	80

Thursday, March 26, 2009

Page 1 of 2

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 11

BUDGET NARRATIVE

AGENCY NAME: PUBLIC EMPLOYEES RETIREMENT SYSTEM, OREGON

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

#	Legislatively Adopted KPMs for 2009-11	Customer Service Category	Agency Request	Most Current Result	Target 2010	Target 2011
6	CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	92	80	80
6	CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	91	80	80
6	CUSTOMER SERVICE- Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	92	80	80
7	TIMELY BENEFIT ESTIMATES: Percent of benefit estimates processed within 30 days.		Approved KPM	94	95	95
8	BOARD OF DIRECTORS BEST PRACTICES: Percent of total best practices criteria met by the PERS board.		Approved KPM	93	100	100

LFO Recommendation:

LFO recommends continuation of the agency's Key Performance Measures without any changes.

With this recommendation, the agency will have experience with a consistent set of measures for two biennia. The LFO recommended budget includes resources that should result in improved performance for measures where the agency is currently not meeting targets.

Sub-Committee Action:

The Committee approved eight key performance measures as submitted by the agency and recommended by LFO.

BUDGET NARRATIVE

**75th OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 5054-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Buckley
Carrier – Senate: Sen. Winters**

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

Vote: 21 – 1 – 0

House – Yeas: Buckley, C. Edwards, D. Edwards, Galizio, Garrard, Gilman, Jenson, Kotek, Nathanson, Richardson, Shields, G. Smith

– Nays:

– Exc:

Senate – Yeas: Bates, Carter, Johnson, Monroe, Nelson, Verger, Walker, Whitsett, Winters

– Nays: Girod

– Exc:

Prepared By: Linda Ames, Department of Administrative Services

Reviewed By: Laurie Byerly and Sheila Baker, Legislative Fiscal Office

Meeting Date: June 29, 2009

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Emergency Board	L-1	520	2009-11
Various Agencies	---	---	2007-09

HB 5054-A
Page 1 of 24

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 13

BUDGET NARRATIVE

2009-11 Budget Summary *

		2007-09 Legislatively Approved Budget ⁽¹⁾	2009-11 Essential Budget Level	2009-11 Committee Recommendations	Committee Change From 2007-09 Leg. Approved	
					\$ Change	% Change
<u>Emergency Board</u>						
General Fund	\$	0 \$	0 \$	30,000,000 \$	30,000,000	100.0%
General Fund - Special Purpose Appropriations						
State Employee Benefit Costs	\$	0 \$	0 \$	32,000,000 \$	32,000,000	100.0%
Department of Justice	\$	0 \$	0 \$	1,500,000 \$	1,500,000	100.0%
Legislative Branch Agencies	\$	0 \$	0 \$	800,000 \$	800,000	100.0%
Legislative Administration/Secretary of State	\$	0 \$	0 \$	600,000 \$	600,000	100.0%
<u>Various Agencies -- see Attachment A</u>						
General Fund	\$	0 \$	0 \$	-130,037,109 \$	-130,037,109	100.0%
Lottery Funds	\$	0 \$	0 \$	-2,441,266 \$	-2,441,266	100.0%
Other Funds	\$	0 \$	0 \$	-117,564,861 \$	-117,564,861	100.0%
Federal Funds	\$	0 \$	0 \$	-45,398,104 \$	-45,398,104	100.0%
<u>ADMINISTRATION PROGRAM AREA</u>						
<u>Department of Administrative Services</u>						
General Fund	\$	0 \$	0 \$	9,324,234 \$	9,324,234	100.0%
Lottery Funds	\$	0 \$	0 \$	5,133,130 \$	5,133,130	100.0%
Other Funds	\$	0 \$	0 \$	68,865,995 \$	68,865,995	100.0%
<u>Department of Revenue</u>						
General Fund	\$	0 \$	0 \$	1,501,251 \$	1,501,251	100.0%
<u>Secretary of State</u>						
General Fund	\$	0 \$	0 \$	668,587 \$	668,587	100.0%
Other Funds	\$	0 \$	0 \$	2,935,380 \$	2,935,380	100.0%
Federal Funds	\$	0 \$	0 \$	20,000 \$	20,000	100.0%
<u>State Treasurer</u>						
Other Funds	\$	0 \$	0 \$	394,972 \$	394,972	100.0%

BUDGET NARRATIVE

HOUSE BILL 5054-A
ATTACHMENT A: 2009-11 Other Adjustments

Agency Name	Program Description	Bill Number	Chapter	Section/ Sub	General Fund	Other Funds	Lottery Funds	Federal Funds
ADMINISTRATION								
OREGON ADVOCACY COMMISSIONS OFFICE	General Fund	SB 5501		01	(28,537)	-	-	-
DEPT OF ADMINISTRATIVE SERVICES	Other operating expenses	HB 5002		01-01	(9,368)	-	-	-
DEPT OF ADMINISTRATIVE SERVICES	Other operating expenses	HB 5002		02-02	-	(5,791,333)	-	-
DEPT OF ADMINISTRATIVE SERVICES	Operating expenses of the State Data Center	HB 5002		02-01	-	(1,649,135)	-	-
DEPT OF ADMINISTRATIVE SERVICES	Debt service and related costs	HB 5002		03	-	-	(83)	-
STATE TREASURER	Administrative expenses of State Treasury operations	SB 5550		01-01	-	(838,810)	-	-
STATE TREASURER	Administrative expenses of the Oregon 529 College Savings Network	SB 5550		01-03	-	(31,610)	-	-
OREGON RACING COMMISSION	Other funds	HB 5044	117	01	-	(172,814)	-	-
PUBLIC EMPLOYEES RETIREMENT SYSTEM	Administrative and operating expenses	SB 5539	75	01-01	-	(2,113,017)	-	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	SB 5541		01-01	(57,864)	-	-	-
SECRETARY OF STATE	Elections Division	SB 5541		01-02	(234,655)	-	-	-
SECRETARY OF STATE	Archives Division	SB 5541		01-03	(82,324)	-	-	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	SB 5541		02-01	-	(274,208)	-	-
SECRETARY OF STATE	Audits Division	SB 5541		02-03	-	(448,468)	-	-
SECRETARY OF STATE	Archives Division	SB 5541		02-04	-	(27,463)	-	-
SECRETARY OF STATE	Corporation Division	SB 5541		02-05	-	(161,824)	-	-
SECRETARY OF STATE	Help America Vote Act	SB 5541		03	-	-	-	(34,777)
OREGON LIQUOR CONTROL COMMISSION	Administrative expenses	HB 5027		01-01	-	(1,537,101)	-	-
DEPT OF REVENUE	General Fund	SB 5540		01	(6,857,016)	-	-	-
DEPT OF REVENUE	Other funds	SB 5540		04	-	(1,246,963)	-	-
EMPLOYMENT RELATIONS BOARD	General Fund	HB 5011		01	(55,932)	-	-	-
EMPLOYMENT RELATIONS BOARD	Other funds	HB 5011		03	-	(49,462)	-	-
OFFICE OF THE GOVERNOR	General Fund	SB 5524		01	(37,777)	-	-	-
OFFICE OF THE GOVERNOR	Other funds	SB 5524		04	-	(44,683)	-	-
OFFICE OF THE GOVERNOR	Lottery funds	SB 5524		03	-	-	(7,054)	-
OREGON GOVERNMENT ETHICS COMMISSION	General Fund	SB 5523		01	(30,259)	-	-	-
OREGON GOVERNMENT ETHICS COMMISSION	Other funds	SB 5523		02	-	(64,919)	-	-
STATE LIBRARY	General Fund	HB 5026		01	(60,215)	-	-	-
STATE LIBRARY	Other funds - Assessments	HB 5026		03	-	(165,322)	-	-
STATE LIBRARY	Other funds - Non-Assessment	HB 5026		02	-	(2,555)	-	-
STATE LIBRARY	Federal funds	HB 5026		04	-	-	-	(43,631)
CONSUMER AND BUSINESS SERVICES								
OREGON BOARD OF ACCOUNTANCY	Other funds	HB 5001	86	01	-	(64,582)	-	-
STATE BOARD OF TAX PRACTITIONERS	Other funds	SB 5546	159	01	-	(63,939)	-	-
CONSTRUCTION CONTRACTORS BOARD	Other funds	SB 5512		01	-	(614,844)	-	-
OREGON BD OF LICENSED PROFESSIONAL COUNSELORS AND THERAPISTS	Other funds	SB 5515	154	01	-	(49,051)	-	-
STATE BD OF PSYCHOLOGISTS EXAMINERS	Other funds	SB 5538	158	01	-	(44,991)	-	-
STATE BD OF CHIROPRACTIC EXAMINERS	Other funds	SB 5507	151	01	-	(69,777)	-	-
STATE BD OF CLINICAL SOCIAL WORKERS	Other funds	SB 5508	152	01	-	(51,476)	-	-
OREGON BOARD OF DENTISTRY	Other funds	SB 5516	155	01	-	(81,429)	-	-
HEALTH RELATED LICENSING BRDS	Board of Examiners of Licensed Dietitians	SB 5527		01	-	(5,263)	-	-
HEALTH RELATED LICENSING BRDS	State Mortuary and Cemetery Board	SB 5527		02	-	(52,778)	-	-
HEALTH RELATED LICENSING BRDS	Board of Naturopathic Examiners	SB 5527		03	-	(34,463)	-	-
HEALTH RELATED LICENSING BRDS	Occupational Therapy Licensing Board	SB 5527		04	-	(23,578)	-	-
HEALTH RELATED LICENSING BRDS	Board of Radiologic Technology	SB 5527		05	-	(43,977)	-	-

BUDGET NARRATIVE

Minutes of the Emergency Board

June 27, 2008

State Capitol

Salem, Oregon

Members Present: Senator Courtney, Presiding Chair
Senators Bates, Carter, Johnson, Morse, Schrader, Westlund, Whitsett, Winters
Representatives D. Edwards, Galizio, Gilman, Jenson, Merkley, Morgan, Nathanson, Nolan, P. Smith

Members Excused: Senator Nelson and Representative Shields

Pursuant to the provisions of ORS 291.328, and acting under the authority of ORS 276.390, ORS 291.326(1)(a), (b), (c), and (d), ORS 291.371, and ORS 291.375, we hereby certify that the Emergency Board, meeting on June 27, 2008, took the following actions:

The meeting was called to order by Senator Courtney at 8:40 a.m. in Hearing Room F of the State Capitol.

69. Department of Administrative Services

Representative Edwards moved that the Emergency Board approve the Department of Administrative Services' proposed uniform rent rates and recommend to the 2009 Legislative Assembly that it appropriate amounts sufficient to pay rentals under the rates for agencies occupying space in uniform rent rate facilities.

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

ORS 276.390 requires the Department of Administrative Services to submit to the Emergency Board a schedule of proposed uniform rent rates for the upcoming biennium. Once it approves a proposed rental rate schedule, the statute requires the Emergency Board to "recommend to the next regular session of the Legislative Assembly that it appropriate for each agency occupying space in such a building or facility an amount sufficient to pay rentals required under the schedule." The Department is now requesting approval of Uniform Rent rates for the 2009-11 biennium.

BUDGET NARRATIVE

The proposed rates (per square foot per month) are as follows:

Facility Rental Type	2007-09 Biennium	2009-11 Biennium	\$ Change	% Change
Office Space	\$1.32	\$1.40	+\$0.08	+6.1%
Storage Space	\$0.47	\$0.50	+\$0.03	+2.0%

Uniform rent rates have not been increased since 2005. The Department testified that the Uniform Rental rates are still below Salem and Portland rental rates.

The Subcommittee recommended approval of the item.

The motion carried with no objection voiced. Reps. Shields, Smith and Gilman and Sens. Carter, Morse and Nelson excused.

71. Department of Administrative Services

Senator Schrader moved that the Emergency Board allocate \$100,000,000 from the special purpose appropriation made to the Emergency Board by section 2 (1), chapter 910, Oregon Laws 2007, to fund state employee compensation and benefit adjustments, Public Employee Retirement System rate changes, and Pension Obligation Bond rate adjustments for the 2007-09 biennium; allocate \$2,274,777 from the Emergency Fund established by section 1, chapter 910, Oregon Laws 2007, to reflect the changes made to the State Data Center rate structure; increase the Lottery Funds expenditure limitation by \$2,931,624, Other Funds expenditure limitation by \$145,778,527, and Federal Funds expenditure limitation by \$34,194,257, for the combined needs of both employee compensation and State Data Center rate changes, per the attached Table 3; with the understanding that the Department of Administrative Services will unschedule Lottery Funds expenditure limitation of \$777, Other Funds expenditure limitation of \$513,776, and Federal Funds expenditure limitation of \$605,250 for various agencies to address the negative amounts shown in the attached Table 3.

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

The Subcommittee recommended distribution of \$100 million, or 80%, of the General Fund special purpose appropriation to the Emergency Board for employee compensation. It also recommended additional limitation increases of \$2.9 million Lottery Funds, \$143.5 million of Other Funds, and \$35.4 million of Federal Funds for employee compensation.

These increases will cover 100% of the redistributed costs for Pension Obligation Bonds and 100% of the costs for a temporary change to the Public Employees Retirement System rates. It will cover slightly more than 75% of the General Fund costs of the

BUDGET NARRATIVE

regular compensation increases awarded to all employees. Lottery Funds, Other Funds, and Federal Funds expenditure limitations for the regular compensation increases are completely covered.

In keeping with the Governor's intention, there is no General Fund included for the management supplemental package.

The special purpose appropriation will statutorily expire on July 1, 2008 and the remaining \$25 million will become "available for any purpose for which the Emergency Board lawfully may allocate funds." This does not keep the Emergency Board from spending any or all of the remaining \$25 million on compensation, if it so chooses.

The remaining \$25 million could also be used if the revenue forecast were to be revised downward or deal with other budgetary concerns such as potential funding issues in agencies, potential ballot measures costs, potential federal funding issues at the local and state level, and weather/fire costs.

The Subcommittee discussed the Department of Higher Education's ability to address the lower allocation level using means other than reductions to faculty salaries or cuts to instruction hours. Specifically, the Subcommittee reviewed the sufficiency of projected operational ending balances to absorb any shortfalls due to the lower allocation level.

The Subcommittee is also recommending that the appropriation and expenditure limitation changes needed for the distribution of the employee compensation be combined with the changes needed for the State Data Center rate changes. The Emergency Board cannot reduce appropriations or limitations, it may only increase them. In lieu of a reduction, the Emergency Board can request that the Department of Administrative Services unschedule funds from an appropriation or limitation. The State Data Center rate changes have a number of negative amounts and the changes occur to the same appropriations and limitations that have positive amounts for employee compensation. By combining the two, the number of appropriations and limitations that require uncheduling are greatly reduced. It should be noted that any increases in General Fund appropriations due to State Data Center rate changes will be not be funded from the special purpose appropriation for employee compensation, but will be funded by the general purpose account available to the Emergency Board.

The Subcommittee recommended approval of the item.

BUDGET NARRATIVE

The following Committee discussion occurred:

Concerns were raised about the Legislature making education a high priority during the regular session and then not fully funding Higher Education salaries.

Senator Bates and Senator Schrader emphasized that the Department of Higher Education had significant reserve funds and the Department should use those funds before they considered any program reductions, tuition increases, or significant hiring changes.

Senator Morse asked what the salary rollup costs were for the 2009-11 biennium.

Staff responded with the following: The estimated roll-up costs for regular employee compensation for the 2009-11 biennium are \$218 million General Fund and \$541 million total funds. That is an increase of \$93 million General Fund and \$229 million all funds from the current biennium. The estimated roll-up costs for the supplemental management package for the 2009-11 biennium are \$19 million General Fund and \$54 million total funds. That is an increase of \$3.2 million General Fund and \$7.6 million total funds. In addition to these costs, the Governor amended the contracts with classified employees to implement an additional step to their classifications, effective June 30, 2009. While there is effectively no cost this biennium, the estimated roll-up costs for 2009-11 are \$21 million General Fund and \$55 million total funds.

Senator Whitsett was concerned that the rollup costs were not sustainable.

The motion carried. Reps. Galizio and Smith and Sen. Whitsett voted no. Rep. Shields and Sen. Nelson excused.

72. Department of Administrative Services

Representative Edwards moved that the Emergency Board acknowledge receipt of the request to adjust agency budgets for rate changes at the State Data Center and incorporate the specific budget adjustments with those included in Agenda Item 71.

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

BUDGET NARRATIVE

Included in the Governor's 2007-09 recommended budget were proposed assessments to state agencies to pay the operating costs of the State Data Center. The federal government, however, notified the state that it would not reimburse agencies for data center costs based on assessments. To be eligible for federal reimbursements, the costs needed to be based on usage. To address this, a group comprised of state data center user agency staff began to assess and track data center service utilization to develop a rate structure based on usage. The new rate structure has been approved and is being implemented.

While the new rate structure does not change the operating budget of the State Data Center, it does result in adjustments to the amounts that various agencies were expected to pay. Overall, state agencies will incur a net increase in computer charges of \$2.2 million, which is offset by a \$2.1 million reduction in charges to non-state agencies, and a \$0.1 million reduction in charges for voice services. The Department is now requesting adjustments be made to state agency budgets affected by the change. The adjustments include budget reductions as well as increases.

The Emergency Board does not have the authority to reduce agency budgets. Agenda Item 71 is a request that also affects all state agencies by seeking to distribute a special purpose appropriation and increase expenditure limitations for salary and benefit costs bargained and granted for the current biennium. Combining this request with Agenda Item 71 will enable the Emergency Board to net decreases against increases. The Subcommittee believes the adjustments to agency budgets for the change to the State Data Center rate structure are appropriate and the adjustments should be combined with those in Agenda Item 71.

The Subcommittee recommended acknowledging receipt of the request, and that the specific adjustments to agency budgets be incorporated with those in Agenda Item 71.

The following Committee discussion occurred:

Senator Johnson commented on the many problems associated with the consolidation of state agency data centers into the State Data Center.

Senator Whitsett voiced his agreement with Senator Johnson's comment.

The motion carried. Sens. Johnson and Whitsett voted no. Rep. Shields and Sen. Nelson excused.

BUDGET NARRATIVE

74. Department of Administrative Services

Representative Edwards moved that the Emergency Board acknowledge receipt of a report from the Department of Administrative Services on compensation plan changes and position allocations required under ORS 291.371.

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

Oregon Revised Statutes require the Department of Administrative Services to report all state salary plan changes to the legislative review agency, in this case the Emergency Board. The Department's report describes agreements for represented and management positions at the Department of Corrections, the Department of Fish and Wildlife, and District Attorneys. The report also identifies a number of obsolete classifications that will be eliminated from the compensation plans.

Finally, the report describes a change made to various classified represented and unrepresented plans to add one step to the top and remove the bottom step of all salary ranges effective on June 30, 2009 at 11:59 pm. This action implemented through a letter of agreement between the Governor and the major labor unions representing state employees has no cost in the current biennium, but has an estimated \$21 million General Fund and \$55 million total funds cost in the 2009-11 biennium.

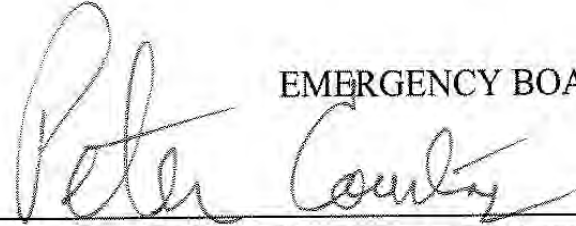
The Subcommittee recommended acknowledging receipt of the report.

The motion carried with no objection voiced. Reps. Nathanson and Shields and Sens. Carter, Morse and Nelson excused.

BUDGET NARRATIVE

The meeting was adjourned at 12:35 p.m.

EMERGENCY BOARD:

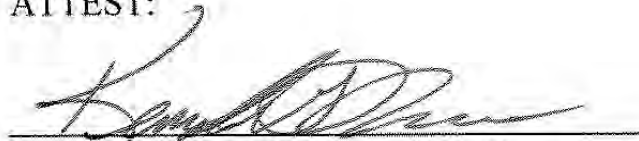


Senator Peter Courtney, Presiding Chair



Senator Kurt Schrader, Secretary

ATTEST:



Ken Rocco, Legislative Fiscal Officer

BUDGET NARRATIVE

Table 3 - EMPLOYEE COMPENSATION and STATE DATA CENTER

Program Area	Agency Name	Division/Program Name	Chapter	Section/Sub	General Fund	Lottery Funds	Other Funds	Federal Funds
	EMPLOYMENT RELATIONS BOARD	Hearings	135	01	\$8,979	\$0	\$0	\$0
	EMPLOYMENT RELATIONS BOARD	Hearings	135	02	\$0	\$0	\$26,127	\$0
	EMPLOYMENT RELATIONS BOARD	Elections	135	01	\$1,990	\$0	\$0	\$0
	EMPLOYMENT RELATIONS BOARD	Elections	135	02	\$0	\$0	\$263	\$0
	OFFICE OF THE GOVERNOR	General Program	736	01	\$335,075	\$0	\$0	\$0
	OFFICE OF THE GOVERNOR	General Program	736	03	\$0	\$113,853	\$0	\$0
	OFFICE OF THE GOVERNOR	General Program	736	04	\$0	\$0	\$243,550	\$0
	ADVOCACY COMMISSIONS OFFICE	Oregon Advocacy Commissions Office	708	11	\$10,707	\$0	\$0	\$0
	ADVOCACY COMMISSIONS OFFICE	Oregon Advocacy Commissions Office	708	12	\$0	\$0	\$203	\$0
	DEPT OF REVENUE	Executive Section	388	01	\$65,745	\$0	\$0	\$0
	DEPT OF REVENUE	Executive Section	388	05	\$0	\$0	\$9,372	\$0
	DEPT OF REVENUE	Administrative Services Division	388	01	\$729,654	\$0	\$0	\$0
	DEPT OF REVENUE	Administrative Services Division	388	05	\$0	\$0	\$72,263	\$0
	DEPT OF REVENUE	Property Tax Division	388	01	\$378,174	\$0	\$0	\$0
	DEPT OF REVENUE	Property Tax Division	388	05	\$0	\$0	\$239,679	\$0
	DEPT OF REVENUE	Personal Tax and Compliance Division	388	01	\$1,420,432	\$0	\$0	\$0
	DEPT OF REVENUE	Personal Tax and Compliance Division	388	05	\$0	\$0	\$35,711	\$0
	DEPT OF REVENUE	Business Division	388	01	\$402,805	\$0	\$0	\$0
	DEPT OF REVENUE	Business Division	388	05	\$0	\$0	\$351,127	\$0
	SECRETARY OF STATE	Administrative Division	264	01-01	\$6,399	\$0	\$0	\$0
	SECRETARY OF STATE	Administrative Division	264	02-01	\$0	\$0	\$41,046	\$0
	SECRETARY OF STATE	Elections Division	264	01-02	\$81,152	\$0	\$0	\$0
	SECRETARY OF STATE	Business Services Division	264	01-01	\$7,779	\$0	\$0	\$0
	SECRETARY OF STATE	Business Services Division	264	02-01	\$0	\$0	\$96,528	\$0
	SECRETARY OF STATE	Information Systems Division	264	01-01	\$34,651	\$0	\$0	\$0
	SECRETARY OF STATE	Information Systems Division	264	02-01	\$0	\$0	\$155,512	\$0
	SECRETARY OF STATE	Personnel Resources Division	264	01-01	\$1,607	\$0	\$0	\$0
	SECRETARY OF STATE	Personnel Resources Division	264	02-01	\$0	\$0	\$20,789	\$0
	SECRETARY OF STATE	Audits Division	264	02-03	\$0	\$0	\$522,899	\$0
	SECRETARY OF STATE	Archives Division	264	01-03	\$73,204	\$0	\$0	\$0
	SECRETARY OF STATE	Archives Division	264	02-04	\$0	\$0	\$36,847	\$0
	SECRETARY OF STATE	Corporation Division	264	02-05	\$0	\$0	\$215,978	\$0
	SECRETARY OF STATE	Help America Vote Act (HAVA)	264	03-02	\$0	\$0	\$0	\$66,142
	OREGON STATE TREASURY	Treasury Services	109	01-01	\$0	\$0	\$790,039	\$0
	OREGON STATE TREASURY	Oregon 529 College Savings Network	109	01-02	\$0	\$0	\$17,290	\$0
	GOVERNMENT ETHICS COMMISSION	General Program	735	01-00	\$39,355	\$0	\$0	\$0
	GOVERNMENT ETHICS COMMISSION	General Program	735	02-00	\$0	\$0	\$11	\$0
	PUB EMPLOYEES RETIREMNT SYSTEM	Operations	216	01-01	\$0	\$0	(\$462,184)	\$0
	OREGON STATE LIBRARY	Administration	77	01	\$11,360	\$0	\$0	\$0
	OREGON STATE LIBRARY	Administration	77	03	\$0	\$0	\$55,763	\$0
	OREGON STATE LIBRARY	Administration	77	04	\$0	\$0	\$0	\$11,584
	OREGON STATE LIBRARY	Library Development	77	01	\$5,121	\$0	\$0	\$0
	OREGON STATE LIBRARY	Library Development	77	04	\$0	\$0	\$0	\$38,207
	OREGON STATE LIBRARY	Talking Books/Braille Services	77	01	\$45,090	\$0	\$0	\$0
	OREGON STATE LIBRARY	Talking Books/Braille Services	77	02	\$0	\$0	\$2,816	\$0
	OREGON STATE LIBRARY	Government Research and Electronic Svcs	77	03	\$0	\$0	\$130,106	\$0
	OREGON STATE LIBRARY	Government Research and Electronic Svcs	77	04	\$0	\$0	\$0	\$2,266
	LIQUOR CONTROL COMMISSION	Distilled Spirits Program	78	01-01	\$0	\$0	\$345,143	\$0
	LIQUOR CONTROL COMMISSION	Public Safety Services Program	78	01-01	\$0	\$0	\$709,579	\$0
	LIQUOR CONTROL COMMISSION	Administration and Support	78	01-01	\$0	\$0	\$379,424	\$0
	RACING COMMISSION	General Program	81	01	\$0	\$0	\$190,012	\$0
	SUBTOTAL				\$3,717,094	\$113,853	\$15,233,389	\$118,199

BUDGET NARRATIVE

2007 Budget Reports

CORRECTED COPY

74th OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session
BUDGET REPORT AND MEASURE SUMMARY

MEASURE: HB 5040-A

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

JOINT COMMITTEE ON WAYS AND MEANS

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

Budget Page

1-15

LFO Analysis Page

457

Biennium

2007-09

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

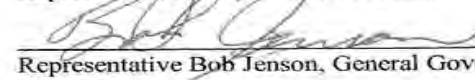


Senator Kurt Schrader, Co-Chair

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



Representative Mary Nolan, Co-Chair



Representative Bob Jenson, General Government Subcommittee Chair

HB 5040-A
Page 1 of 5

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	
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.

HB 5040-A
Page 2 of 5

BUDGET NARRATIVE

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.

BUDGET NARRATIVE

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

HB 5040-A
Page 4 of 5

BUDGET NARRATIVE

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
SUBCOMMITTEE ADJUSTMENTS									
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		
TOTAL ADJUSTMENTS	\$0	\$0	(\$910,938)	\$0	\$0	\$0	(\$910,938)	(2)	(6.75)
SUBCOMMITTEE RECOMMENDATION *	\$0	\$0	\$87,065,359	\$6,286,947,122	\$0	\$0	\$6,374,012,481	401	394.88
% 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

1 of 1

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#	PROPOSED DELETIONS of 2005-07 Key Performance Measures (KPMs)	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

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.

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

BUDGET NARRATIVE

74th 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

Budget Page

L-1


LFO Analysis Page

506

Biennium

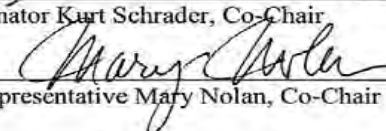
2007-09
2005-07

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

SB 5549-A
Page 1 of 15

BUDGET NARRATIVE

Budget Summary*

	2005-07		2007-09		Difference from Governor's Budget	Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (1)		Governor's Budget	Committee Recommendation		
<u>Emergency Board</u>						
General Fund - General Purpose	\$	0	\$ 30,000,000	\$ 30,000,000	\$ 0	0.0%
<u>General Fund - Special Purpose Appropriations</u>						
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%
<u>Administrative Services, Department of</u>						
General Fund	\$	0	\$ 0	\$ 2,800,000	\$ +2,800,000	+100.0%
Other Funds	\$	0	\$ 0	\$ (78,110,202)	\$ (78,110,202)	-100.0%
<u>Columbia River Gorge Commission</u>						
General Fund	\$	0	\$ 0	\$ 61,906	\$ +61,906	+100.0%
<u>Commission on Children and Families, State</u>						
General Fund	\$	0	\$ 0	\$ 200,000	\$ +200,000	+100.0%
<u>Community Colleges and Workforce Development, Department of</u>						
General Fund	\$	0	\$ 0	\$ 600,000	\$ +600,000	+100.0%
Federal Funds	\$	0	\$ 0	\$ 3,000,000	\$ +3,000,000	+100.0%
<u>Department of Corrections</u>						
General Fund	\$	0	\$ 0	\$ (1,000,000)	\$ (1,000,000)	-100.0%
<u>Economic and Community Development Department</u>						
General Fund	\$	0	\$ 0	\$ 1,000,000	\$ +1,000,000	+100.0%
<u>Education, Department of</u>						
General Fund	\$	0	\$ 0	\$ 460,000	\$ +460,000	+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	
<u>Energy, Department of</u>						
General Fund	\$	0 \$	0 \$	(1,500,000) \$	(1,500,000)	-100.0%
Other Funds	\$	0 \$	0 \$	4,600,000 \$	+4,600,000	+100.0%
<u>Geology and Mineral Industries, Department of</u>						
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%
<u>Governor's Office</u>						
Other Funds	\$	0 \$	0 \$	200,000 \$	+200,000	+100.0%
<u>Department of Higher Education</u>						
General Fund	\$	0 \$	0 \$	1,150,000 \$	+1,150,000	+100.0%
Other Funds	\$	0 \$	0 \$	700,000 \$	+700,000	+100.0%
<u>Department of Human Services</u>						
General Fund	\$	0 \$	0 \$	5,731,832 \$	+5,731,832	+100.0%
<u>Judicial Department, Oregon</u>						
General Fund	\$	0 \$	0 \$	1,655,105 \$	+1,655,105	+100.0%
<u>Justice, Department of</u>						
General Fund	\$	0 \$	0 \$	925,485 \$	+925,485	+100.0%
Other Funds	\$	0 \$	0 \$	3,509,291 \$	+3,509,291	+100.0%
<u>Land Conservation and Development, Department of</u>						
General Fund	\$	0 \$	0 \$	1,585,146 \$	+1,585,146	+100.0%
<u>Legislative Administration Committee</u>						
General Fund	\$	0 \$	0 \$	5,106,812 \$	+5,106,812	+100.0%
Other Funds	\$	0 \$	0 \$	770,000 \$	+770,000	+100.0%
<u>Liquor Control Commission, Oregon</u>						
Other Funds	\$	0 \$	0 \$	1,278,000 \$	+1,278,000	+100.0%
<u>Long Term Care Ombudsman</u>						
General Fund	\$	0 \$	0 \$	86,664 \$	+86,664	+100.0%
Other Funds	\$	0 \$	0 \$	69,750 \$	+69,750	+100.0%

SB 5549-A
Page 3 of 15

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	
<u>Military Department, Oregon</u>						
General Fund	\$	0 \$	0 \$	594,600 \$	+594,600	+100.0%
Other Funds	\$	0 \$	0 \$	6,397,731 \$	+6,397,731	+100.0%
<u>Oregon Youth Authority</u>						
General Fund	\$	0 \$	0 \$	1,032,668 \$	+1,032,668	+100.0%
Other Funds	\$	0 \$	0 \$	99,999 \$	+99,999	+100.0%
<u>Parks and Recreation, Department of</u>						
Federal Funds	\$	0 \$	0 \$	600,000 \$	+600,000	+100.0%
<u>Public Defense Services Commission</u>						
General Fund	\$	0 \$	0 \$	1,950,000 \$	+1,950,000	+100.0%
<u>Public Utility Commission</u>						
Other Funds	\$	0 \$	0 \$	276,566 \$	+276,566	+100.0%
<u>State Lands, Department of</u>						
Other Funds	\$	0 \$	0 \$	75,000 \$	+75,000	+100.0%
Federal Funds	\$	0 \$	0 \$	850,000 \$	+850,000	+100.0%
<u>State Police, Oregon Department of</u>						
General Fund	\$	0 \$	0 \$	661,658 \$	+661,658	+100.0%
Other Funds	\$	0 \$	0 \$	(3,229,589) \$	(3,229,589)	-100.0%
<u>Transportation, Oregon Department of</u>						
Other Funds	\$	0 \$	0 \$	55,973,434 \$	+55,973,434	+100.0%
<u>Treasurer of State</u>						
Other Funds	\$	0 \$	0 \$	2 \$	+2	+100.0%
<u>Veterans' Affairs, Oregon Department of</u>						
General Fund	\$	0 \$	0 \$	29,600 \$	+29,600	+100.0%
<u>Water Resources Department</u>						
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	
Various Agencies ⁽²⁾						
General Fund	\$ 0	\$ 0	\$ 0	(6,571,080)	\$ (6,571,080)	-100.0%
Lottery Funds	\$ 0	\$ 0	\$ 0	(122,382)	\$ (122,382)	-100.0%
Other Funds	\$ 0	\$ 0	\$ 0	(4,934,063)	\$ (4,934,063)	-100.0%
Federal Funds	\$ 0	\$ 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

SB 5549-A
Page 5 of 15

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	
<u>State Lands, Department of</u>					
Authorized Positions	0	0	1	1	
Full-time Equivalent (FTE) Positions	0.00	0.00	0.50	0.50	
<u>Public Utility Commission</u>					
Authorized Positions	0	0	1	1	
Full-time Equivalent (FTE) Positions	0.00	0.00	1.00	1.00	
<u>State Police, Department of</u>					
Authorized Positions	0	0	(10)	(10)	
Full-time Equivalent (FTE) Positions	0.00	0.00	(8.14)	(8.14)	
<u>Transportation, Oregon Department of</u>					
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
<u>Emergency Board</u>				
General Fund - General Purpose	\$ 0	\$ 0	(1,657,119) \$	(1,657,119)
<u>Education, Department of</u>				
Other Funds	\$ 0	\$ 0	100,000 \$	+100,000
<u>State Police, Oregon Department of</u>				
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.

SB 5549-A
Page 7 of 15

BUDGET NARRATIVE

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

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

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

SB 5549-A
Page 11 of 15

BUDGET NARRATIVE

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.

SB 5549-A
Page 12 of 15

BUDGET NARRATIVE

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.

SB 5549-A
Page 13 of 15

BUDGET NARRATIVE

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

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
Consumer and Business Services				
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
Economic and Community Development				
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

Attachment 1

Page 1

SB 5549-A

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)
Education				
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)
Administrative				
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)
Human Services				
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

Page 3

SB 5549-A

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 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)
Judicial Branch				
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
Legislative Branch				
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 Assembly - Expenses of the Seventy-fifth Legislative Assembly	0	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
Natural Resources				
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
Assesments/Charges

SB 5549-A
Attachment 1

	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
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

	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
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

Page 6

SB 5549-A

BUDGET NARRATIVE

Agency Adjustments Assessments/Charges

SB 5549-A
Attachment 1

	General Fund Total	Other Funds Total	Lottery Funds Total	Federal Funds Total
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)
Public Safety				
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

SB 5549-A
Attachment 1

	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)
Transportation				
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 1

	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
Totals - all agencies	(6,571,080)	(4,934,063)	(122,382)	(1,857,476)

BUDGET NARRATIVE

Public Employees Retirement System

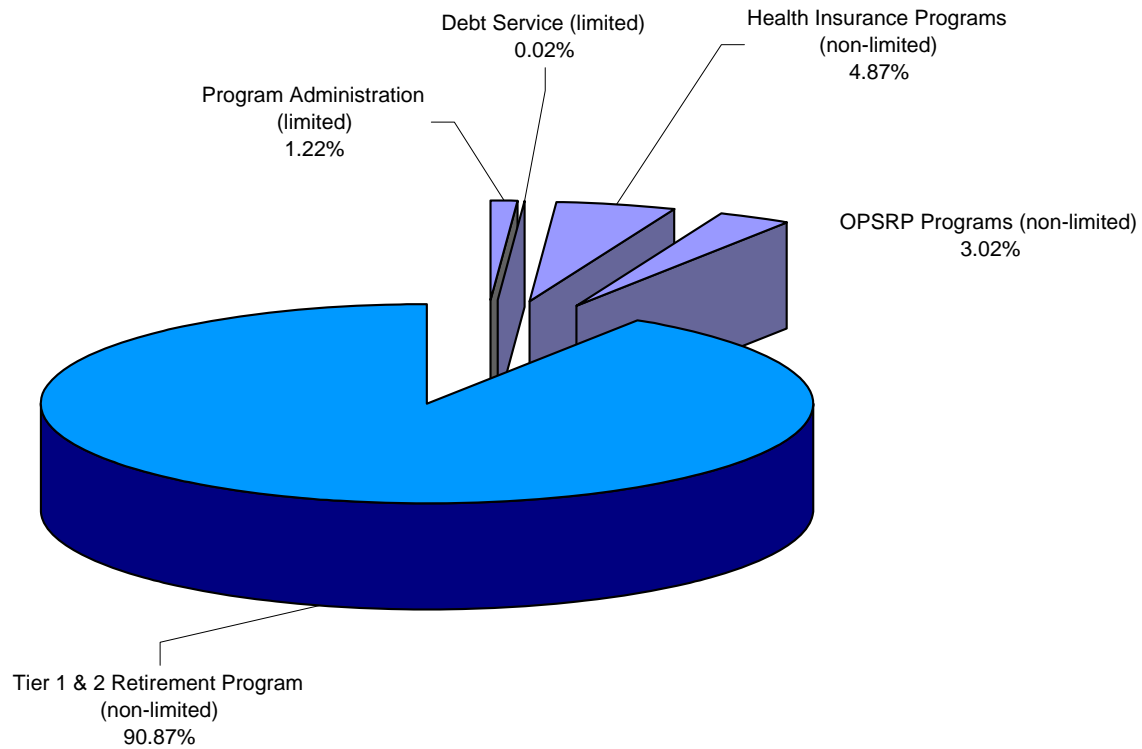
Agency Summary

The Public Employees Retirement System (PERS) provides a full range of retirement services to more than 870 public employers and their employees throughout the state of Oregon. These services are provided to all state agencies, universities, and community colleges; all public school districts; and almost all cities, counties, and other local government units. The agency administers the Tier One and Tier Two Retirement programs (ORS Chapter 238), Judge Member Retirement Program, Oregon Public Service Retirement Plan (ORS Chapter 238A), Individual Account Program, Oregon Savings Growth Plan (a deferred compensation program), Public Employee Benefit Equalization Fund, Social Security Administration program, and Retiree Health Insurance Program. PERS also administers the financing of two projects funded by Certificates of Participation.

BUDGET NARRATIVE

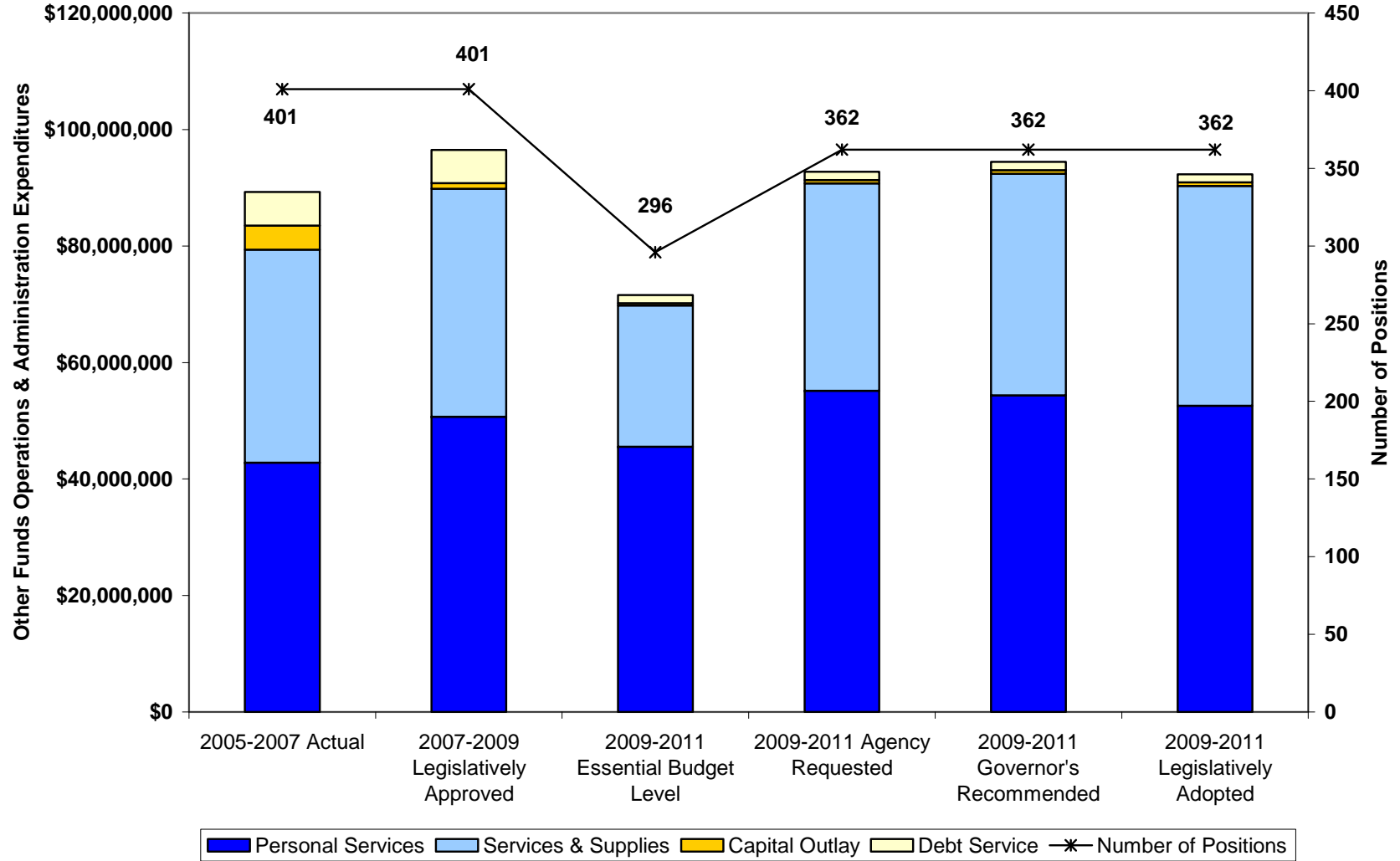
Budget Summary Graphics

Expenditures by Activity Agency Summary 2009-11 Legislatively Adopted Budget



BUDGET NARRATIVE

PERS Expenditure & Position Number Comparison



BUDGET NARRATIVE

Additional Budget Comparisons

The following table shows the agency's budget as a percentage of the historical and projected PERS Fund balance over the time period shown (also known as a "basis point" comparison):

PERS Budget / PERF Comparison

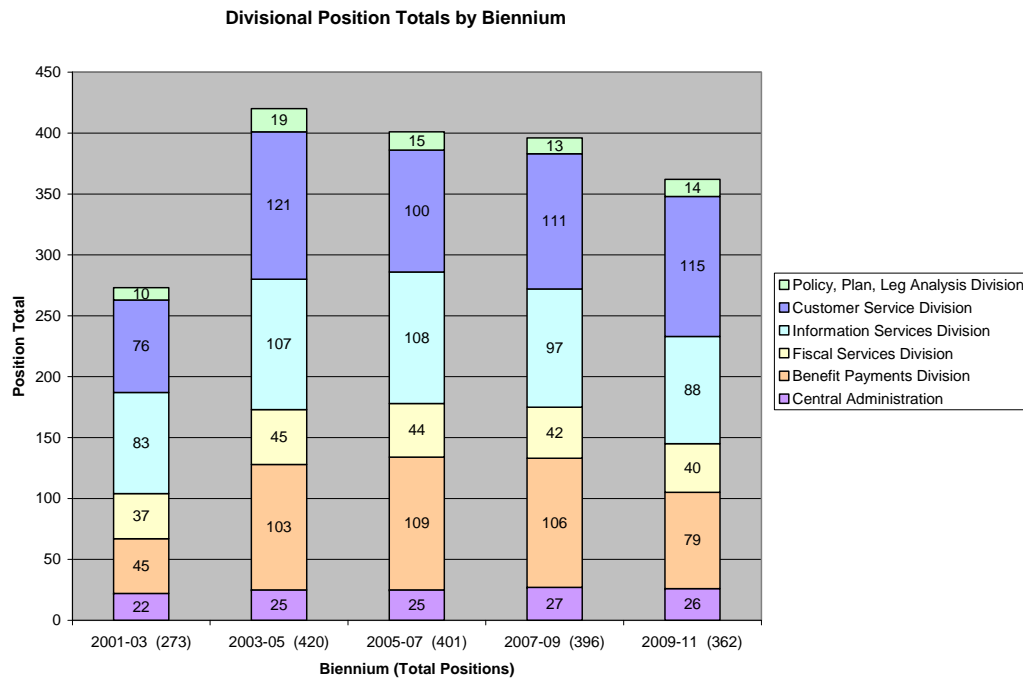
Biennium	Legislatively Approved Limited Budget	Fiscal Year Ended June 30th	Limited Budget	PERF Balance	Percent
2001-2003	\$ 39,752,036	2001	\$ 19,876,018	\$ 36,292,966,809	0.0548%
		2002	\$ 19,876,018	\$ 33,387,961,508	0.0595%
2003-2005	\$ 87,915,406	2003	\$ 43,957,703	\$ 43,609,293,354	0.1008%
		2004	\$ 43,957,703	\$ 48,687,838,830	0.0903%
2005-2007	\$ 81,703,709	2005	\$ 40,851,855	\$ 54,073,309,203	0.0755%
		2006	\$ 40,851,854	\$ 60,704,685,778	0.0673%
2007-2009	\$ 86,960,346	2007	\$ 43,480,173	\$ 64,869,983,811	0.0670%
		2008	\$ 43,480,173	\$ 47,099,125,181 (a)	0.0923%
2009-2011	GRB \$ 83,696,720	2009	\$ 41,848,360	\$ 48,512,098,936 (a)	0.0863%
		2010	\$ 41,848,360	\$ 49,883,561,569 (a)	0.0839%

(a) PERF estimated Ending Balance

BUDGET NARRATIVE

Although the agency's budget has grown in absolute dollars, it has represented a decreasing percentage of the PERS Fund since implementation of PERS reform, even accounting for the additional costs of administering new retirement programs and special projects during this period.

Similarly, the following graph shows the agency's staffing levels by division over the previous biennia, starting back in 2001-03 before additional retirement programs (OPSRP and IAP) were incorporated into the PERS Plan as part of PERS Reform and projects like HB 2020, RCP, and *Strunk/Eugene* adjustments were started. While the agency has grown post reform, total staffing peaked in the 2003-05 biennium at 420 positions and has been declining since then. The Agency Request Budget (ARB) for 2009-11 will continue that decline, with a projected staffing level of 362 positions, representing a 14 percent decrease since 2003-05.



The agency's staff growth following PERS Reform has been spread across divisions, reflecting the broad impact these additional programs and related projects have had in all areas. Focusing on the projected staff levels, however, shows that as we move into the next biennium, customer service efforts are being augmented to improve service delivery to PERS members and employers while operational efficiencies and project completions will reduce benefit payment and information service staff significantly.

BUDGET NARRATIVE

Mission Statement & Statutory Authority

Mission statement of the Public Employees Retirement System:

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

We achieve this by being:

- **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 assure 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.
- **Accountable:** We do what we say we'll do. We make and keep commitments.
- **Data-quality / integrity:** We maintain and improve the integrity of data through our processes, business rules, decision making, and data 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, concise and meet stakeholder needs.
- **Courageous:** We're willing to make hard decisions 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.

BUDGET NARRATIVE

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

- Tier One and Tier Two Member Retirement Programs
 - ORS 237.950 to 237.980, 238.005 to 238.480, and 238.600 to 238.750
- Retiree Health Insurance Program
 - ORS 238.410 to 238.420
- Judge Member Retirement Program
 - ORS 238.500 to 585
- Oregon Public Service Retirement Plan (OPSRP) Pension Program
 - ORS 238A.005 to 238A.475
- Individual Account Program (IAP)
 - ORS 238A.300 to 238A.475
- Deferred Compensation Program
 - ORS 243.401 to 243.507
- Public Employee Benefit Equalization Fund
 - ORS 238.485 to 238.492
- Social Security Administration Program
 - ORS 237.410 to 237.515
 -

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

BUDGET NARRATIVE

Agency Strategic Plans

Long-Term Plan

PERS' 2009-13 Strategic Outcomes, Strategies, and Key Indicators:

Outcome	Strategies	Key Indicators
<p>1. Produce timely and accurate payment of all PERS benefits</p>	<p>Strategies include:</p> <ul style="list-style-type: none"> • Complete Struck / Eugene implementation • Automate 20 percent of functionality not currently contained in payment system of record • Improve working relationship with employers to facilitate quality and timeliness of data reporting • Strengthen benefit payment review, quality control, and verification • Implement data quality life cycle process to expose, verify data 	<ul style="list-style-type: none"> • 80 percent of calculations are system generated • Final benefit paid within 45 days of effective retirement date • No more than 1 percent of retiring members challenge Notice of Entitlement data • Audits confirm 99 percent of final benefit calculations are accurate
<p>2. Deliver high quality customer service</p>	<p>Strategies include:</p> <ul style="list-style-type: none"> • Provide member self service via Internet website based services • Enhance the retirement/withdrawal application intake process to include tracking and quality review of applications • Use customer service satisfaction surveys to better understand service expectations and establish service standards • Strengthen communication and partnerships with employers and member stakeholder groups to enhance customer service 	<ul style="list-style-type: none"> • Accurate benefit estimates produced within seven days of request • Members can create benefit estimates on PERS website • Telephone calls, emails, and correspondence answered within defined performance standards • Customer satisfaction surveys show 80 percent or more of members and employers rate their satisfaction with agency services as “good” or “excellent” • PERS staff can determine current status of any member inquiry

BUDGET NARRATIVE

Outcome	Strategies	Key Indicators
<p>3. Agency organized to optimize effectiveness and efficiency</p>	<p>Strategies include:</p> <ul style="list-style-type: none"> • Focus of three core business operational functions <ul style="list-style-type: none"> - DATA [collect data from employers] - ELIGIBILITY [determine if members are eligible for requested benefit, maintain legacy data] - BENEFIT [pays benefits to members] • Develop business-driven workflows with business process owners for all major functions • Utilize project management staff and quality assurance staff as agency-wide quality assurance 	<ul style="list-style-type: none"> • Three core business operational functions providing clear ownership of data, eligibility, and benefit calculations • Valid, accurate, and complete data is available in a timely manner • Workflows are supporting major functions and continuous process improvement • Quality assurance standards established for major business processes • All major business projects assisted by project management office
<p>4. Business processes are efficient and cost effective</p>	<p>Strategies include:</p> <ul style="list-style-type: none"> • Implement intake based document imaging • Reorganize and simplify business processes for efficiencies as part of RIMS Conversion Project and workflow implementation • Utilize one-touch approach to completion of work • Effectively use internal audits to audit, test, and improve agency processes 	<ul style="list-style-type: none"> • jClarety is fully functional without bridging to RIMS • Prior year adjustments required beyond annuals closing period are declining • Workload backlog metrics dramatically reduced from 2005 status • More transactions being processed per FTE • 99 percent of final benefit calculations are accurate and final benefit is paid within 45 days of retirement • Audits confirm improving agency efficiency and cost effectiveness

BUDGET NARRATIVE

Outcome	Strategies	Key Indicators
<p>5. Agency staff has the skill set to support strategic outcomes</p>	<p>Strategies include:</p> <ul style="list-style-type: none"> • Develop organizational bench strength through staff development and succession training • Assess organizational needs and capabilities – hire and train to fill capability gaps • Use performance management system to create developmental plans and career paths for employees • Implement unified staff training and development strategy that addresses agency-wide as well as division-specific needs 	<ul style="list-style-type: none"> • Agency does not suffer from “key person” syndrome • Staff can obtain core training through agency resources • Outside training opportunities are identified and used when cost effective • No more than 5 percent of new hires removed from trial service annually • Agency workforce is equipped to serve a diverse membership
<p>6. Provide a secured information environment</p>	<p>Strategies include:</p> <ul style="list-style-type: none"> • Implement enterprise risk management program • Strengthen and maintain information security initiatives • Ensure all staff are aware of and follow data security processes and procedures • Utilize data classification policy • Maintain robust internal audit function 	<ul style="list-style-type: none"> • Annual risk assessments are completed • Data classification policies and procedures are used effectively • Annual assessment of PERS compliance with related legal requirements and effectiveness of internal controls are performed • No significant information security related findings on annual Secretary of State audit • Internal/external audits reveal no significant information security breaches

BUDGET NARRATIVE

Outcome	Strategies	Key Indicators
<p>7. Agency communications are clear, concise, and accurate</p>	<p>Strategies include:</p> <ul style="list-style-type: none"> • Use focus groups to ensure key forms and communications are easy to read and understand • Have all communication materials reviewed internally for consistency and design • Continual training for staff to provide consistent answers to member and employer inquiries • Communicate to staff and stakeholders before trigger events and mass communications • Involve stakeholder groups in delivery of information to members and employers 	<ul style="list-style-type: none"> • Member calls for clarification of information already provided decrease • PERS websites are easy to navigate and information easy to read and understand • Members receive the same answer from all agency sources • Staff provided with consistent, accurate, complete, and current information to respond to member and employer inquiries

BUDGET NARRATIVE

2009-11 Short-Term Plan

Agency Programs

The program operations of PERS have a significant impact on Oregon's economy. PERS provides retirement services to roughly 10 percent of Oregon's population, and the agency distributes almost \$3 billion in benefits annually to Oregonians who served in the public sector. The individual programs administered by PERS are described as follows:

Tier One and Tier Two Programs

The Tier One/Tier Two programs (ORS 238) are statutorily created programs, the administration of which is funded with Other Fund revenues, that provides retirement services to approximately 167,000 non-retired members and 105,300 retirees and beneficiaries who became employees with a participating public employer prior to August 29, 2003. Active Tier One/Tier Two membership will decline over time as the program is now closed to new members. However, due to the aging demographics of the Tier One/Tier Two membership, agency retirement workloads will increase dramatically over the next eight to ten years.

The Tier One/Tier Two Programs services include:

Maintaining demographic and employment data throughout a member's career that will form the basis for benefit eligibility and calculations and changes to that data as historical records are revised, tracking account balances and earnings crediting for member contributions to the regular and variable annuity accounts, and generating annual member account statements.

Providing information to members regarding retirement, disability, and death benefits; providing benefit estimates and explaining plan options for members and beneficiaries. PERS projects that between 12,000 and 16,000 members will retire during the next biennium.

Calculating and paying withdrawal, retirement, death, disability, and excess benefits. PERS issues approximately \$3 billion in benefit payments annually to system retirees, beneficiaries, and other benefit recipients.

BUDGET NARRATIVE

Retiree Health Insurance Programs

PERS serves as a group sponsor, providing health insurance services to approximately 53,000 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. The PERS Health Insurance Program is comprised 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 in PERS-sponsored health insurance plans for eligible retirees enrolled in Medicare Parts A and B. All PERS employers fund this subsidy through contributions. Approximately 38,000 persons receive this subsidy, for which PERS issues approximately \$27 million in premium subsidies annually.

Retiree Health Insurance Premium Account (RHIPA)

This program subsidizes the cost of insurance premiums in PERS-sponsored health insurance plans for those immediately retired from state of Oregon employment who are not yet Medicare eligible and who did not elect to enroll in the state employee health insurance retiree plans sponsored by Public Employees Retirement 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 722 persons receive this subsidy, for which PERS issues approximately \$1.9 million in benefit payments premium subsidies annually.

Standard Retiree Health Insurance Account (SRHIA)

SRHIA covers all administrative services related to the PERS health insurance program that are not specific to RHIA and RHIPA. This program encompasses such health insurance-related administrative activities as premium transfers of approximately \$101.8 million per year, third-party administrative agreements, and consultant services. Member fees and earnings on dollars held by SRHIA fund this activity.

Judge Member Retirement Program

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

BUDGET NARRATIVE

Benefit Equalization Fund (BEF)

The Legislature created the Benefit Equalization Fund (BEF) in 1997 to allow a full payment of PERS retirement benefits to recipients whose benefits would otherwise be capped by Internal Revenue Code (IRC) Section 415, which limits contributions and benefits in a tax qualified plan. The BEF pays the amount of PERS benefits earned by these few members (approximately 120 each year) over and above the IRS limits. The BEF began paying members affected by IRC 415 in 1998 and issues benefits of approximately \$1.4 million per year. Benefit changes for new retirees related to PERS reforms, combined with periodic adjustments to the IRC 415 cap, will slow the growth of and eventually shrink the BEF. Fees are assessed to employers with members paid from the BEF to fund those benefits.

Social Security Administration (SSA)

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

Deferred Compensation Program

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

This program benefits participants by providing an incentive for saving additional funds to be used at retirement while reducing current taxable income. It presently serves approximately 22,300 current and former state, school district, and local government employees. Plan assets were valued at approximately \$979 million as of July, 2008.

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' contracts, provides plan enrollment and educational support, monitors participant satisfaction, and assists participants with issues irresolvable by the third-party administrator. Member contributions and related earnings fund OSGP's administration.

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

BUDGET NARRATIVE

Oregon Public Service Retirement Plan (OPSRP)

The Oregon Public Service Retirement Plan, OPSRP, authorized by the 2003 Legislature (codified at ORS Chapter 238A) and financed with Other Funds, provides both an account-based and pension benefit programs. Employees hired by PERS-participating employers in qualifying positions on or after August 29, 2003, participate in the OPSRP Pension Program. As of December 31, 2007, the OPSRP Pension Program had approximately 43,500 members. All Tier One, Tier Two, and OPSRP members who made contributions after January 1, 2004, also participate in the OPSRP Individual Account Program (IAP).

OPSRP Individual Account Program

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

At retirement, members can choose to receive their IAP account balance in a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or over the member's anticipated life span. A third-party administrator provides record keeping services. Member contributions and earnings on those contributions fund the administrative costs related to the IAP. Under the IAP, there is no guarantee of a particular investment return or retirement amount. Members make contributions that are invested and subject to market fluctuation. Employers may or may not also make contributions. When a member retires, he or she receives the accumulated contributions and any earnings or losses that accrue. Approximately \$52.1 million in IAP benefit payments were issued during FY 2008.

OPSRP Pension Program

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

BUDGET NARRATIVE

Debt Service

PERS Headquarters Building

In the mid-1990s 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 DAS State Facilities, built a headquarters building in Tigard in 1997 with land and construction costs financed through the issuance of a Certificate of Participation (COP). Although PERS has significant resources available to fund such projects, the capital markets were used due to interest costs being less than the potential investment opportunity costs related to alternative financing methods. Investment earnings on the PERS fund will be used to repay the remaining COP balance (\$4.45 million as of June 30, 2009) in May 2017.

BUDGET NARRATIVE

Environmental Factors

The primary environmental factors affecting PERS 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 workload backlogs, reduced service levels, declining accuracy, and inefficient utilization of agency resources. This factor is being addressed through the RIMS conversion project.
- 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 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.

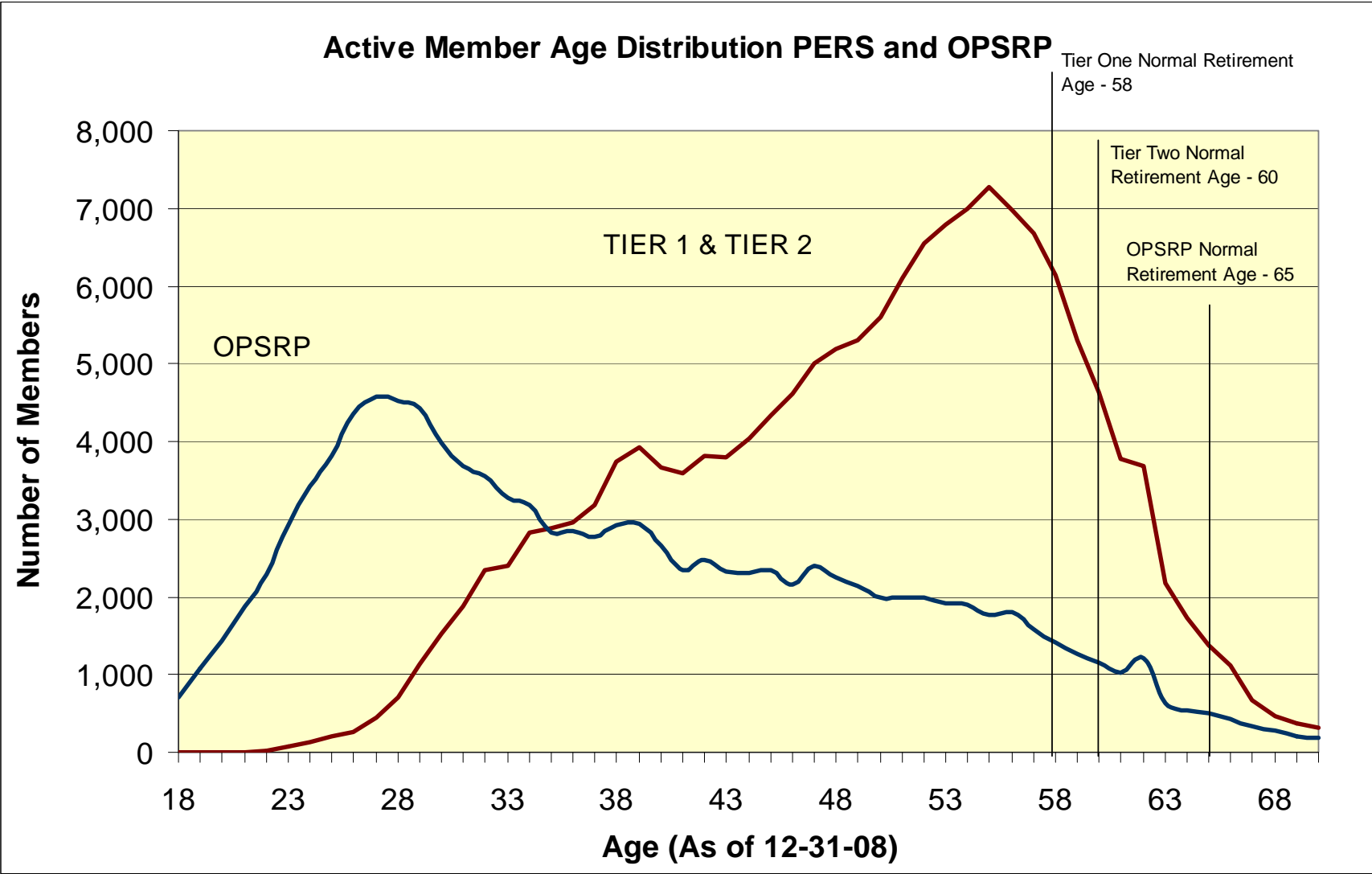
These combined factors present unique challenges that PERS continues to address by stabilizing and improving operations, resolving accumulated workloads, and permanently implement changes resulting from the 2003 PERS Reform legislation and associated court rulings.

Aging of PERS Membership and Participants

Membership and participant demographics indicate the demand for PERS services will continue to increase. PERS currently is funded at the Essential Budget Level (EBL) to handle approximately 4,000 retirements per year. The EBL baseline of 4,000 expected retirements per year is no longer appropriate 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 at approximately 8000 retirements per year. In 2003, retirements spiked to 12,000 due to benefit changes brought on by the 2003 reforms. As of June 30, 2008, approximately 55,000 members (about 34 percent of active and inactive members) were eligible for immediate retirement.

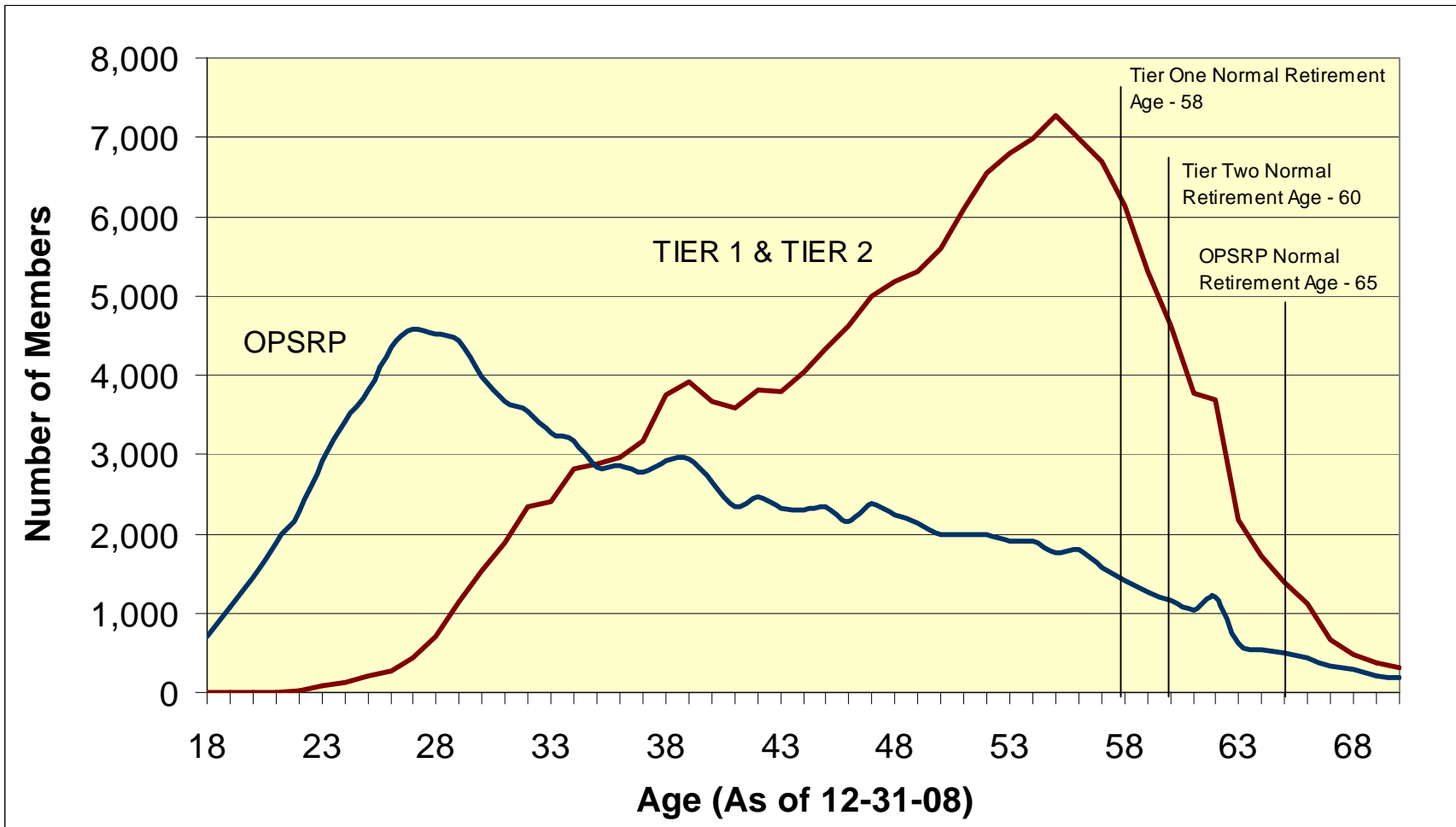
Member retirement typically impacts other activities and services. As a member approaches retirement, requests for estimates and retirement information increase significantly. The retirement process itself triggers significant data compilation and verification to support the benefit calculation and resulting notice of entitlement and to resolve any subsequent contest of benefits. In addition, many retiring members choose to participate in PERS' Health Insurance Program. The newly hired replacement employee must then be established on PERS' database under 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. Finally, the continually growing number of living retirees represents an ever increasing workload for PERS in terms of the pension roll, Cost of Living Adjustments (COLAs), mailing address and bank account changes, and tax withholding and reporting changes.

BUDGET NARRATIVE



BUDGET NARRATIVE

Pre-Retirement Member Distribution OPSRP & PERS



BUDGET NARRATIVE

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 intertwined. In 2003, the Legislature made broad, sweeping changes to the current PERS retirement system by adding the new OPSRP pension and IAP programs. The sum of the changes mandated in 2003 had a major effect on PERS programs and benefit structures and created multiple special projects. PERS found both its administration and infrastructure inadequate to meet the reasonable expectations of stakeholders. The intricacy and volume of changes to PERS' statutes also led to serial litigation from both employers and members, continued acceleration in the number of contested cases, and delays in providing even the most basic services to PERS members. The 2005 legislative session brought minor changes and refinements, but the 2007 legislative session brought both significant challenges and opportunities for improved services as some elements of the PERS reforms were modified and further refined.

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

Information Technology Base Conversion

With its legislatively approved staffing and budget resources, PERS provides a variety of retirement services to 321,000 members (Tier One, Tier Two, and OPSRP), their beneficiaries, and more than 870 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 benefit structure in place at that time. RIMS' 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 PERS Tier One/Tier Two plan in 2003, and 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. The gap has been filled by new systems, manual computations, and desktop applications, but this shift has impacted service and accuracy levels as well as contributed to accumulated workload and other adjustments, which further stretch staff and other resources.

Beginning in 1997, PERS proposed a number of initiatives to arrest RIMS' decline and to install new technologies to eventually supplant RIMS with more efficient and accurate systems. With Legislative approval of the Oregon Public Service Retirement Plan (OPSRP), PERS implemented electronic employer reporting and a modern retirement administration system, based on the jClarety software platform, to administer the new plan. PERS' goal is to have a single, integrated system to improve member service and operational efficiency. PERS is currently working to migrate member data from the RIMS system to jClarety, which will serve both the OPSRP and the Tier One/Tier Two Programs. During the course of the project, functionality will be transitioned incrementally from RIMS to jClarety to alleviate some of the system deficiencies and address the additional program needs along the way.

BUDGET NARRATIVE

Agency Initiatives

BACKGROUND – 2007-09 BUDGET

PERS received a Legislatively Approved Budget for the current biennium of \$81 million with staffing for 396 positions. This included a base budget of \$52 million with 257 positions, supplemented by Policy Option Packages (POPs) that totaled \$29 million with 139 additional positions, of which 102 were limited duration and 37 were permanent. Those POPs were:

1. Strunk/Eugene Project. 57 limited duration positions to support the adjustment of accounts and benefits in compliance with the Oregon Supreme Court's decisions in the *Strunk* and *City of Eugene* cases.
2. RIMS Conversion Project (RCP). Six limited duration positions to serve as backfill for staff dedicated to RCP. Those staff constituted the Business Process Owner Team that has been the core team for executing the agency's part of RCP.
3. Retirement Processing. 23 limited duration and two permanent positions to improve service levels for core retirement systems; support prioritized agency projects including *Strunk/Eugene*, RCP, and IAP remediation; and improve quality assurance and quality control processes.
4. Retirement Data Support. Eight limited duration and 15 permanent positions to strengthen core operations in the Customer Services Division, standardize and simplify the method of correcting data problems including data inconsistencies between RIMS and jClarety, and establish centralized data quality processes.
5. Operations and Infrastructure Support. Eight limited duration and 20 permanent positions to support agency infrastructure and process improvements in the areas of information technology, document imaging, procurement, and human resources.
6. Legal Services. \$1 million in additional funding for legal services related to PERS Board fiduciary counsel, 2003 PERS Reform legislation litigation, and federal tax counsel.
7. Ways and Means Co-Chair Reprioritization. Two limited duration positions and two permanent positions eliminated from the base budget to meet the 2 percent efficiency reductions requested by the Ways and Means Committee. A workforce management program was also implemented to phase out the *Strunk/Eugene* project at the end of the biennium by non-position specific reductions in Personal Services costs and FTE.
8. Statewide Assessment Adjustments. Other Funds reduction of \$105,013 to reflect omnibus adjustments to the PERS rate (12.98 to 12.71 percent), debt services and Department of Justice's hourly rate.
9. Retirement Application Assistance. Two permanent positions to provide Retirement Application Assistance Sessions in areas of the state outside the Willamette Valley and to improve access to web-based retirement tools.

BUDGET NARRATIVE

2007-09 PROGRESS REPORT

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

Timely and Accurate Payment of PERS Benefits. PERS' Key Performance Measure is to provide 80 percent of initial retirement payments within 45 days of the member's effective retirement date. With process improvements and staff prioritization, PERS achieved a rate of 70 percent within 45 days for the three-month period of February, March, and April 2008. Furthermore, the administration of eligibility determinations has been clarified and streamlined to move those activities further up the time line and more closely follow the employer's and member's expectations at the time the work was performed. Lastly, automation and workflow have improved the timeliness and tracking of applications, separations, and information requests.

High-Quality Customer Service. PERS' Key Performance Measure is to achieve a customer satisfaction rating of "good" or "excellent" from 80 percent of members and employers. The percentage of members rating our service either "good" or "excellent" increased to 83 percent in 2007 from 67 percent in 2006; employers' ratings went to 58 percent from 44 percent. Adding Retirement Application Assistance Sessions to review retirement applications has reduced the error rate to less than 3 percent compared to a 10 percent error rate for applications not reviewed in those sessions. Response times on email and letter inquiries have been reduced to only a few days instead of weeks. We have stepped up our employer training and outreach sessions with presentations offered annually in the spring and fall.

Optimize Effectiveness and Efficiency. PERS' Key Performance Measure targets are Total Benefit Administration Costs of \$120 per member and a staff-to-member ratio of 1:825. With the 2009-11 budget request, based on our current membership base, those costs would be \$116 per member and a ratio of 1:949. Within our current budget, efficiencies have allowed the agency to process more retirements (Tier One/Two, IAP, and OPSRP Pension Plan), increasing from 7,425 in 2006 to 9,390 in 2007; more withdrawals (from 4,812 in 2006 to 7,824 in 2007); and more phone calls (from 234,000 in 2006 to 251,000 in 2007) and emails (from 91,351 in 2006 to 95,108 in 2007).

Business Process Improvements. The technology developed in connection with the RIMS Conversion Project has already resulted in employers having a single, web-enabled entry point to report and correct information submitted to PERS. Validation rules have enhanced the quality of this data and employers can report more timely. Electronic document imaging has reduced access time to minutes rather than days, reducing paper consumption from more than 45,000 copies per month to 500. Employers receive consolidated bi-monthly statements that provide a comprehensive view of their accounts. Members received their 2007 Annual Statements on one page instead of separate mailings, reducing member inquiries significantly.

BUDGET NARRATIVE

2009-11 Strategy and Supporting Policy Option Packages (POPS)

The core objective of PERS' two-year business 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.

The 2009-11 Agency Request Budget (ARB) and supporting Policy Options Packages (POPs) have been developed with the strategic goal of establishing a more accurate essential business operations core. Previous budgets included POPs with limited duration positions while the agency went through a transitional period to complete special projects and adjust to additional programs. As attention turns to the next biennium, several major factors went into defining agency resources needed to sustain current service levels and continue to progress toward achieving strategic objectives and key performance measures:

- Annual Retirements. Benefit processing levels have consistently exceeded the agency's base budget for 4000 annual retirements. These budget proposals are predicated on a more realistic retirement workload projection, which also includes the operations associated with the additional workload created when the OPSRP Pension Plan and IAP were folded into the PERS Program.
- Improved Service Levels. Previous budgets were based on a "just in time" operational paradigm in key areas such as data preparation for eligibility determinations and benefit calculations. This service level is not adequate to accomplish the agency's Key Performance Measures or Strategic Objectives in the areas of timeliness, accuracy, or customer satisfaction. This budget proposal includes the resources to move that paradigm up in time to improve our potential to meet these goals.
- RIMS Conversion Project. The RIMS Conversion Project is expected to close during the next biennium, bringing process improvements and efficiencies through automated functionality and organizational changes. This budget proposal includes the resources to close out that project while also supporting daily operations. To some degree, this proposal anticipates the effect of those improvements and efficiencies, but the full impact of those cannot be judged until the system is being used in operations and those effects can be quantified.
- Strunk/Eugene. The *Strunk/Eugene* Adjustment project will be completed in the current biennium, so the resources associated with that project are not carried over in this budget proposal. Related litigation, however, is expected to continue into the next biennium so additional funding for that is being requested.

BUDGET NARRATIVE

Budget Form #107BF04c

Public Employees Retirement System Annual Performance Progress Report (APPR) for Fiscal Year 2007-08

Original Submission Date: August 15, 2008

Final Update Date: November 18, 2008

2007-09 KPM#	2007-09 Key Performance Measures (KPMs)	Page #
1	TIMELY RETIREMENT PAYMENTS: Percentage of initial service retirements paid within 45 days from retirement date	4
2	TOTAL BENEFIT ADMINISTRATION COSTS: Total benefit administration costs per member	6
3	MEMBER TO STAFF RATIO: Ratio of members to FTE staff	8
4	AVERAGE DOLLARS DEFERRED: Average monthly deferral per state employee deferred compensation participant	11
5	LEVEL OF PARTICIPATION: Percent of state employees participating in the deferred compensation program	13
6	CUSTOMER SERVICE- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	15
7	TIMELY BENEFIT ESTIMATES: Percent of benefit estimates processed within 30 days	17
8	BOARD OF DIRECTORS BEST PRACTICES: Percent of total best practices criteria met by the PERS board	19

Page 1 of 21

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 79

BUDGET NARRATIVE

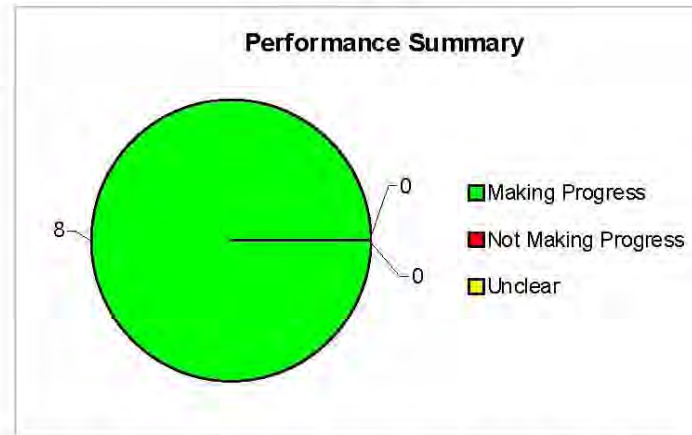
Contact: Matthew Rickard, Budget Analyst	Phone: (503) 603-7576
Alternate: Kyle Knoll, Budget Officer	Phone: (503) 603-7568

1. SCOPE OF REPORT

The Public Employees Retirement System (PERS) provides a full range retirement services to public employers and public employees throughout the state of Oregon. These services are provided to approximately 870 state and local government entities across the state. The agency administers the Tier One and Tier Two Retirement programs (ORS Ch. 238), the judge's retirement program, the Oregon Public Service Retirement Plan (or OPSRP, ORS Ch. 238A) Pension Program, the Individual Account Program (IAP), the Oregon Savings Growth Plan (a deferred compensation program), the Public Employee Benefit Equalization Fund (BEF), the Social Security Administration program, and the Retiree Health Insurance program. With the Debt Service program, PERS also administers the financing of two projects that were funded by Certificates of Participation.

PERS programs addressed by these measures: the Tier One-Tier Two and judge's programs, the Oregon Public Service Retirement Plan (OPSRP) Pension Program, the Individual Account Program (IAP), and the Benefit Equalization Fund (BEF) (KPMs #1-3 and 6-8 address these programs together), and the Oregon Savings Growth Plan's deferred compensation program (KPMs #4-5 address this program)

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 about \$3 billion in benefits annually to Oregonians that served in the public sector. This large and widespread distribution of benefit payments (over \$250 million each month) has a direct impact on the Oregon economy.

The Tier One-Tier Two, judge's, OPSRP and IAP programs provide retirement services to approximately 215,000 non-retired members and 115,000 retirees and beneficiaries (including FY08 lump sum retirees and withdrawal recipients). The Retiree Health Insurance program serves as a group sponsor, providing health insurance services to approximately 50,000 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.

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

3. PERFORMANCE SUMMARY

All eight KPMs – Timely Retirement Payments (page 4), Total Benefit Administration Costs (page 6), Member to Staff Ratio (page 8), Average Dollars Deferred (page 11), Level of Participation (page 13), Customer Service (page 15), Timely Benefit Estimates (page 17), and Board Best Practices (page 19) – are making progress. The initial report was filed with the Agency Request Budget in August 2008, although at that point there was not yet data available for several of the KPMs. This updated version includes all final FY08 data and is being filed in preparation for inclusion with the Governor's Recommended Budget.

4. CHALLENGES

There are several key challenges facing the PERS retirement programs. An aging membership, including 28% of PERS non-retired members who are eligible to retire, increases demands for near-retirement services including the call center, benefit estimates, group presentations, and the website. Likewise, the number of retired members and beneficiaries who require regular contact and services continues to grow. There is increased workload resulting from two additional retirement programs added with PERS reform. PERS now administers four major retirement programs, maintains at least two accounts for each member with a combined annual statement, calculates and pays at least two retirement benefits or two withdrawal benefits and issues at least two 1099-R statements for each retiree.

PERS must continue to operate with an outdated information technology system (RIMS) until its IT conversion project has been completed, which has limited the agency's service levels while causing workload backlogs, additional work-arounds, and inefficient utilization of agency resources. 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 recipients. While PERS service and efficiency levels have been dramatically impacted, the agency is prioritizing staffing and resource allocations to ensure that the deterioration has been halted and a foundation for rapid improvements is set in place.

One challenge impacting the OSGP deferred compensation program is the large number of soon-to- retire baby boomers. The large number of upcoming retirements will have an impact on the participation level as many withdraw or roll their accounts to other institutions. This will also impact the average deferral levels, as younger and lower-paid employees replace those retiring from the workforce, who both participated and deferred at higher levels in the later stages of their careers. Despite these challenges, OSGP is taking steps to keep eligible employees and participants educated about the importance and advantages of participating in this supplemental retirement savings program.

5. RESOURCES USED AND EFFICIENCY

For 2008, PERS expended an estimated \$46.7 million in administrative and special project expenditures, and an estimated \$3.1 billion in total expenditures (this includes benefit payments). Efficiency measures include KPM #2 - Total Benefit Administration Costs per Member, and KPM #3 – Member to Staff Ratio. The performance in these measures reflects that PERS is currently undertaking a multitude of special projects and operations (e.g. the *Strunk/Eugene* project and RIMS Conversion Project) while simultaneously administering a rapidly changing and increasing core program workload. Some of this performance inefficiency will be resolved as completion of the RIMS Conversion Project shifts the agency from staff intensive processes to more efficient

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

automated processes and frees up staff to handle higher level work and increasing workloads. With the completion of the *Strunk/Eugene* project, various limited duration positions will also be eliminated, reducing cost and staffing levels.

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

1. OUR STRATEGY

This KPM was involved in PERS' internal audit of KPMs. As a result of the audit, the data collection methodology for this measure has been refined to make the data collection more efficient and accurate.

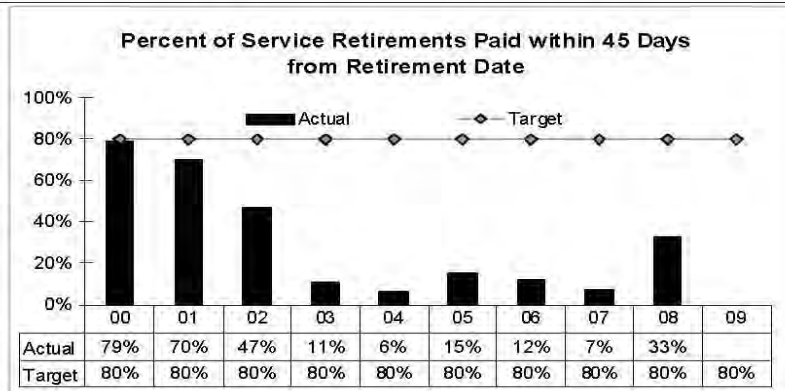
PERS' main priority is delivering benefits to members in an accurate and timely manner. While statute requires PERS to issue the first benefit payment within 92 days from retirement date, PERS' goal is to provide even quicker service to reduce potential cash flow interruption for the retiree.

2. ABOUT THE TARGETS

The target of 80% was set many years ago when the vast majority of retirement calculations were system generated on a "money match" basis. While many factors caused performance to drop significantly over the previous five years, the goal is still to provide the first benefit payment as quickly and accurately as possible. And progress is currently being made to reach that goal.

3. HOW WE ARE DOING

During 2008, PERS issued 33% of its benefit inceptions within 45 days of the retirement date, up significantly from 7% in 2007. This breaks the trend of lower performance over the previous five years, and shows that PERS is making progress towards its targeted goal of 80%. While performance remained above 70% in the years prior to 2002, it hovered between 6% and 15% in the years from 2003 through 2007, after PERS reform created two new programs (OPSRP and IAP), added a "look-back" calculation requirement, and made other revisions to the Tier One-Tier Two program and related employer reporting while also triggering a record number of retirements.



BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

4. HOW WE COMPARE

When compared to other retirement systems peers, PERS lags behind in this area of service. According to CEM Benchmarking, Inc. (a benefit administration benchmarking firm), other systems in PERS' peer group were able to pay 85% of benefit inceptions within one month of the final pay check date in 2007. While this is significantly higher than PERS' performance, it is important to note that other systems have different statutory requirements and many have fewer program options than PERS. Moreover, public retirement systems in PERS' peer group issue 78% 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 1.6% of initial payments based on estimates in 2008).

5. FACTORS AFFECTING RESULTS

In 2008, PERS tested a new strategy to help improve the timeliness of making the initial service retirement benefit payments. The strategy involved a focused prioritization of applications based on this 45 day goal, and following up on missing forms from members and employers in 15-day intervals instead of every 30 days. Another aspect of the new strategy involved a data extraction tool that assisted in tracking the progress of initiating the retirement benefits. A third element involved improved communication and coordination between divisions at PERS that has improved the member eligibility determination process. This strategy is one of the primary reasons for the marked improvement in 2008 over previous years.

Factors that can negatively impact the timeliness of retirement processing include delays in receiving correct final data from employers, delaying the application of eligibility standards and complete reporting requirements until retirement, and resolving errors in members' submitted retirement applications. Employers have 30 days following an employee's retirement to send the final data to PERS. With this KPM measuring the standard of retirements processed in 45 days, this leaves a narrow window of time between the employer's timeframe and that of this measure. Membership data and benefit eligibility have historically not been determined until the time of a benefit payment, so the member's employment record must be reviewed, verified, and resolved within this span of time. Also, in the past, retirement applications have sometimes been confusing for members to complete, resulting in errors that lengthen the retirement processing duration. Lastly, members can submit their applications retroactively to the first of the month, so in many cases the timeliness is reduced because the member's retirement date "clock" could start up to 30 days before the application was actually received for processing.

6. WHAT NEEDS TO BE DONE

This data is being used in support of plans and projects currently underway to update and replace PERS' outmoded IT system. Once the IT system upgrade has been fully implemented, many of PERS' benefit inception procedures will be converted to much more automated processes that don't need to integrate as much across desktop and database systems. This will help to speed up the service and return the performance to higher service levels.

Additionally, resources for a Retirement Application Assistance program were added to PERS' base budget in the 2007-09 Legislative Ways and Means process. This program, along with retirement application form improvements, will greatly help members complete the retirement forms fully and accurately, in turn helping to speed up the retirement processing timeframe.

Also, additional staffing resources are being requested in the Agency Request Budget for 2009-11 to improve the member data and benefit eligibility determination process and help the benefit inception process run more efficiently and quickly. This will allow a continued process improvement approach to progress.

7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period. While the integrity of this data has not been in question, previous wording of this KPM made analysis of the data confusing. A wording change was approved for 2007-09 to make the data much easier to communicate and understand. The data collection process has been refined through the efforts of an internal audit. This will help keep the data reporting methodology consistent and accurate.

Page 5 of 21

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

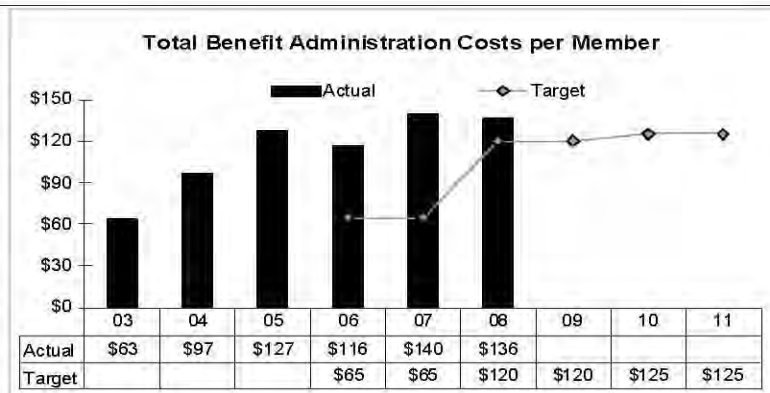
KPM #2	TOTAL BENEFIT ADMIN COSTS Total benefit administration costs per member	Measure since: 2006
Goal	Reduce administrative costs while maintaining high levels of service to members and employers.	
Oregon Context	Oregon Benchmark #35: Public Management Quality and Benchmark #9c: Cost of Doing Business/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

1. OUR STRATEGY

PERS strives to deliver high-quality, cost-effective 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/Eugene* project and the Retirement Information Management System (RIMS) Conversion Project will help to stabilize PERS' annual operating expenditures. As evidence of this, the Agency Request Budget for 2009-11 actually reflects a decrease from the 2007-09 Legislatively Adopted Budget, despite significant projected inflationary cost increases.

2. ABOUT THE TARGETS

The targets for the 2005-07 biennium were set based on the previous data format that included some confusing adjustments mirroring the cost comparison calculations used by a benefit administration comparison consultant, CEM Benchmarking, Inc. CEM makes these adjustments to compare retirement systems on an "equal" plane. Unfortunately, this renders the resulting measurement of PERS' adjusted costs much less relevant to stakeholders. To correct this, PERS 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 PERS administrative costs as published in its Comprehensive Annual Financial Report (CAFR) per the total membership. The targets from 2008 and forward represent the new data structure, and all actual data have been updated to the new data structure. The targets for 2009-11 include an increase for inflation. The goal is to keep the costs at or below the targeted level.



3. HOW WE ARE DOING

For 2008, PERS' cost per member is \$136, down from \$140 in 2007. This is an improvement over the higher costs in 2007, and demonstrates improved progress towards the target. The costs have been greater over the last four years as compared to lower levels in 2003 and 2004. This reflects 2003 PERS reform legislation that added the administration of two more retirement programs in 2004 (bringing the total PERS retirement programs to four), and the

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

addition of the *Strunk/Eugene* and RIMS Conversion projects in 2005. The long-range target is to keep overall costs per member from increasing, while operating in an environment of increasing workload per member and cost inflation.

4. HOW WE COMPARE

PERS uses the services of a third-party benchmarking firm (CEM Benchmarking, Inc.) to compare its costs, services, and performance to other public retirement systems. CEM Benchmarking makes various adjustments in calculating total cost figures to make comparisons amongst differing systems more realistic. For this reason, PERS focuses on how it compares to its peers on an individual activity level rather than the adjusted overall cost figure presented by CEM. Since the 2008 CEM Benchmarking Analysis has not yet been published, these comparisons are based on the 2007 analysis report.

For 2007, CEM Benchmarking, Inc. reported that while PERS' costs were higher than its peers for many activities, there were also a number of activities where 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 (\$374 vs. \$276), Benefit Estimates (\$90 vs. \$76), Employer Billing and Inspection (\$396 vs. \$186), Employer Data (\$22 vs. \$11), Services to Employers (\$3,574 vs. \$704), Refunds (\$281 vs. \$37), Disability (\$3,246 vs. \$1,414), Financial Admin/Oversight (\$12 vs. \$7), Rules Design and Interpretation (\$13 vs. \$4) and Major Projects (\$33 vs. \$8). On the other hand, PERS was less expensive per member/employer served than its peer median for activities like Paying Pensions (\$7 vs. \$14), Counseling, Member Contact and Mass Communication (\$78 vs. \$111), and Purchases (\$46 vs. \$233).

5. FACTORS AFFECTING RESULTS

Total administrative costs are down by \$1.7 million from 2007. Also, because the membership numbers have increased over 2007, the result is a decrease to the cost per member. Personal Services costs have increased as a result of the 2007-09 state employee COLA package and management compensation package. But these cost increases have been mitigated somewhat by other savings efforts. Because of some concerns earlier in the fiscal year that PERS would not receive budget limitation to fund the compensation packages, PERS put plans in place to cut spending. An internal hiring freeze was imposed in February and each division put together spending reduction plans in case there would be no budget increase for the compensation packages. While this made operations much more difficult during that time period, there was additional budget approved for a portion of the compensation packages at the June 2008 E-Board. This has allowed PERS to return to a more effective staffing and service level.

6. WHAT NEEDS TO BE DONE

Retiree volume and workload will increase over the next five to ten years with the inevitable retirement of the large number of members who are already (or soon will be) eligible to retire. But PERS is committed to limit cost increases in proportion to the workload increase through process and organization efficiencies and improved IT system capabilities. With the current policy option packages included in the 2009-11 Agency Request Budget, PERS is positioning itself to be staffed, organized, and technologically supported to handle the projected increasing workload with greater efficiency. The goal is to mitigate potential significant cost increases with the IT system conversion, continuous process improvements, and staffing productivity gains and efficiencies.

7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period. The cost per member is calculated by dividing the total administrative expenses as reported in the PERS Comprehensive Annual Financial Report (CAFR) by the total membership including all active, inactive, and retired members (including current year lump sum and withdrawal recipients).

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

KPM #3	MEMBER TO STAFF RATIO Ratio of members to FTE staff	Measure since: 2006
Goal	Increase productivity of staff to improve service to members and retirees.	
Oregon Context	Oregon Benchmark #35: Public Management Quality. Increase efficiency of service to members.	
Data source	Budget/personnel statistics, report from CEM Benchmarking, Inc. comparing PERS to its peers.	
Owner	Fiscal Services Administrator Dave Tyler, 503-603-7709	

1. OUR STRATEGY

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

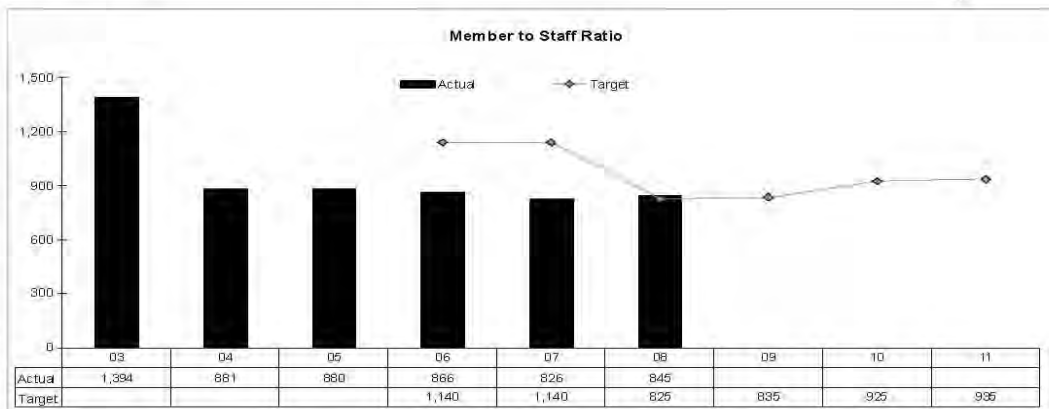
2. ABOUT THE TARGETS

As with KPM #2, the Member to Staff Ratio targets for the 2005-07 biennium were set based on the previous data format that has since been changed. The previous data methodology included some confusing adjustments mirroring the cost comparison calculations used by a benefit administration comparison consultant, CEM Benchmarking, Inc. But the adjustments made 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 allow PERS to present this KPM using actual verifiable data from published documents and official personnel reports. The long-range goal is to gradually increase the number of members served per employee through technology enhancements and process improvements to be implemented over the next two biennia. As with the approved 2007-09 targets, the requested targets for 2009-11 are based on projected membership levels for that biennium, and the staffing included in the Agency Request Budget. The goal with this KPM is to be at or above the targeted ratio.

3. HOW WE ARE DOING

PERS' member to staff ratio increased to 845:1 in 2008, up from 826:1 in 2007. This continues the trend of lower staff to member ratios since 2003. Over the course of those five years, the ratio has remained in the 825-880 range, reflecting the two new retirement programs created under the 2003 PERS Reform, the associated workload increases, and the special projects ongoing throughout that period. But with the increase in members served per FTE staff in 2008, this performance measure is trending upward once again, and the 2008 target of 825 has been surpassed.



BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

4. HOW WE COMPARE

Since PERS has discontinued using the adjusted staffing and membership criteria used by CEM Benchmarking, Inc., PERS will instead focus on how it compares to its peers on an individual benefit administration activity level. The 2008 CEM Benchmarking Analysis has not yet been published, so these comparisons are based on the 2007 analysis report.

For Fiscal Year 2007, CEM Benchmarking, Inc. reported that PERS is higher staffed (thus serving fewer members and employers per FTE staff) than many of its peers. However, while 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 (16 vs. 66), Written Estimates (1,257 vs. 1,559), Mass Communication (17,240 vs. 33,438), Refunds (395 vs. 2,723) and Disability (36 vs. 134). But PERS was able to serve more members per single FTE than its peer median for activities like Paying Pensions (18,254 vs. 12,001), Group Counseling and Member Contacts (14,344 vs. 12,828) and Purchases (2,595 vs. 542).

5. FACTORS AFFECTING RESULTS

One factor that is contributing to the increased membership per FTE from 2007 to 2008 is a slight reduction in FTE. At the end of fiscal year 2007, FTE was 400.5, while some staffing changes brought in with the 2007-09 biennium resulted in a reduced FTE count of 390.3 at the end of fiscal year 2008.

In considering the peer comparison results listed above, it should be noted that PERS was observed to be the second most complex system among 20 other similar sized public retirement systems identified in the CEM Benchmarking, Inc. Benchmarking Analysis for 2007. This complexity is driven by PERS' service to multiple classes of public employees, including part-time employees, the large number of retirement options, multiple retirement benefit calculations, and a number of other benefit add-ons. The complexity has made it difficult to provide enterprise-level, IT-based applications and solutions, particularly given the outmoded nature of the Retirement Information Management System (RIMS), which results in more staff being needed 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 recipients.

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' Legislatively Approved Budget for 2007-09 includes staffing of 396 positions (390.3 FTE), a 6 percent decrease from the FY 03-05 peak staffing. The 2009-11 Agency Request Budget will continue the downward trend in staffing.

6. WHAT NEEDS TO BE DONE

Demographic research shows that in the next five to ten years, there will be a dramatically increasing number of members who qualify for retirement benefits. While the rising volume of retirements is an issue facing most public pension systems, PERS is also challenged by an outmoded IT system, which causes various work-arounds and higher staffing needs. This situation is expected to continue until the legacy 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 accommodated.

The completion of the *Strunk/Eugene* project will result in reduced staffing levels as various limited duration positions are eliminated. In the long term, projects like the RIMS Conversion project will also lead to a more automated-processes, reducing PERS' dependency on staff-intensive desktop applications and allowing the agency to handle increasing workloads with stabilized staffing. The Agency Request Budget for 2009-11 includes staffing of 361.55 FTE, a decrease of some 14 percent from PERS' peak staffing in the 03-05 biennium.

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period. The member per staff ratio is calculated by dividing the total membership including all active, inactive and retired members (including current year lump sum and withdrawal recipients) by total FTE staff per June PICS reports.

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

KPM #4	AVERAGE DOLLARS DEFERRED Average monthly deferral per state employee deferred compensation participant	Measure since: 2006
Goal	Increase voluntary participation by members in Deferred Compensation Program	
Oregon Context	Encourage member independence and financial well-being into retirement. Has an effect on Oregon Benchmark #59: Independent Seniors.	
Data source	Deferred Compensation records, along with reports from Oregon Savings Growth Plan (OSGP) third party administrator, Citistreet	
Owner	Deferred Compensation Manager Gay Lynn Bath, 503-378-3730 ext. 86425	

1. OUR STRATEGY

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

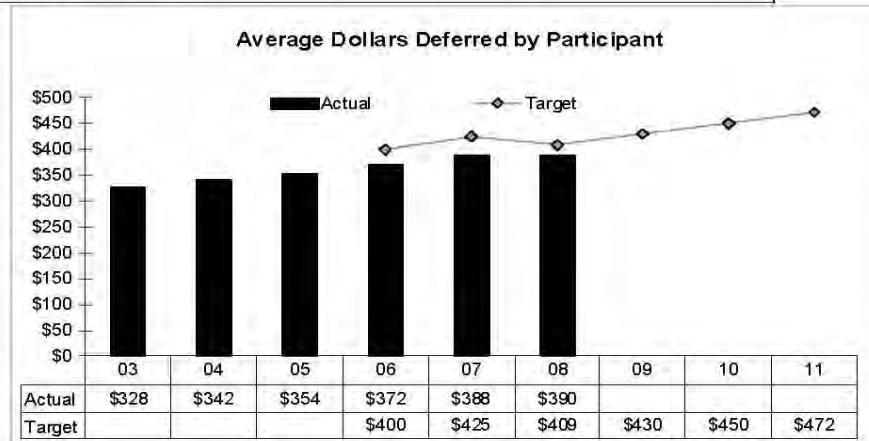
2. ABOUT THE TARGETS

Targets for the 2005-07 biennium were set based on a data model that was inconsistent with the other Deferred Compensation KPM. PERS has implemented a data change with this measure (legislatively approved with 2007-09 KPMs) 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.

The requested targets for 2009-11 are based on 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 much of this time period. But in 2008, the increase was less than 1%, up to \$390 from \$388 in 2007. This result is evidence of the recent economic downturn, which has impacted members' savings rates and financial ability to increase their deferrals.



BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

4. HOW WE COMPARE

In 2007, The National Association of Government Defined Contribution Administrators (NAGDCA) conducted a survey of state plans that showed participating state employees deferred \$293 per month on average. Since OSGP participants are contributing more dollars on average than their industry peers, it demonstrates OSGP's relatively high perceived value to its members.

5. FACTORS AFFECTING RESULTS

Earlier this year, the US began experiencing an economic downturn, which has been felt across many industries and reflected in financial indicators and decreasing investment returns. Moreover, inflation in energy, healthcare, and other core consumer goods has reduced members' discretionary income and impacted the deferral averages. Because of cost increases in utilities, health care, food and other consumer needs, OSGP may see participants begin to decrease monthly deferrals during the downturn.

Another 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 younger replacements and are later in their careers, making them more likely to participate, so this could reduce both participation rates and the average deferrals for a period of time.

6. WHAT NEEDS TO BE DONE

As participants retire, OSGP will need to continue educating the remaining and new participants on the importance of retirement savings. OSGP has recently expanded its marketing approach 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 positive as inquiries and participation have increased. OSGP also encourages participants to base their deferral on a percentage of pay rather than a fixed dollar amount. This way, their deferral will increase when they receive a pay increase.

7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period. The data is provided by OSGP's third-party administrator, Citistreet, and is easily verifiable by looking at monthly deferral records. This measure is also undergoing a KPM audit. This measurement factors in deferrals from all state employee groups.

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

KPM #5	LEVEL OF PARTICIPATION Percent of state employees participating in the deferred compensation program.	Measure since: 2006
Goal	Increase voluntary participation by state employee members in Deferred Compensation Program	
Oregon Context	Encourage member independence and financial well-being into retirement. Has an effect on Oregon Benchmark #59: Independent Seniors.	
Data source	Deferred Compensation records, along with reports from Oregon Savings Growth Plan (OSGP) Third party administrator, Citistreet	
Owner	Deferred Compensation Manager 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 on current and future retirees are increasing. And with rising health care costs and Social Security uncertainties, OSGP aims to provide Oregon public employees with another option to help supplement their PERS benefits and help bridge the gap between retirees' financial needs and their PERS benefits. To remain a valued option for PERS members, OSGP's goal is to provide solid investment options through its third-party administrator and to educate participants about the importance of retirement preparation through participation in this supplemental savings program.

2. ABOUT THE TARGETS

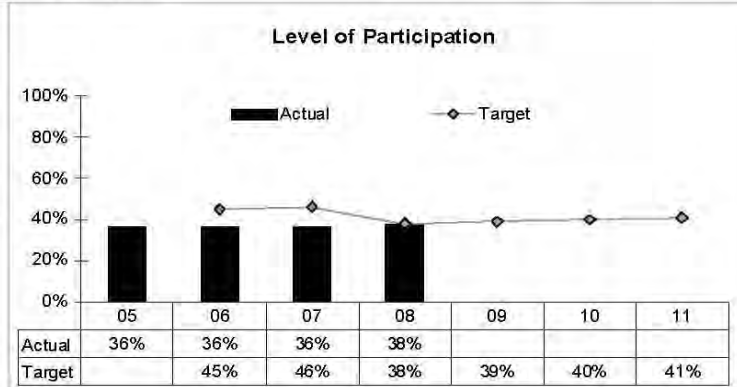
Targets for the 2005-07 biennium were based on data containing an incorrect assumption that was not discovered until January 2007. To correct this, PERS has implemented a data change (legislatively approved for 2007-09) to factor in only the accounts of active state employees in calculating participants. The targets for 2009-11 are based on OSGP's goal to gradually increase the participation level by 1% annually.

3. HOW WE ARE DOING

State government employee participation in OSGP has remained steady at 36% from fiscal years 2005 through 2007, but increased to 38% in 2008. The underlying data shows a 5.7% increase in the number of state participants from 2007 (13,849) to 2008 (14,643), but the overall number of state employees has also increased, and so the participation rate just increased to 38%.

4. HOW WE COMPARE

The National Association of Government Defined Contribution Administrators (NAGDCA) conducts a periodic survey that measures participation in optional state and local government defined contribution plans. In its 2007 survey results, NAGDCA reported that among the responding state plans, 24% of the eligible employees participated in optional plans like OSGP. So at 38% participation among Oregon state employees, OSGP is performing well ahead of the national average participation rate for similar plans.



Page 13 of 21

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

5. FACTORS AFFECTING RESULTS

Because OSGP 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 eligible to retire in the near future. Many of these retirees will withdraw their OSGP accounts or roll them into other retirement accounts and the demographics of their replacements (normally younger and lower paid) will create a challenge for increasing participation rates and deferral amounts.

6. WHAT NEEDS TO BE DONE

Data shows that participation does not often change drastically from year to year, and the participation rate remains difficult to control or impact. And when factoring in the effect that the many upcoming retirements will have on OSGP participation rates, it will be important for OSGP to educate and remind existing and new employees of the benefits of participating in the program. One tactic the OSGP has recently used is expanded marketing outreach 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 measure is based on data for the Oregon fiscal year period. The data is provided by 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. OSPS records are easily verifiable and make for stable comparisons from year to year.

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

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

1. OUR STRATEGY

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

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

2. ABOUT THE TARGETS

The current and ongoing goal is to maintain 80% of customers rating their PERS service as good or excellent.

3. HOW WE ARE DOING

For the 2008 member survey, PERS scored in a fairly tight range between 89% and 92% across all categories, with 91% of member and retiree customers rating PERS overall service as "good" or



BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

“excellent.” These ratings are up from the 2007 results falling between 80% and 85%, and continue the upward trending performance since the initial survey in 2006. Member and retiree customers rated PERS highest in Timeliness and Helpfulness (92%), and lowest in Availability of Information (89%).

For the 2008 employer survey, the employers rated PERS between 59% and 76% “good” or “excellent,” with 66% of employers rating PERS overall service as Excellent or Good. The 2008 employer ratings are also up from the 2007 scores, falling between 55% and 70%. Employers rated PERS highest in Helpfulness (76%) and lowest in Availability of Information (59%).

4. HOW WE COMPARE

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

5. FACTORS AFFECTING RESULTS

PERS continues to keep customer service and member/employer satisfaction as a major focus in its agency strategies and staff efforts. In 2008, PERS made several organizational and staffing improvements to its call center, resulting in fewer abandoned calls and quicker solutions to member’s inquiries. There were staff dedicated full time to email and correspondence, which has resulted in much faster turn-around times. There was also a one-on-one retirement application assistance program added, which has resulted in an application error rate of less than 3% for applicants utilizing the program, compared to more than 10% for applications received from members who did not go through the program.

PERS also made several improvements to help bolster employer customer service in 2008. There were workshops/presentations with individual employers and groups beyond the usual outreach presentations, the creation of a new employer advocate program to assist new employers with the setup and data reporting process, and other employer outreach and training improvements.

6. WHAT NEEDS TO BE DONE

PERS needs to continue to maintain its high level of awareness and focus on customer service. Establishing and maintaining effective communication modes and techniques will also ensure that its members receive all available information. Employer outreach and hands-on assistance with the electronic reporting function is also helping to improve service and satisfaction with employers. These improvements demonstrate PERS’ efforts to take a much more proactive approach to its member and employer customer service.

7. ABOUT OUR CUSTOMER SERVICE SURVEY

The member satisfaction survey was conducted by PERS staff using the online SurveyMonkey.com tool and hard copy surveys included in the agency’s August *Perspectives* newsletter mailed to retirees. The survey was open from August 1-31. The population can be classified as consumers, since 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 newsletter sent to all members and retirees), which listed the web link to take part in the survey. The survey link was also posted on the PERS website for all members and retirees to view. 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 approximately 330,000 members and retirees, PERS received 4,129 responses, a 1.3% survey participation rate. There was no weighting involved with the tabulation of results.

The employer survey was also conducted by PERS staff using the online SurveyMonkey.com tool. The survey was open from August 1 through 31. The employer population could be considered clients, and for the sampling frame, PERS left the survey open to all employers. The survey link was emailed to all employers, and posted on the employer portion of the PERS website. The sampling procedure would be considered a census. Out of approximately 870 employers, PERS received 185 responses, a 21% survey participation rate.

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

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

1. OUR STRATEGY

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

2. ABOUT THE TARGETS

This is a new KPM for the 2007-09 biennium. With no extensive trend line, the target of 95% was established for 2007-09. PERS' continued goal is to deliver benefit estimates within 30 days at least 95% of the time, and this targeted level of service is continued through 2009-11.

3. HOW WE ARE DOING

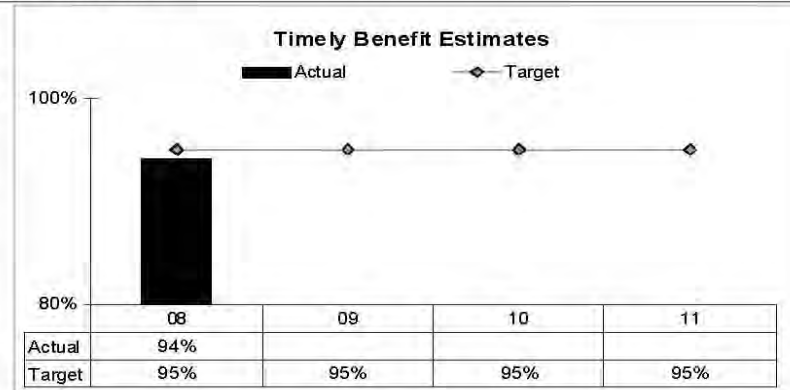
Since this is a new KPM, 2008 is the first year of measurement. For 2008, PERS provided member benefit estimates within 30 days 94% of the time. This is just below the target of 95%. Although there were several months within the fiscal year when performance was up to 99% of estimates processed in 30 days, the overall average for the entire year was 94%.

4. HOW WE COMPARE

Using the services of a third-party benchmarking consultant (CEM Benchmarking, Inc.), PERS is able to compare its performance with that of its peers. According to CEM Benchmarking, Inc., the median rate for preparing benefit estimates was five days in 2007 (CEM's 2008 report is not yet published). By comparison, it took PERS an average of ten days to process benefit estimates. While PERS lags behind its peers in this measure, note that PERS must calculate the benefit using up to three different methods and then display 13 different benefit option scenarios with each request, based on available payout and survivorship options. Most other systems have much simpler rule sets, and their benefit estimates often reflect a single calculation method and fewer payout or survivorship options.

5. FACTORS AFFECTING RESULTS

Because this is the first year for tracking the performance of this KPM, it is difficult to assess what factors might have affected the results. But PERS has employed several strategies this year to help speed this process, and this could have affected the results positively. In general, PERS has taken a much more



BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

proactive approach with the benefit estimate process. Initial estimate requests are examined early in the process for any questionable information, and the member is contacted immediately. PERS' aim is to respond to inquiries within 24 hours, but no later than five days. There is also a new process in place for estimates involving non-age eligible 30 year members. The process calls for an eligibility team to look at the request immediately to establish that the member is projected to have sufficient service time to retire based on their estimated retirement date.

6. **WHAT NEEDS TO BE DONE**

The performance data for 2008 shows PERS is very close to its goal of 95% of estimates processed in 30 days. So it will be important for PERS to continue its proactive approach and continue the improved member communication related to the benefit estimate requests.

7. **ABOUT THE DATA**

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

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: We 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.

KPM #8	BEST PRACTICES: Percent of best practices met by Board/Commission.	Measure since: 2008
Goal	To achieve best practices in governance of PERS	
Oregon Context	#35: Public Management Quality - Citizen satisfaction with government services.	
Data source	Annual self-administered survey.	
Owner	Executive Director Paul Cleary, 503-603-7701	

1. OUR STRATEGY

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

2. ABOUT THE TARGETS

While there is no previous data upon which to base the targets, the PERS Board's goal is to meet 100% of the best practices criteria for this measure.

3. HOW WE ARE DOING

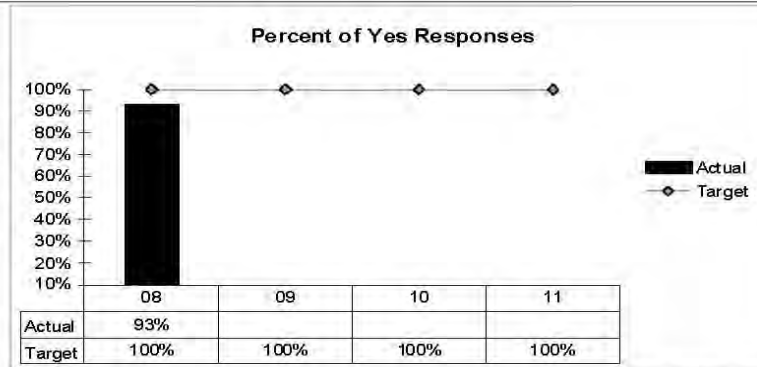
The PERS Board completed the self assessment survey process during September, 2008 and reviewed the results at their September 19th public board meeting. For internal purposes, the Board assessed their FY 08 performance in three categories: fully meets, meets but needs improvement, or does not meet. For KPM purposes, the Board concluded that the meets but needs improvement responses would be rated as a "yes" for this KPM. In their deliberations, the Board concluded that they had satisfactorily met 14 of the 15 best practices criteria. Their performance in the criteria "Board members identify and attend appropriate training sessions" was rated as a "No" because there were no fully meets responses.

4. HOW WE COMPARE

PERS does not have any comparable survey data to contrast with its peers, but once results from other boards and commissions are published, the PERS Board will be able to compare its result with that of its Oregon peers.

5. FACTORS AFFECTING RESULTS

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



BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

II. KEY MEASURE ANALYSIS

Agency Mission: 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.

6. WHAT NEEDS TO BE DONE

The PERS Board will take measures to maintain and enhance their overall performance on these best practices criteria whenever possible. PERS staff can assist the Board in this endeavor by communicating and sharing training opportunities with the Board on topics such as governance and benefit administration. PERS staff will strive to provide timely and accurate reports so Board decisions are based on the most current information available. The Chair of the Board will work with the Executive Director to identify specific areas of improvement and possible courses of action to make those improvements. At the same time, the Board will continue to focus on their full range of best practice criteria and pursue a continuous improvement agenda of reviewing and implementing Board best practices.

7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period. The PERS Board completed the annual self assessment in September for reporting in the Governor's Recommended Budget and the related updating of this report.

BUDGET NARRATIVE

PUBLIC EMPLOYEES RETIREMENT SYSTEM

III. USING PERFORMANCE DATA

Agency Mission: 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.

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.

<p>1 INCLUSIVITY Describe the involvement of the following groups in the development of the agency's performance measures.</p>	<ul style="list-style-type: none"> • Staff: The 2007-09 approved KPMs were developed by PERS staff and executive management and reviewed by the PERS Board. • Elected Officials: Elected officials have reviewed and approved the 2007-09 KPMs as a part of the Ways and Means process and will be reviewing the 2009-11 targets (there are no KPM or data changes for 2009-11) reflected in this report. • Stakeholders: Staff met with key management and stakeholders to determine how each measured success. The KPMs were then formed using strict selection criteria to ensure accuracy, longevity, and applicability to each program. • Citizens: While citizens are not involved in the KPM formation process, the annual results are posted on the Oregon Progress Board and PERS websites for the general public to view.
<p>2 MANAGING FOR RESULTS How are performance measures used for management of the agency? What changes have been made in the past year?</p>	<p>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. Two of the KPMs are new for 2007-09. There were several data changes approved with the 2007-09 Ways and Means process, and those changes have been used to update past data results, since these changes involved improvements and data corrections. The agency's six-year strategic plan and two-year tactical plan are also linked to the performance measures to guide longer-term management of the agency. One positive effect of analyzing the previous results involves the improved focus on customer service, and the resulting higher member and employer ratings last year.</p>
<p>3 STAFF TRAINING What training has staff had in the past year on the practical value and use of performance measures?</p>	<p>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.</p>
<p>4 COMMUNICATING RESULTS How does the agency communicate performance results to each of the following audiences and for what purpose?</p>	<ul style="list-style-type: none"> • Staff: Results are posted on PERS' internal network, included along with sectional budget execution reports for managers, posted on the PERS website for general staff, and reviewed by the PERS Board. • Elected Officials: Results are communicated through the Annual Performance Progress Report and as part of the agency's biennial budget request. • Stakeholders: Results are reported directly to the PERS Board and posted on the PERS website for other stakeholders. • Citizens: The results are posted on the OPB website and the PERS website.

BUDGET NARRATIVE

Major Information Technology Projects/Initiatives

In Policy Package 104, PERS proposes the continuation of the RIMS Conversion Project (RCP) into the 2009-11 biennium. RCP is the retirement administration IT system replacement project that started in the 2003-05 biennium and has continued throughout the 2005-07 and 2007-09 biennia. The original cost of the project was expected to be \$27.5 million and, to date, the project has stayed on budget. During the 2007-09 biennium, however, the agency undertook the review of several legislative changes to the PERS plan that necessitate changes in scope, cost, and timeframe for the project. As a result, an additional \$2.5 million was requested, bringing the total project cost to \$30 million, and the completion date of the project was extended to June 30, 2010.

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 retirement 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 Pension Program) established by the 2003 PERS 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.

RCP directly supports the agency's strategic business plan. Specifically, the agency's six-year strategic outlook identifies several key outcomes staff is committed to achieving. Among them are: a) 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. RCP impacts each of these goals by providing an integrated application to collect member data and to 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 improving data integrity 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 to 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 that allows employers to submit and correct member information online

Improve staff productivity:

- Improve the integrity 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

BUDGET NARRATIVE

- Improve process management and operational efficiency through a workflow engine
- Improve document management through an integrated content management system
- Redesign and implement a comprehensive set of automated benefit and customer service processes
- Eliminate time-consuming activities relating to processing 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, 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. RCP completion 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 agency's deputy director serves as the project's executive sponsor. A Steering Committee, which includes executives and senior managers, meets bi-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). Additionally, 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 PERS can gain significant operational efficiencies by streamlining business processes and reducing the need for manual activities. 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 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 that will enable PERS to follow consistent, repeatable processes that integrate with the new system administration application. To ensure the agency's key processes have been efficiently implemented 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 they can be effectively programmed in the new system. The BPOs are the key drivers of this analysis.

BUDGET NARRATIVE

Summary of 2009-11 Budget

Summary of 2009-11 Budget Public Employees Retirement System, Oregon (PERS - # 45900) Agency-wide

	TOTALS			FUND TYPE					
	POS	FTE	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other	Federal
2007-09 LEGISLATIVELY ADOPTED BUDGET	401	394.88	6,373,907,468			86,960,346		6,286,947,122	
Emergency Board Actions (through 4/2008)									
2007-09 Legislatively Approved Budget	401	394.88	6,373,907,468			86,960,346		6,286,947,122	
Base Budget Adjustments:									
Net Cost of 2007-09 Position Actions:									
Administrative, Biennialized E-Board, Phase-Out	(105)	(99.83)	(5,835,207)			(5,835,207)			
Estimated Cost of 2009-11 Merit Increase			1,054,852			1,054,852			
Flex Benefits & PERS Contribution Adjustments			(593,475)			(593,475)			
Base Debt Service Adjustment			(4,286,125)			(4,286,125)			
Base Nonlimited Adjustment			189,938,542					189,938,542	
Capital Construction Adjustment									
Subtotal: 2009-11 Base Budget	296	295.05	6,554,186,055			77,300,391		6,476,885,664	
Essential Packages:									
Package No. 010									
Vacancy Factor (Increase)/Decrease			23,905			23,905			
Non-PICS Personal Service Increase/(Decrease)			229,308			229,308			
Subtotal			253,213			253,213			
Package No. 021/022									
021 - Phased-In Programs Excl. One-Time Costs									
022 - Phase-Out Programs and One-Time Costs			(15,684,772)			(15,684,772)			
Subtotal			(15,684,772)			(15,684,772)			
Package No. 031/032/033									
Cost of Goods & Services Increase/(Decrease)			(1,605,143)			(1,605,143)			
State Govt Service Charges Increase/(Decrease)			568,275			568,275			
Subtotal			(1,036,868)			(1,036,868)			
Package No. 040									
Mandated Caseload Increase/(Decrease)									
Package No. 050									
Fund Shifts									
Package No. 060									
Technical Adjustments									
Subtotal: 2009-11 Essential Budget Level	296	295.05	6,537,717,628			60,831,964		6,476,885,664	

2009-11

107BF03

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 102

BUDGET NARRATIVE

	TOTALS			FUND TYPE					
	POS	FTE	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other	Federal
2009-11 Essential Budget Level - Page 1 Subtotal	296	295.05	6,537,717,628			60,831,964		6,476,885,664	
Package No. 070 Revenue Shortfalls									
Subtotal: 2009-11 Modified Essential Budget Level	296	295.05	6,537,717,628			60,831,964		6,476,885,664	
Emergency Board Packages: (List ORBITS Package number and title)									
Subtotal Emergency Board Packages		0.00							
Policy Packages: (List ORBITS Package number and title)									
Package No.101 Business Process Owners	5	5.00	849,600			849,600			
Package No.102 Maintenance & Enhancement of Current Service Levels	44	44.50	5,879,732			5,879,732			
Package No.103 Infrastructure Maintenance & Enhancement	3	3.00	3,138,193			3,138,193			
Package No.104 Enterprise Applications	4	4.00	9,714,912			9,714,912			
Package No.105 Standards, Training & Certification			755,000			755,000			
Package No.106 Data Transition & Standard Tool Development	10	10.00	1,527,319			1,527,319			
Package No.107 Legal Services			1,000,000			1,000,000			
Package No.805 Budget Reconciliation Adjustments (HB 5054)			(2,113,017)			(2,113,017)			
Subtotal Policy Packages	66	66.50	20,751,739			20,751,739			
Total: 2009-11 Budget	362	361.55	6,558,469,367			81,583,703		6,476,885,664	

Percent Change From 2007-09 Leg. Approved	-9.7%	-0.08	2.9%	0.0%	0.0%	-6.2%	0.0%	3.0%	0.0%
Percent Change From Essential Budget Level	22.3%	0.23	0.3%	0.0%	0.0%	34.1%	0.0%	0.0%	0.0%

2009-11

107BF03

BUDGET NARRATIVE

10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
1. Eliminate toll-free telephone line	Eliminates toll-free telephone line, requiring members, employers and retirees outside of the Portland area to personally incur long-distance charges for contacting PERS by telephone. (Amount based on 160,000 calls averaging 10 minutes per call, at \$.06 per minute)	\$96,000 Other Funds	Toll-free telephone line is provided to facilitate customer service as this Agency serves a state-wide population of members, employers and retirees. Eliminating the toll-free number will not change the nature of the service customers receive, but will hamper their access to that service, challenging this Agency's Key Performance Measure (KPM) #6 - 80% of customers rating service as "good" or "excellent."
2. Eliminate printed newsletter	Eliminates publication and mailing of Agency newsletter.	\$20,000 Other Funds	Eliminates a cost-effective communication tool that pushes information to all members (retired and active) in furtherance of this Agency's KPM #6 - Customer Service. The Newsletter would continue to be available on the PERS website for those with Internet access.

2009-11

107BF17

BUDGET NARRATIVE

10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
3. Reduce AG fees	Limits legal sufficiency review to contracts over \$100,000 (per OAR 137-045-0030 requirements), and decreases litigation support.	\$102,308 Other Funds	Decreased legal sufficiency review and DOJ litigation support will increase risk to the Agency. Staff will provide policy direction and contract services without complete resolution of legal issues, or in a less timely manner, resulting in reduced Customer Service (KPM #6), and making achievement of KPM #8 (meeting 100% of Board Best Practice criteria) less likely.
4. Reduce employee overtime, and use of temporary staffing	Reduces overtime by 50%, and use of temporary staffing supporting Customer Services program.	\$250,000 Other Funds	Increases time needed for work completion and response time to the Agency's customers and business lines, hindering the Agency's ability to achieve KPM #6 - Customer Service.
5. Reduce network consulting services	Reduces network consulting for Agency projects by 50%.	\$263,672 Other Funds	Decreases the Agency's timeliness and efficiency in implementing IT modifications, such as in response to legislative changes or process improvements, increasing Total Benefit Costs (KPM #2), hindering achievement of KPM #8 - Board Best Practices, and jeopardizing successful completion of the RIMS Conversion Project.

2009-11

107BF17

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 105

BUDGET NARRATIVE

10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
6. Reduce IT systems and equipment upgrades	Reduces system modifications / upgrades, scheduled replacement of IT hardware, software and ancillary equipment.	\$254,633 Other Funds	Increases risk of failed network and desktop equipment, and service delays, hindering the Agency's ability to achieve KPM #6 – Customer Service, and jeopardizing successful completion of the RIMS Conversion Project.
7. Reduce Communications Program support	Eliminates PERS website and information support position, including support for EDX User Guide, Employer Handbook, Judge Member Handbook, and A-Z quick answers index. (1 position - 1.00 FTE)	\$128,075 Other Funds	Web and information support duties will transfer to managers, requiring longer lead time for work completion and decreasing service levels to information users. This increases KPM #2 - Total Benefit Costs, and hinders the Agency's ability to achieve KPM #6 - Customer Service.
8. Reduce expert witness and Independent Medical Exam (IME) support	Reduces professional services expert witness and IME contract budget for disability claim review / determination.	\$153,522 Other Funds	Forces Agency to be more reliant on member's medical evaluations instead of independent reviews, leading to increased potential for fraud or abuse. Inconsistent with KPM #8 - Board Best Practices.

2009-11

107BF17

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 106

BUDGET NARRATIVE

10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
9. Reduce centrally coordinated mail services and supply ordering/delivery	Eliminates position supporting mail services, supply ordering and delivery. (1 position - 1.00 FTE)	\$99,832 Other Funds	Decreases mail and supply delivery, increases Agency response time to customer correspondence, and increases risk of inconsistent ordering practices and outcomes. Hinders the Agency's ability to achieve KPM #1 - 80% of initial benefit payment within 45 days, KPM 7 - 95% of benefit estimates within 30 days, and KPM #6 - Customer Service.
10. Reduce disability program support	Eliminates 2 positions processing IME documentation and disability claims (2 position – 2.00 FTE)	\$245,168 Other Funds	Increases risk of inappropriate claim determinations, and costs that could lead to benefit fraud or abuse, as well as increasing the time needed for disability claim processing. Hinders the Agency's ability to achieve KPM #1 - Timely Retirement Payments, KPM #6 - Customer Service, and KPM #7 - Timely Benefit Estimates.
11. Reduce divorce section program support	Eliminates 1 position processing divorce decrees. (1 position – 1.00 FTE)	\$153,503 Other Funds	Increases time needed for disability claim processing and customer response time, hindering the Agency's ability to achieve KPM #1 - Timely Retirement Payments, KPM #6 - Customer Service, and KPM #7 - Timely Benefit Estimates.

2009-11

107BF17

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 107

BUDGET NARRATIVE

10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
12. Eliminate Health Insurance Program administrative support	Eliminates 1 position providing administrative support to Health Insurance Program Manager. (1 position – 1.00 FTE)	\$108,702 Other Funds	Increases response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #1 - Timely Retirement Payments, and KPM #6 - Customer Service.
13. Reduce Social Security Program support	Eliminates 1 position responsible for the Social Security Program support for employers regarding Program updates, changes in regulations, and new rules. (1 position – 1.00 FTE)	\$159,389 Other Funds	Eliminates FTE used to support state’s responsibility to administer federal Social Security program. Position functions would be spread among Agency staff or directed to another Agency, increasing benefit administration costs counter to KPM #2 - Total Benefit Costs, and hindering the Agency’s ability to achieve KPM #6 - Customer Service, as it relates to employers that rely on our assistance in administering this program.
14. Eliminate Customer Services Division administrative support	Eliminates 2 positions providing administrative support for Customer Services Division. (2 positions – 2.00 FTE)	\$225,204 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #6 - Customer Service.

2009-11

107BF17

BUDGET NARRATIVE

10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
15. Eliminate Fiscal Services Division executive support	Eliminates 1 position providing executive support to Chief Financial Officer, Fiscal Services Division managers and staff. (1 positions – 1.00 FTE)	\$108,702 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #6 – Customer Service.
16. Reduce IT quality assurance and metrics engineering program support	Eliminates 1 QA Project Manager position, and 1 IT metrics engineering position. (2 positions – 2.00 FTE)	\$419,052 Other Funds	Eliminates resources used to improve Agency quality and accountability on overall Agency operations and key projects such as the RIMS Conversion Project (RCP). Prevents efforts to reduce Agency costs in support of KPM #2 - Total Benefit Costs, and conform to KPM #8 - Board Best Practices.
17. Eliminate Deferred Compensation Program support in Salem	Eliminates 2 program support positions, closes Salem office, and reassigns staff to Tigard office. (2 positions – 2.00 FTE)	\$408,109 Other Funds	Increases time needed to complete work and response time to the Agency’s customers, risks limiting the Deferred Compensation Program’s growth, and eliminates local presence and direct customer service in Salem. Impedes efforts to achieve KPM #4 - Increase average dollars deferred to \$430 per state employee, and KPM #5 - Increase participation to 39%, as well as hindering progress on KPM #6 - Customer Service.

2009-11

107BF17

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 109

BUDGET NARRATIVE

10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
18. Reduce IT systems development support	Eliminates 3 developer positions supporting RIMS Conversion Project (RCP) data migration, RIMS decommissioning, and special projects. (3 positions – 3.00 FTE)	\$529,698 Other Funds	Decreases Agency timeliness and efficiency in implementing IT modifications, such as in response to legislative changes or process improvements, increasing Total Benefit Costs (KPM #2), hindering achievement of KPM #8 - Board Best Practices, and jeopardizing successful completion of the RIMS Conversion Project.
19. Eliminate Deputy Director executive support	Eliminates 1 position providing executive support to Deputy Director. (1 position – 1.00 FTE)	\$115,043 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #6 - Customer Service.
20. Reduce Agency training support	Eliminates 1 position responsible for coordination and delivery of training plans and materials. (1 position - 1.00 FTE)	\$172,036 Other Funds	Reduces consistent and up-to-date training, increasing the risk of inconsistent or inaccurate Agency processes. Impedes progress on KPM #8 - Board Best Practices.
21. Discontinue specialized judge retirement program support	Eliminates 1 counselor / specialist processing judge retirements. (1 position – 1.00 FTE)	\$153,503 Other Funds	Increases time needed to complete work, and risks associated with decreased level of expertise processing judge retirements, hindering the Agency’s ability to achieve KPM #6 - Customer Service.

2009-11

107BF17

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 110

BUDGET NARRATIVE

10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
22. Reduce Contracts and Procurement program support	Eliminates 1 procurement assistant support position. (1 position – 1.00 FTE)	\$137,763 Other Funds	Increases time needed to complete work, response time to customers, and contract file audit risks, hindering progress on KPM #8 - Board Best Practices.
23. Reduce fiscal services program support	Eliminates 2 accounting positions supporting budget development and execution, invoice processing / accounts payable, and bi-annual work paper reconciliations. (2 positions – 1.92 FTE)	\$224,544 Other Funds	Increases time needed to complete work, response time to customers, and file audit risks, hindering progress on KPM #8 - Board Best Practices.
24. Reduce IT application/software engineering program support	Eliminates 1 position supporting IT applications, and 1 position supporting Agency-wide software configuration engineering. (2 positions – 2.00 FTE)	\$338,461 Other Funds	Increases time needed to complete work, and risks for the Agency's business lines related to systems and desktop performance, as well as increases administration costs, contrary to KPM #2.
25. Reduce imaging and records management program support	Eliminates 2 imaging and records management positions. (2 positions – 2.00 FTE)	\$169,646 Other Funds	Increases time needed for work completion and response time to the Agency's customers and business lines, hindering the Agency's ability to achieve KPM #6 - Customer Service.
26. Reduce tax accounting program support	Eliminates 1 tax accountant position. (1 positions – 1.00 FTE)	\$132,694 Other Funds	Increases time needed to complete work, and risks of untimely tax compliance, reporting, and remittance, contrary to KPM #8 - Board Best Practices.

2009-11

107BF17

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 111

BUDGET NARRATIVE

10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
27. Reduce program management and IT systems technical support	Eliminates 3 positions supporting Customer Services program management, productivity enhancements problem resolution / troubleshooting. (3 positions – 3.00 FTE)	\$449,415 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #6 - Customer Service.
28. Reduce benefit estimate and data validation program support	Eliminates 1 position supporting benefit estimates, and 1 position supporting data validation. (2 positions – 2.00 FTE)	\$242,550 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #6 - Customer Service.
29. Reduce business rules coordination program support	Eliminates 1 position providing Agency-wide coordination of business rules. (1 position – 1.00 FTE)	\$186,116 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #8 - Board Best Practices.
Totals	(34 positions – 33.92 FTE)	\$6,047,340	

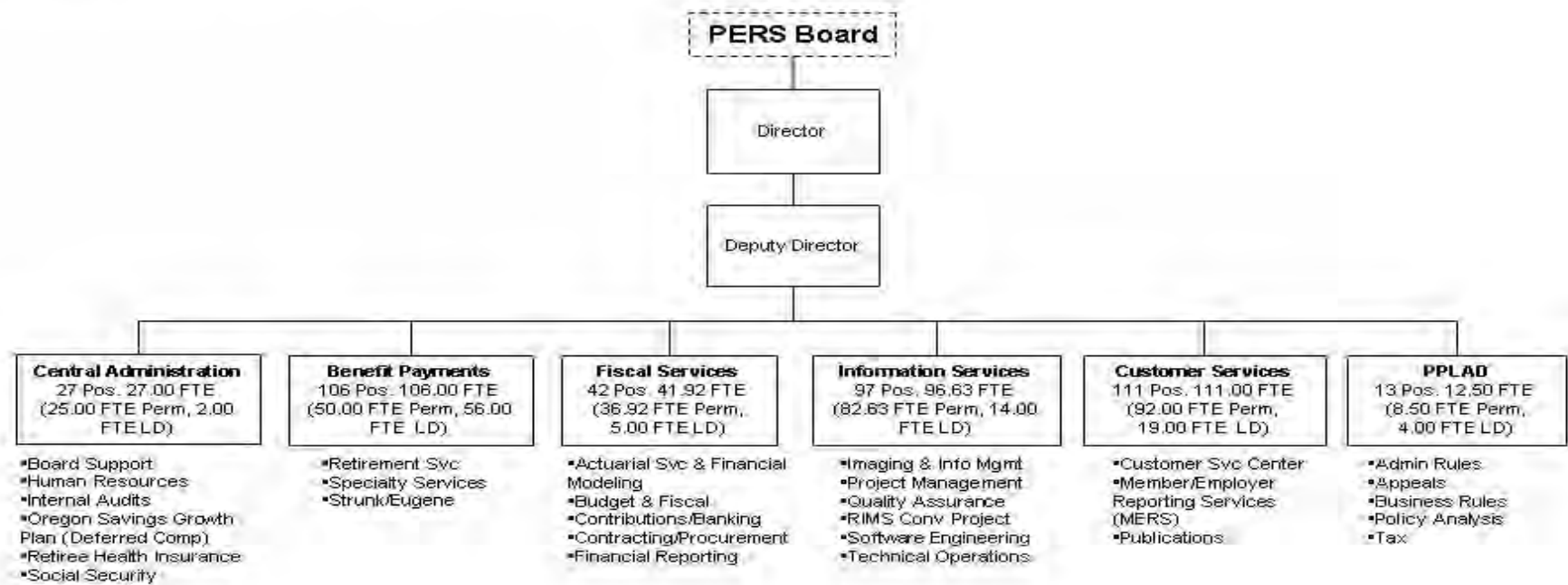
2009-11

107BF17

BUDGET NARRATIVE

2007-09 Organization Chart

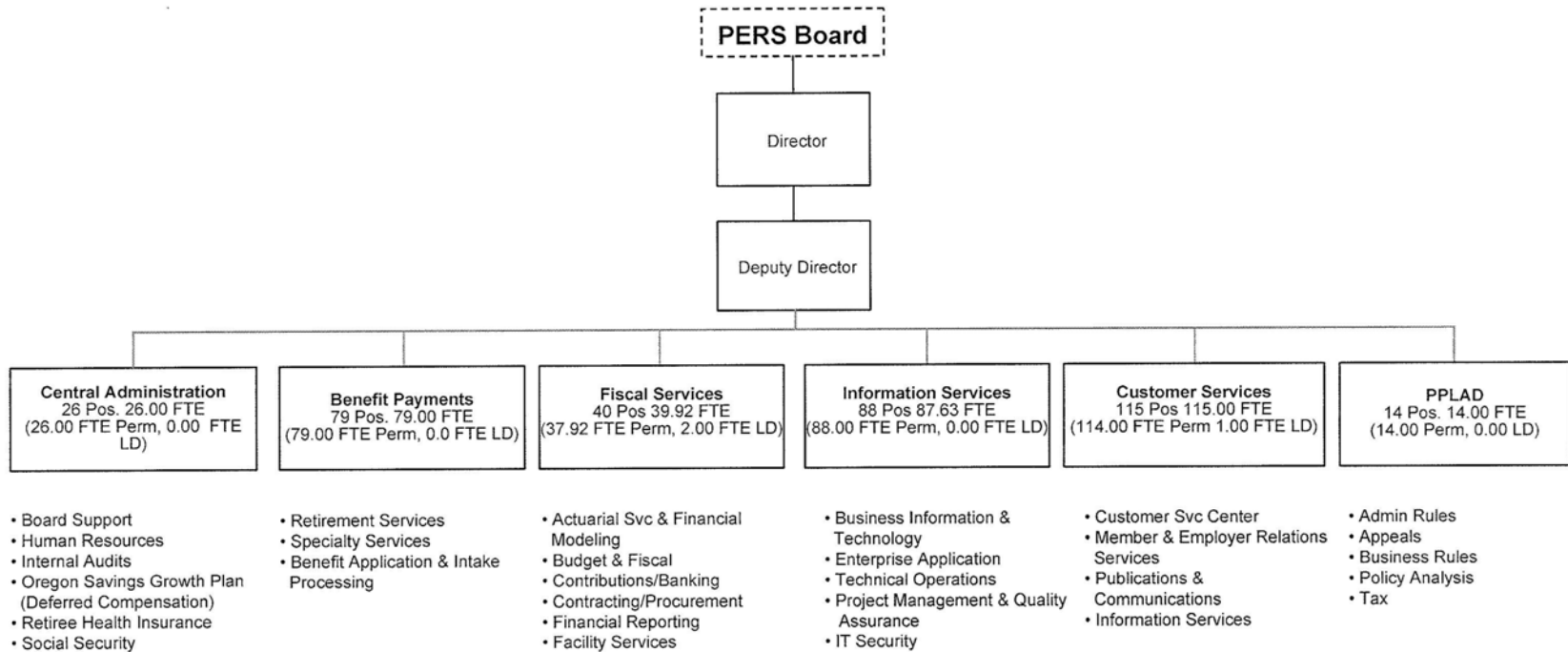
Public Employees Retirement System
2007-09 Legislatively Approved Budget
 396 Pos, 395.05 FTE (295.05 FTE Permanent, 100.00 FTE Limited Duration)



BUDGET NARRATIVE

2009-11 Organization Chart

Public Employees Retirement System
 2009-11 Governor's Recommended Budget
 362 Positions. 361.55 FTE (358.55 FTE Permanent, 3.00 FTE Limited Duration)



BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Appropriated Fund Group
2009-11 Biennium

Version: Z - 01 - Leg. Adopted Budget

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
LIMITED BUDGET (Excluding Packages)						
Other Funds	74,446,561	81,251,146	81,251,146	76,470,791	75,877,316	75,877,316
AUTHORIZED POSITIONS	401	401	401	296	296	296
AUTHORIZED FTE	386.71	394.88	394.88	295.05	295.05	295.05
LIMITED BUDGET (Essential Packages)						
010-NON-PICS PSNL SVC / VACANCY FACTOR						
Other Funds	-	-	-	253,400	253,213	253,213
022-PHASE-OUT PGM & ONE-TIME COSTS						
Other Funds	-	-	-	(15,684,772)	(15,684,772)	(15,684,772)
031-STANDARD INFLATION						
Other Funds	-	-	-	1,031,950	997,822	997,822
032-ABOVE STANDARD INFLATION						
Other Funds	-	-	-	(2,034,690)	(2,034,690)	(2,034,690)
TOTAL LIMITED BUDGET (Essential Packages)						
Other Funds	-	-	-	(16,434,112)	(16,468,427)	(16,468,427)
LIMITED BUDGET (Essential Budget Level)						
Other Funds	74,446,561	81,251,146	81,251,146	60,036,679	59,408,889	59,408,889
AUTHORIZED POSITIONS	401	401	401	296	296	296
AUTHORIZED FTE	386.71	394.88	394.88	295.05	295.05	295.05
LIMITED BUDGET (Policy Packages)						
805-BUDGET RECONCILIATION ADJUSTMENTS (HB 5054)- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(2,113,017)
101-BUSINESS PROCESS OWNERS- RANK 1 - 300-00-00-00000						
Other Funds	-	-	-	860,180	849,600	849,600

Agencywide Appropriated Fund Group - BPR001

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 115

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Agencywide Appropriated Fund Group
2009-11 Biennium**

Version: Z - 01 - Leg. Adopted Budget

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
Authorized Positions	-	-	-	5	5	5
Authorized FTE	-	-	-	5.00	5.00	5.00
102-MAINTENANCE & ENHANCEMENT OF CURRENT SVC LEVELS- RANK 2 - 300-00-00-00000						
Other Funds	-	-	-	5,961,797	5,879,732	5,879,732
Authorized Positions	-	-	-	44	44	44
Authorized FTE	-	-	-	44.50	44.50	44.50
103-INFRASTRUCTURE MAINTENANCE & ENHANCEMENT- RANK 3 - 300-00-00-00000						
Other Funds	-	-	-	3,142,871	3,138,193	3,138,193
Authorized Positions	-	-	-	3	3	3
Authorized FTE	-	-	-	3.00	3.00	3.00
104-ENTERPRISE APPLICATIONS- RANK 4 - 300-00-00-00000						
Other Funds	-	-	-	7,223,186	9,714,912	9,714,912
Authorized Positions	-	-	-	4	4	4
Authorized FTE	-	-	-	4.00	4.00	4.00
105-STANDARDS, TRAINING & CERTIFICATION- RANK 5 - 300-00-00-00000						
Other Funds	-	-	-	755,000	755,000	755,000
106-DATA TRANSITION & STANDARD TOOL DEVELOPMENT- RANK 6 - 300-00-00-00000						
Other Funds	-	-	-	1,609,384	1,527,319	1,527,319
Authorized Positions	-	-	-	10	10	10
Authorized FTE	-	-	-	10.00	10.00	10.00
107-LEGAL SERVICES- RANK 7 - 300-00-00-00000						
Other Funds	-	-	-	1,000,000	1,000,000	1,000,000
TOTAL LIMITED BUDGET (Policy Packages)						
Other Funds	-	-	-	20,552,418	22,864,756	20,751,739

Agencywide Appropriated Fund Group - BPR001

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 116

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Appropriated Fund Group
2009-11 Biennium

Version: Z - 01 - Leg. Adopted Budget

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
AUTHORIZED POSITIONS	-	-	-	66	66	66
AUTHORIZED FTE	-	-	-	66.50	66.50	66.50
TOTAL LIMITED BUDGET (Including Packages)						
Other Funds	74,446,561	81,251,146	81,251,146	80,589,097	82,273,645	80,160,628
AUTHORIZED POSITIONS	401	401	401	362	362	362
AUTHORIZED FTE	386.71	394.88	394.88	361.55	361.55	361.55
NONLIMITED BUDGET (Excluding Packages)						
Other Funds	5,401,795,835	6,286,947,122	6,286,947,122	6,476,885,664	6,476,885,664	6,476,885,664
NONLIMITED BUDGET (Essential Budget Level)						
Other Funds	5,401,795,835	6,286,947,122	6,286,947,122	6,476,885,664	6,476,885,664	6,476,885,664
TOTAL NONLIMITED BUDGET (Including Packages)						
Other Funds	5,401,795,835	6,286,947,122	6,286,947,122	6,476,885,664	6,476,885,664	6,476,885,664
OPERATING BUDGET (Excluding Packages)						
Other Funds	5,476,242,396	6,368,198,268	6,368,198,268	6,553,356,455	6,552,762,980	6,552,762,980
AUTHORIZED POSITIONS	401	401	401	296	296	296
AUTHORIZED FTE	386.71	394.88	394.88	295.05	295.05	295.05
OPERATING BUDGET (Essential Packages)						
010-NON-PICS PSNL SVC / VACANCY FACTOR						
Other Funds	-	-	-	253,400	253,213	253,213
022-PHASE-OUT PGM & ONE-TIME COSTS						
Other Funds	-	-	-	(15,684,772)	(15,684,772)	(15,684,772)
031-STANDARD INFLATION						
Other Funds	-	-	-	1,031,950	997,822	997,822
032-ABOVE STANDARD INFLATION						

Agencywide Appropriated Fund Group - BPR001

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 117

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Appropriated Fund Group
2009-11 Biennium

Version: Z - 01 - Leg. Adopted Budget

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
Other Funds	-	-	-	(2,034,690)	(2,034,690)	(2,034,690)
TOTAL OPERATING BUDGET (Essential Packages)						
Other Funds	-	-	-	(16,434,112)	(16,468,427)	(16,468,427)
OPERATING BUDGET (Essential Budget Level)						
Other Funds	5,476,242,396	6,368,198,268	6,368,198,268	6,536,922,343	6,536,294,553	6,536,294,553
AUTHORIZED POSITIONS	401	401	401	296	296	296
AUTHORIZED FTE	386.71	394.88	394.88	295.05	295.05	295.05
OPERATING BUDGET (Policy Packages)						
805-BUDGET RECONCILIATION ADJUSTMENTS (HB 5054)- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(2,113,017)
101-BUSINESS PROCESS OWNERS- RANK 1 - 300-00-00-00000						
Other Funds	-	-	-	860,180	849,600	849,600
Authorized Positions	-	-	-	5	5	5
Authorized FTE	-	-	-	5.00	5.00	5.00
102-MAINTENANCE & ENHANCEMENT OF CURRENT SVC LEVELS- RANK 2 - 300-00-00-00000						
Other Funds	-	-	-	5,961,797	5,879,732	5,879,732
Authorized Positions	-	-	-	44	44	44
Authorized FTE	-	-	-	44.50	44.50	44.50
103-INFRASTRUCTURE MAINTENANCE & ENHANCEMENT- RANK 3 - 300-00-00-00000						
Other Funds	-	-	-	3,142,871	3,138,193	3,138,193
Authorized Positions	-	-	-	3	3	3
Authorized FTE	-	-	-	3.00	3.00	3.00
104-ENTERPRISE APPLICATIONS- RANK 4 - 300-00-00-00000						
Other Funds	-	-	-	7,223,186	9,714,912	9,714,912

Agencywide Appropriated Fund Group - BPR001

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 118

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Appropriated Fund Group
2009-11 Biennium

Version: Z - 01 - Leg. Adopted Budget

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
Authorized Positions	-	-	-	4	4	4
Authorized FTE	-	-	-	4.00	4.00	4.00
105-STANDARDS, TRAINING & CERTIFICATION- RANK 5 - 300-00-00-00000						
Other Funds	-	-	-	755,000	755,000	755,000
106-DATA TRANSITION & STANDARD TOOL DEVELOPMENT- RANK 6 - 300-00-00-00000						
Other Funds	-	-	-	1,609,384	1,527,319	1,527,319
Authorized Positions	-	-	-	10	10	10
Authorized FTE	-	-	-	10.00	10.00	10.00
107-LEGAL SERVICES- RANK 7 - 300-00-00-00000						
Other Funds	-	-	-	1,000,000	1,000,000	1,000,000
TOTAL OPERATING BUDGET (Policy Packages)						
Other Funds	-	-	-	20,552,418	22,864,756	20,751,739
AUTHORIZED POSITIONS	-	-	-	66	66	66
AUTHORIZED FTE	-	-	-	66.50	66.50	66.50
TOTAL OPERATING BUDGET (Including Packages)						
Other Funds	5,476,242,396	6,368,198,268	6,368,198,268	6,557,474,761	6,559,159,309	6,557,046,292
AUTHORIZED POSITIONS	401	401	401	362	362	362
AUTHORIZED FTE	386.71	394.88	394.88	361.55	361.55	361.55
DEBT SERVICE (Excluding Packages)						
Other Funds	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
DEBT SERVICE (Essential Budget Level)						
Other Funds	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
TOTAL DEBT SERVICE (Including Packages)						
Other Funds	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075

Agencywide Appropriated Fund Group - BPR001

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 119

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Appropriated Fund Group
2009-11 Biennium

Version: Z - 01 - Leg. Adopted Budget

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
TOTAL BUDGET (Excluding Packages)						
Other Funds	5,481,963,346	6,373,907,468	6,373,907,468	6,554,779,530	6,554,186,055	6,554,186,055
AUTHORIZED POSITIONS	401	401	401	296	296	296
AUTHORIZED FTE	386.71	394.88	394.88	295.05	295.05	295.05
TOTAL BUDGET (Essential Packages)						
010-NON-PICS PSNL SVC / VACANCY FACTOR						
Other Funds	-	-	-	253,400	253,213	253,213
022-PHASE-OUT PGM & ONE-TIME COSTS						
Other Funds	-	-	-	(15,684,772)	(15,684,772)	(15,684,772)
031-STANDARD INFLATION						
Other Funds	-	-	-	1,031,950	997,822	997,822
032-ABOVE STANDARD INFLATION						
Other Funds	-	-	-	(2,034,690)	(2,034,690)	(2,034,690)
TOTAL BUDGET (Essential Packages)						
Other Funds	-	-	-	(16,434,112)	(16,468,427)	(16,468,427)
TOTAL BUDGET (Essential Budget Level)						
Other Funds	5,481,963,346	6,373,907,468	6,373,907,468	6,538,345,418	6,537,717,628	6,537,717,628
AUTHORIZED POSITIONS	401	401	401	296	296	296
AUTHORIZED FTE	386.71	394.88	394.88	295.05	295.05	295.05
TOTAL BUDGET (Policy Packages)						
805-BUDGET RECONCILIATION ADJUSTMENTS (HB 5054)- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(2,113,017)
101-BUSINESS PROCESS OWNERS- RANK 1 - 300-00-00-00000						
Other Funds	-	-	-	860,180	849,600	849,600

Agencywide Appropriated Fund Group - BPR001

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 120

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Appropriated Fund Group
2009-11 Biennium

Version: Z - 01 - Leg. Adopted Budget

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
Authorized Positions	-	-	-	5	5	5
Authorized FTE	-	-	-	5.00	5.00	5.00
102-MAINTENANCE & ENHANCEMENT OF CURRENT SVC LEVELS- RANK 2 - 300-00-00-00000						
Other Funds	-	-	-	5,961,797	5,879,732	5,879,732
Authorized Positions	-	-	-	44	44	44
Authorized FTE	-	-	-	44.50	44.50	44.50
103-INFRASTRUCTURE MAINTENANCE & ENHANCEMENT- RANK 3 - 300-00-00-00000						
Other Funds	-	-	-	3,142,871	3,138,193	3,138,193
Authorized Positions	-	-	-	3	3	3
Authorized FTE	-	-	-	3.00	3.00	3.00
104-ENTERPRISE APPLICATIONS- RANK 4 - 300-00-00-00000						
Other Funds	-	-	-	7,223,186	9,714,912	9,714,912
Authorized Positions	-	-	-	4	4	4
Authorized FTE	-	-	-	4.00	4.00	4.00
105-STANDARDS, TRAINING & CERTIFICATION- RANK 5 - 300-00-00-00000						
Other Funds	-	-	-	755,000	755,000	755,000
106-DATA TRANSITION & STANDARD TOOL DEVELOPMENT- RANK 6 - 300-00-00-00000						
Other Funds	-	-	-	1,609,384	1,527,319	1,527,319
Authorized Positions	-	-	-	10	10	10
Authorized FTE	-	-	-	10.00	10.00	10.00
107-LEGAL SERVICES- RANK 7 - 300-00-00-00000						
Other Funds	-	-	-	1,000,000	1,000,000	1,000,000
TOTAL BUDGET (Policy Packages)						
Other Funds	-	-	-	20,552,418	22,864,756	20,751,739

Agencywide Appropriated Fund Group - BPR001

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 121

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Appropriated Fund Group
2009-11 Biennium

Version: Z - 01 - Leg. Adopted Budget

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
AUTHORIZED POSITIONS	-	-	-	66	66	66
AUTHORIZED FTE	-	-	-	66.50	66.50	66.50
TOTAL BUDGET (Including Packages)						
Other Funds	5,481,963,346	6,373,907,468	6,373,907,468	6,558,897,836	6,560,582,384	6,558,469,367
AUTHORIZED POSITIONS	401	401	401	362	362	362
AUTHORIZED FTE	386.71	394.88	394.88	361.55	361.55	361.55

Agencywide Appropriated Fund Group - BPR001

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 122

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Program Unit Summary
2009-11 Biennium

Version: Z - 01 - Leg. Adopted Budget

Summary Cross Reference Number	Cross Reference Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
100-00-00-00000	Tier One and Tier Two Plan						
	Other Funds	5,349,196,400	6,232,224,146	6,232,224,146	6,278,531,664	6,278,531,664	6,278,531,664
200-00-00-00000	Oregon Public Service Retirement Plan						
	Other Funds	52,599,435	54,722,976	54,722,976	198,354,000	198,354,000	198,354,000
300-00-00-00000	Operations						
	Other Funds	74,446,561	81,251,146	81,251,146	80,589,097	82,273,645	80,160,628
400-00-00-00000	Debt Service						
	Other Funds	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
TOTAL AGENCY							
	Other Funds	5,481,963,346	6,373,907,468	6,373,907,468	6,558,897,836	6,560,582,384	6,558,469,367

Agencywide Program Unit Summary - BPR010

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 123

BUDGET NARRATIVE

Revenue Forecast Discussion

Revenue Discussion

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

PERS expects adequate revenues for all programs and activities during the 2009-11 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.

Defined Benefit and Post Employment Health Care Revenue

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

Investment Earnings

Historically, investment earnings have provided the largest single source of system revenues. If investment earnings less administrative expenses are below the assumed earnings rate at the end of the calendar year, the contribution accounts of those who established membership in the system before January 1, 1996, and alternate payees of those members, will be credited the assumed rate and the difference made up from the Tier One Rate Guarantee Reserve. Any earnings in excess of the assumed earnings rate shall first be deposited in that reserve until the reserve is fully funded with amounts determined by the PERS Board based on advice from the PERS' actuary. Both earnings and losses are distributed to members' accounts that have variable annuity accounts (ORS 238.260) and/or Tier Two members' regular accounts for those who became members, and their alternate payees, on or after January 1, 1996. The Board may draw out of interest and investment income an amount to remain in the Fund and constitute one or more reserve accounts (ORS 238.670). Each member's Individual Account, as described in ORS 238A.350, is adjusted annually in accordance with rules adopted by the Board to reflect any net earnings or losses less administrative costs of maintaining the program. Investment earnings, after adjustment for administrative costs, are also credited to the OPSRP and Chapter 238 employer and retiree (Benefits In Force) reserves.

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 and 238.260. The employee contribution rate for PERS is six percent of PERS-covered salary (Judge members is seven percent).

Employer contributions are credited to the individual employer's accounts or to the account of the pool in which the employer participates. A portion of employer Chapter 238 Program contributions is credited to the RHIA and RHIPA post employment health care programs in accordance with ORS 238.415 and ORS 238.420. Employer contribution rates effective July 2007 were based on the December 31, 2005 actuarial valuation; employer contribution rates effective July 2009 are based on the December 31, 2007 actuarial valuation. Employer rates, as a percent of PERS-covered salary, effective July 1, 2007 and 2009 are:

PERS Chapter 238 Program	July 2007*	July 2009*
State Agencies	6.54%	3.36%
State and Local Government Rate Pool	14.27%	11.40%
School Pool	17.64%	14.30%
Political Subdivisions (non-pooled)	9.18%	10.70%
Judiciary	18.70%	14.95%
 OPSRP Chapter 238A Program		
General Service Pool (all employers)	5.82%	5.73%
Police and Fire Pool (all employers)	9.09%	8.44%

The rates listed are gross employer rates. Certain schools, community colleges, and political subdivisions have made Unfunded Actuarial Liability (UAL) payments. Their contribution rates have been reduced and are lower than the rates shown above. State Agency rates reflect the offset from the State's UAL payment made in 2003.

Benefit Equalization Fund (BEF) and Social Security Program

The revenues for the administration of the Benefit Equalization Fund (BEF) and the Social Security Program are derived from fees assessed to those employers receiving services from these programs. Administrative fees are reviewed and adjusted annually based on expected numbers of participating employers and projected administrative expenses. Currently, the employers of the Benefit Equalization Fund are charged \$130 per month per participant (retirees receiving benefits in excess of IRS limits) and a one-time initial setup fee of \$1,000 per participant. Employers of the Social Security Program are charged an annual administration fee of \$0.40 per employee or \$10 minimum, whichever is higher.

BUDGET NARRATIVE

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 accounts that were established to help provide 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 plan premiums are approximately three times the cost of the Medicare plan premiums. However, the premium costs for both types of plans are increasing on both an absolute and after subsidy basis.

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 2009-11 biennium. All administrative revenue is Other Funds and no matching funds are required.

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

Basis for 2009-11 Revenue Estimates

Projected investment income is based on an assumed future earnings rate of 8 percent annually. Using trend analysis of employer and employee contributions, and separately analyzing employer prepayments funding the Unfunded Actuarial Liability (UAL), PERS projected future total contributions based on a system-wide rate average. PERS separated the 6 percent employee contribution into the OPSRP Individual Account Program (IAP) from these total projected contributions beginning January 2004. An 8 percent turnover rate, one of PERS' actuarial assumptions, was used to project the number of participants establishing membership in the system on or after August 29, 2003. Projections for future growth in the three health insurance accounts (SRHIA, RHIA, and RHIPA) were provided by the PERS Health Insurance program manager, assisted by outside health insurance consultants..

BUDGET NARRATIVE

Public Employees Retirement System Revenues by Source (in millions)				
Fiscal Year	Employee and Member Contributions	Employer Contributions	Net Investment Income and Other Income	Total
1998	322.4	492.0	4,861.6	5,676.0
1999	338.9	510.4	3,492.6	4,341.9
2000	385.1	1,063.9 *	6,690.1	8,139.1
2001	415.7	682.5 *	(3,468.4)	(2,370.2)
2002	443.8	1,030.7 *	(2,425.6)	(951.1)
2003	467.4	2,621.8 *	1,469.5	4,558.7
2004	459.9	3,209.9 *	7,205.7	10,875.5
2005	458.3	855.5 *	5,756.7	7,070.5
2006	512.8	824.3 *	7,083.3	8,420.4
2007	542.2	640.9 *	10,939.7	12,122.8
2008	581.4	792.7 *	(2,869.3)	(1,495.2)

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

Source of Information: Oregon Public Employees Retirement System, an Agency of the State of Oregon, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2008.

BUDGET NARRATIVE

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 \$5,450,000 Other Funds Limited is projected for the 2009-11 biennium.

ORS 237.420 allows PERS to set a rate to cover the costs of administering the Social Security Program. That rate is currently 40 cents per employee per year or \$10, whichever is higher. A total of \$213,000 Other Funds Limited is projected for the 2009-11 biennium.

Employers are invoiced a fee consisting of a \$1,000 initial set-up charge and a \$135 monthly ongoing administrative fee per participant to fund the administrative costs of the Benefit Equalization Fund (BEF). A total of \$302,000 Other Funds Limited is projected for the 2009-11 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 \$75,000 Other Funds Limited in the 2009-11 biennium.

ORS 238.610 allows the PERS Board, by rule, to establish procedures for recovering administrative costs from members for services provided in estimating retirement benefit amounts and processing payments if the board determines that the services requested by an individual member result in extraordinary costs to the system. Effective January 1, 2004 PERS established a new charge to the member of \$60 per additional estimate to cover administrative costs of providing members additional retirement benefit estimates after the two allowed at no cost. PERS estimates a total of \$3,000 Other Funds Limited in benefit estimate service charges in the 2009-11 biennium.

PERS collects fees for various other services provided. PERS estimates a total of \$5,000 Other Funds Limited in the 2009-11 biennium based on historical trend analysis.

Projected revenue for the Deferred Compensation Program in the 2009-11 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 \$1,600,000 in the 2009-11 biennium.

BUDGET NARRATIVE

Other Revenue

ORS 238.705 allows PERS to charge employers that are delinquent in remitting contributions one percent per month on the total amount of contributions due. Employers that are delinquent in providing annual reports, or supplying annual employee information, are charged a penalty of the lesser of \$2,000 or 1 percent of the total annual contributions for each month they are late. PERS estimates a total of \$285,000 Other Funds Limited for all employer late penalty fees in the 2009-11 biennium. The estimates for the current biennium will be lower because PERS temporarily shut off the penalty charges when PERS discovered an error in jClarety program. PERS also issued credits in the 2007-09 biennium against charges that had been collected in the 2005-07 biennium.

The contract with the third party administrator for the deferred compensation program provided for a representative to assist the employers and participants who participate in the Local Government portion of the program. It was cost effective and beneficial to the participants for PERS to employ the Local Government Coordinator and invoice the third party administrator for those services. The total projected revenue to cover all costs related to the local government representative is \$200,000 Other Funds Limited in the 2009-11 biennium.

Retirees can participate in a Long Term Health Insurance program and a small portion of the premiums is collected to cover administration costs of open enrollment and other miscellaneous costs. The projected revenue is \$30,500 Other Funds Limited in the 2009-11 biennium.

Other revenue also consists of prior period reductions of expense, surplus sales, MICR errors, total of checks that have been outstanding for over 2 years and are no longer negotiable, prior period adjustments and other revenue. PERS projects revenue from these sources of \$775,000 Other Funds Non-Limited and \$11,000 Other Funds Limited in the 2009-11 biennium.

BUDGET NARRATIVE

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

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

<i>Source</i>	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
Public Employees Retirement System, Oregon				Agency Number: 45900		
2009-11 Biennium				Cross Reference Number: 45900-000-00-00000		
Other Funds						
Charges for Services	7,152,861	7,889,041	7,889,041	7,648,000	7,648,000	7,648,000
Interest Income	2,273,142	1,609,318	1,609,318	2,880,000	2,880,000	2,880,000
Other Revenues	903,435	230,200	230,200	529,500	529,500	529,500
Transfer In - Intrafund	75,781,405	85,707,675	85,707,675	75,494,127	77,994,127	77,994,127
Transfer Out - Intrafund	(5,984,535)	(8,041,588)	(8,041,588)	(4,198,012)	(4,198,012)	(4,198,012)
Tsfr To Governor, Office of the	-	-	-	-	(79,500)	(79,500)
Total Other Funds	\$80,126,308	\$87,394,646	\$87,394,646	\$82,353,615	\$84,774,115	\$84,774,115
Nonlimited Other Funds						
Charges for Services	-	160,910	160,910	-	-	-
Interest Income	20,657,715,427	10,465,082,009	10,465,082,009	5,945,100,000	5,945,100,000	5,945,100,000
Retirement System Contribution	3,082,055,144	3,497,161,820	3,497,161,820	3,389,600,000	3,389,600,000	3,389,600,000
Other Revenues	1,412,528	773,312	773,312	775,000	775,000	775,000
Transfer Out - Intrafund	(69,796,870)	(77,666,087)	(77,666,087)	(71,296,115)	(73,796,115)	(73,796,115)
Total Nonlimited Other Funds	\$23,671,386,229	\$13,885,511,964	\$13,885,511,964	\$9,264,178,885	\$9,261,678,885	\$9,261,678,885

Detail of LF, OF, and FF Revenues - BPR012

Agency Request
 Governor's Recommended
 Legislatively Adopted

Budget Page 130

BUDGET NARRATIVE

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

Source	Fund	ORBITS Revenue Acct	2005-2007 Actual	2007-09 Legislatively Adopted	2007-09 Estimated	2009-11		
						Agency Request	Governor's Recommended	Legislatively Adopted
Limited:								
Charges for Services	Limited Other	Charges for Services	7,152,861	7,889,041	7,629,071	7,648,000	7,648,000	7,648,000
Interest Earnings	Limited Other	Interest Income	2,273,142	1,609,318	2,822,829	2,880,000	2,880,000	2,880,000
Other	Limited Other	Other Revenues	903,435	230,200	352,742	529,500	529,500	529,500
Non-limited:								
Charges for Services	Nonlimited Other	Charges for Services		160,910				
Interest Earnings	Nonlimited Other	Interest Income	20,657,715,427	10,465,082,009	10,603,235,044	5,945,100	5,945,100	5,945,100
Donations and Contributions	Nonlimited Other	Retirement System Contribution	3,082,055,144	3,497,161,820	2,896,744,917	3,389,600,000	3,389,600,000	3,389,600,000
Other	Nonlimited Other	Other Revenues	1,412,528	773,312	700,000	775,000	775,000	775,000

2009-11

107BF07

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 131

2009-11

107BF02

BUDGET NARRATIVE

Agencywide Revenues and Disbursements Summary

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Revenues and Disbursements Summary
2009-11 Biennium

Version: Z-01-Leg. Adopted Budget

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
Other Funds	49,149,870,536	63,637,899,758	67,419,419,727	75,018,418,869	75,018,418,869	75,018,418,869
0030 Beginning Balance Adjustment						
Other Funds	-	-	-	(8,328,459,692)	(8,328,459,692)	(27,919,293,688)
TOTAL BEGINNING BALANCE						
Other Funds	49,149,870,536	63,637,899,758	67,419,419,727	66,689,959,177	66,689,959,177	47,099,125,181
REVENUE CATEGORIES						
CHARGES FOR SERVICES						
0410 Charges for Services						
Other Funds	7,152,861	8,049,951	8,049,951	7,648,000	7,648,000	7,648,000
INTEREST EARNINGS						
0605 Interest Income						
Other Funds	20,659,988,569	10,466,691,327	10,466,691,327	5,947,980,000	5,947,980,000	5,947,980,000
DONATIONS AND CONTRIBUTIONS						
0915 Retirement System Contribution						
Other Funds	3,082,055,144	3,497,161,820	3,497,161,820	3,389,600,000	3,389,600,000	3,389,600,000
OTHER						
0975 Other Revenues						
Other Funds	2,315,963	1,003,512	1,003,512	1,304,500	1,304,500	1,304,500
TRANSFERS IN						
1010 Transfer In - Intrafund						

Agencywide Revenues and Disbursements Summary - BPR011

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 132

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Agencywide Revenues and Disbursements Summary
2009-11 Biennium

Version: Z-01-Leg. Adopted Budget

<i>Description</i>	<i>2005-07 Actuals</i>	<i>2007-09 Leg Adopted Budget</i>	<i>2007-09 Leg Approved Budget</i>	<i>2009-11 Agency Request Budget</i>	<i>2009-11 Governor's Rec. Budget</i>	<i>2009-11 Leg Adopted Budget</i>
Other Funds	75,781,405	85,707,675	85,707,675	75,494,127	77,994,127	77,994,127
TOTAL REVENUES						
Other Funds	23,827,293,942	14,058,614,285	14,058,614,285	9,422,026,627	9,424,526,627	9,424,526,627
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
Other Funds	(75,781,405)	(85,707,675)	(85,707,675)	(75,494,127)	(77,994,127)	(77,994,127)
2121 Tsfr To Governor, Office of the						
Other Funds	-	-	-	-	(79,500)	(79,500)
TOTAL TRANSFERS OUT						
Other Funds	(75,781,405)	(85,707,675)	(85,707,675)	(75,494,127)	(78,073,627)	(78,073,627)
AVAILABLE REVENUES						
Other Funds	72,901,383,073	77,610,806,368	81,392,326,337	76,036,491,677	76,036,412,177	56,445,578,181
EXPENDITURES						
Other Funds	5,481,963,346	6,373,907,468	6,373,907,468	6,558,897,836	6,560,582,384	6,558,469,367
ENDING BALANCE						
Other Funds	67,419,419,727	71,236,898,900	75,018,418,869	69,477,593,841	69,475,829,793	49,887,108,814

Agencywide Revenues and Disbursements Summary - BPR011

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 133

BUDGET NARRATIVE

Program Units

Tier One and Tier Two Programs

Overview

More than 870 public employers, employing approximately 95 percent of all public employees in Oregon, participate in PERS death, disability, retirement, and retiree health care benefit programs. These include all state agencies, universities and community colleges; all public school districts; and almost all cities, counties, and other local government units. Active Tier One and Tier Two membership totals approximately 167,000 non-retired members and 105,300 retirees and beneficiaries receiving monthly retirement benefits. In the calendar year that ended December 2007, there were 951 retired members who received a lump-sum payment under ORS 238.315 because their computed monthly retirement allowance was under \$200.

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

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

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

Base Budget Adjustments

Changes have been made to both revenues and expenditures to reflect updated projections. The contracted services expenditure for the administration of health care programs has been updated based on the projected number of participants and inflation.

BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon
2009-11 Biennium

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

Source	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
Nonlimited Other Funds						
Charges for Services	-	160,910	160,910	-	-	-
Interest Income	20,071,963,704	10,413,284,889	10,413,284,889	5,540,400,000	5,540,400,000	5,540,400,000
Retirement System Contribution	2,056,846,128	2,511,305,270	2,511,305,270	2,210,100,000	2,210,100,000	2,210,100,000
Other Revenues	704,664	773,312	773,312	775,000	775,000	775,000
Transfer Out - Intrafund	(52,314,013)	(61,161,083)	(61,161,083)	(43,986,197)	(45,528,574)	(45,528,574)
Total Nonlimited Other Funds	\$22,077,200,483	\$12,864,363,298	\$12,864,363,298	\$7,707,288,803	\$7,705,746,426	\$7,705,746,426

Detail of LF, OF, and FF Revenues - BPR012

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 135

BUDGET NARRATIVE

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

Source	Fund	ORBITS Revenue Acct	2005-2007 Actual	2007-09 Legislatively Adopted	2007-09 Estimated	2009-11		
						Agency Request	Governor's Recommended	Legislatively Adopted
Tier 1 & 2								
Charges for Services	Nonlimited Other	Charges for Services		160,910				
Interest Earnings	Nonlimited Other	Interest Income	20,071,963,704	10,413,284,889	10,340,607,973	5,540,400,000	5,540,400,000	5,540,400,000
Donations and Contributions	Nonlimited Other	Retirement System Contribution	2,056,846,128	2,511,305,270	1,767,406,041	2,210,100,000	2,210,100,000	2,210,100,000
Other	Nonlimited Other	Other Revenue	704,664	773,312	700,000	775,000	775,000	775,000

2009-11

107BF07

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 136

2009-11

107BF02

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary
2009-11 Biennium
Tier One and Tier Two Plan

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

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
NONLIMITED BUDGET (Excluding Packages)						
SERVICES & SUPPLIES						
Other Funds	4,833,196	5,307,546	5,307,546	5,993,664	5,993,664	5,993,664
SPECIAL PAYMENTS						
Other Funds	5,344,363,204	6,226,916,600	6,226,916,600	6,272,538,000	6,272,538,000	6,272,538,000
TOTAL NONLIMITED BUDGET (Excluding Packages)						
Other Funds	5,349,196,400	6,232,224,146	6,232,224,146	6,278,531,664	6,278,531,664	6,278,531,664
NONLIMITED BUDGET (Essential Budget Level)						
Other Funds	5,349,196,400	6,232,224,146	6,232,224,146	6,278,531,664	6,278,531,664	6,278,531,664
TOTAL NONLIMITED BUDGET (Including Packages)						
Other Funds	5,349,196,400	6,232,224,146	6,232,224,146	6,278,531,664	6,278,531,664	6,278,531,664
OPERATING BUDGET						
Other Funds	5,349,196,400	6,232,224,146	6,232,224,146	6,278,531,664	6,278,531,664	6,278,531,664
TOTAL BUDGET						
Other Funds	5,349,196,400	6,232,224,146	6,232,224,146	6,278,531,664	6,278,531,664	6,278,531,664

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 137

BUDGET NARRATIVE

Oregon Public Service Retirement Plan

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 43,500 active members and three retired members receiving monthly ordinary disability benefits in the OPSRP Pension Program.

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.

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 2009-11 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.

Base Budget Adjustments

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

BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon
2009-11 Biennium

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

<i>Source</i>	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
Nonlimited Other Funds						
Interest Income	585,751,723	51,797,120	51,797,120	404,700,000	404,700,000	404,700,000
Retirement System Contribution	1,025,209,016	985,856,550	985,856,550	1,179,500,000	1,179,500,000	1,179,500,000
Other Revenues	707,864	-	-	-	-	-
Transfer Out - Intrafund	(17,482,857)	(16,505,004)	(16,505,004)	(27,309,918)	(28,267,541)	(28,267,541)
Total Nonlimited Other Funds	\$1,594,185,746	\$1,021,148,666	\$1,021,148,666	\$1,556,890,082	\$1,555,932,459	\$1,555,932,459

Detail of LF, OF, and FF Revenues - BPR012

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 139

BUDGET NARRATIVE

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

Source	Fund	ORBITS Revenue Acct	2005-2007 Actual	2007-09 Legislatively Adopted	2007-09 Estimated	2009-11		
						Agency Request	Governor's Recommended	Legislatively Adopted
OPSRP								
Interest Earnings	Nonlimited Other	Interest Income	585,751,723	51,797,120	262,627,071	404,700,000	404,700,000	404,700,000
Donations and Contributions	Nonlimited Other	Retirement System Contribution	1,025,209,016	985,856,550	1,129,338,876	1,179,500,000	1,179,500,000	1,179,500,000
Other	Nonlimited Other	Other Revenues	707,864					

2009-11

107BF07

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 140

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary
 2009-11 Biennium
 Oregon Public Service Retirement Plan

Version: Z - 01 - Leg. Adopted Budget
 Cross Reference Number: 45900-200-00-00-00000

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
NONLIMITED BUDGET (Excluding Packages)						
SERVICES & SUPPLIES						
Other Funds	4,313,026	4,222,976	4,222,976	4,754,000	4,754,000	4,754,000
SPECIAL PAYMENTS						
Other Funds	48,286,409	50,500,000	50,500,000	193,600,000	193,600,000	193,600,000
TOTAL NONLIMITED BUDGET (Excluding Packages)						
Other Funds	52,599,435	54,722,976	54,722,976	198,354,000	198,354,000	198,354,000
NONLIMITED BUDGET (Essential Budget Level)						
Other Funds	52,599,435	54,722,976	54,722,976	198,354,000	198,354,000	198,354,000
TOTAL NONLIMITED BUDGET (Including Packages)						
Other Funds	52,599,435	54,722,976	54,722,976	198,354,000	198,354,000	198,354,000
OPERATING BUDGET						
Other Funds	52,599,435	54,722,976	54,722,976	198,354,000	198,354,000	198,354,000
TOTAL BUDGET						
Other Funds	52,599,435	54,722,976	54,722,976	198,354,000	198,354,000	198,354,000

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 141

BUDGET NARRATIVE

Operations

Overview

As previously stated, PERS administers a number of retirement related programs for more than 870 public employers in Oregon, including all state agencies, all public school districts, and the majority of local government entities. The five-member Public Employee Retirement Board (PERB) provides governance administrative oversight for all PERS' programs.

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

PERS orders its divisions as follows: Central Administration, Benefit Payments Division (BPD), Fiscal Services Division (FSD), Information Services 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; and processing death, disability, and divorce transactions. 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 and other special projects.

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 \$1.1 billion annually in member and employer contributions; and the disbursement of almost \$3 billion annually in 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 procurement. FSD also contains the Facilities Services Section that manages office supplies, general building maintenance, shipping and receiving, and other various ancillary tasks.

BUDGET NARRATIVE

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 perform 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 unit within the Business Information and Technology section maintains records from numerous sources. The infrastructure and technical components of RIMS conversion to the jClarety application are located 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 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 2009-11 Other Funds Limitation base budget is adjusted downward by \$5,835,207 Other Funds due primarily to the phasing out of 105 limited duration positions, 99.83 FTE. The base budget was adjusted upward for \$1,054,852 Other Funds for estimated cost of 2009-11 Merit Increase. The services, supplies, and capital outlay expenditures associated with these positions and the various projects associated with 2003 PERS reform are contained in the Package 022 Phase-out Program and One-time Costs.

Modified in Governor's Recommended Budget by a decrease of \$191 to reflect a reduction in Flex Benefits & PERS Contribution Adjustment.

BUDGET NARRATIVE

Package 010 Non-PICS Personal Services/Vacancy Factor

Package Description

This package contains a total increase of \$253,213 Other Funds. The increase is due primarily to the net increase of \$212,166 for the PERS portion of the pension obligation bond. This package includes standard inflation of 2.80 percent on non-PICS personal service expenses such as temporary employees, overtime, shift and other differentials, and unemployment compensation; this accounts for \$31,103 including other payroll expenses. There is a reduction of (\$13,961) for mass transit taxes. Vacancy savings is “decreased” by \$23,905 when compared to the 2007-09 biennium.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

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

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Temporary Appointments	-	-	4,530	-	-	-	4,530
Overtime Payments	-	-	15,603	-	-	-	15,603
Shift Differential	-	-	57	-	-	-	57
All Other Differential	-	-	6,044	-	-	-	6,044
Public Employees' Retire Cont	-	-	1,783	-	-	-	1,783
Pension Bond Contribution	-	-	212,166	-	-	-	212,166
Social Security Taxes	-	-	2,005	-	-	-	2,005
Unemployment Assessments	-	-	1,079	-	-	-	1,079
Mass Transit Tax	-	-	(13,961)	-	-	-	(13,961)
Vacancy Savings	-	-	23,905	-	-	-	23,905
Reconciliation Adjustment	-	-	2	-	-	-	2
Total Personal Services	-	-	\$253,213	-	-	-	\$253,213
Total Expenditures							
Total Expenditures	-	-	253,213	-	-	-	253,213
Total Expenditures	-	-	\$253,213	-	-	-	\$253,213
Ending Balance							
Ending Balance	-	-	(253,213)	-	-	-	(253,213)
Total Ending Balance	-	-	(\$253,213)	-	-	-	(\$253,213)

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 145

BUDGET NARRATIVE

Package 022 Phase-out Program and One-time Costs

Package Description

Total reductions of (\$15,684,772) 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. 110 Strunk/Eugene Project\$ (748,190)
 - Pkg. 111 RIMS Conversion Project.....(12,751,075)
 - Pkg. 112 Retirement Processing(142,175)
 - Pkg. 113 Retirement Support.....(48,025)
 - Pkg. 114 Operations and Infrastructure Support.....(995,307)
 - Pkg. 115 Legal Services..... (1,000,000)
- Total one-time costs and phase-outs\$(15,684,772)**

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
Services & Supplies							
Employee Training	-	-	(100,525)	-	-	-	(100,525)
Office Expenses	-	-	(460,000)	-	-	-	(460,000)
Telecommunications	-	-	(93,024)	-	-	-	(93,024)
Data Processing	-	-	(1,557,200)	-	-	-	(1,557,200)
Professional Services	-	-	(1,000,000)	-	-	-	(1,000,000)
IT Professional Services	-	-	(10,904,050)	-	-	-	(10,904,050)
Facilities Rental and Taxes	-	-	(667,060)	-	-	-	(667,060)
Facilities Maintenance	-	-	(198,413)	-	-	-	(198,413)
Expendable Prop 250 - 5000	-	-	(1,000)	-	-	-	(1,000)
IT Expendable Property	-	-	(111,100)	-	-	-	(111,100)
Total Services & Supplies	-	-	(\$15,092,372)	-	-	-	(\$15,092,372)
Capital Outlay							
Data Processing Software	-	-	(77,400)	-	-	-	(77,400)
Data Processing Hardware	-	-	(515,000)	-	-	-	(515,000)
Total Capital Outlay	-	-	(\$592,400)	-	-	-	(\$592,400)
Total Expenditures							
Total Expenditures	-	-	(15,684,772)	-	-	-	(15,684,772)
Total Expenditures	-	-	(\$15,684,772)	-	-	-	(\$15,684,772)

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 147

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

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

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	15,684,772	-	-	-	15,684,772
Total Ending Balance	-	-	\$15,684,772	-	-	-	\$15,684,772

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 148

BUDGET NARRATIVE

Package 031 Standard Inflation

Package Description as modified in the Governor's Recommended Budget

The total cost of goods and services and capital outlay increases by \$997,822 Other Funds. The Department of Administrative Services (DAS) Price List of Goods and Services and the standard inflation factor are the basis for calculating cost increases in services, supplies, and capital outlay. Biennial inflation factors used is the standard 2.8 percent. Attorney General expenditures increase by \$225,375, reflecting a composite 23 percent increase based on the mix of services utilized by PERS.

The DAS Price List includes assessment charges by DAS and the Secretary of State as well as costs for central services and other selected items totaling an increase of \$552,141 in State Government Services Charges. Treasury fees are reflected in package 032 below and are also part of State Government Service Charges.

The Essential and Policy Package Fiscal Impact Summary – BPR013 is on page 152 and 153.

BUDGET NARRATIVE

Package 032 Above Standard Inflation

Package Description

The total cost of and goods and services decreases by (\$2,034,690) Other Funds. This total is primarily due to a decrease of (\$2,365,701) in Data Processing due to a reduction in the State Data Center charges. PERS received approval for the following:

- an increase of \$16,052 in Instate Travel to reflect increased fuel costs in Department of Administrative Services motor pool charges,
- an increase of \$252,728 in Facilities Maintenance for Department of Administrative Services agreements and in self support rent,
- an increase of \$3,730 in Professional Services for medical services related to PERS disability claims and contested cases; this increase is the difference between the medical services inflation factor of 4.40 percent and the standard inflation factor of 2.80 percent,
- an increase of \$42,367 in Facilities Rental and Taxes for non-uniform rent and storage,
- an increase of \$16,134 in State Government Service Charges to reflect Treasury charges which is based on user fee price list.

The Essential and Policy Package Fiscal Impact Summary – BPR013 is on page 154.

BUDGET NARRATIVE

State Government Service Charges

The total increase of \$568,275 in State Government Service Charges, as reflected in both Package 031 and 032, is detailed below:

	2007-09	2009-11	
	LAB	GRB	Difference
Central Government Service Charge	\$ 248,478	\$270,945	\$ 22,467
DAS Service Charges (various assessments)	812,883	894,649	81,766
DAS User Fees – State Controller’s Division (SCD).....	44,511	155,805	111,294
Minority, Women, & Emerging Small Business	9,826	13,771	3,945
Oregon Government Ethics Commission	-	6,483	6,483
Risk combined Property, Liability, & Workers Comp	123,679	286,657	162,978
Secretary of State – Administrative Rules.....	-	4,454	4,454
Secretary of State – Audits Division	350,000	510,000	160,000
Oregon State Library Assessment	71,591	110,370	38,779
State of Oregon Law Library	23,222	27,954	4,732
State Treasury Charges (based on user fee).....	173,652	144,695	(28,957)
State Treasury/Debt Management (COP) Charges.....	3,020	3,354	334
Total State Government Service Charges.....	\$1,860,862	\$2,429,137	\$568,275

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

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

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	3,248	-	-	-	3,248
Out of State Travel	-	-	321	-	-	-	321
Employee Training	-	-	17,190	-	-	-	17,190
Office Expenses	-	-	47,653	-	-	-	47,653
Telecommunications	-	-	14,535	-	-	-	14,535
State Gov. Service Charges	-	-	552,141	-	-	-	552,141
Data Processing	-	-	29,400	-	-	-	29,400
Publicity and Publications	-	-	7,002	-	-	-	7,002
Professional Services	-	-	45,627	-	-	-	45,627
IT Professional Services	-	-	14,363	-	-	-	14,363
Attorney General	-	-	225,375	-	-	-	225,375
Dispute Resolution Services	-	-	2,333	-	-	-	2,333
Employee Recruitment and Develop	-	-	1,675	-	-	-	1,675
Dues and Subscriptions	-	-	1,464	-	-	-	1,464
Fuels and Utilities	-	-	4,650	-	-	-	4,650
Facilities Maintenance	-	-	3,360	-	-	-	3,360
Other COP Costs	-	-	182	-	-	-	182
Other Services and Supplies	-	-	78	-	-	-	78
Expendable Prop 250 - 5000	-	-	2,330	-	-	-	2,330
IT Expendable Property	-	-	14,947	-	-	-	14,947
Total Services & Supplies	-	-	\$987,874	-	-	-	\$987,874
Capital Outlay							
Office Furniture and Fixtures	-	-	891	-	-	-	891
Telecommunications Equipment	-	-	1,811	-	-	-	1,811

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 152

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

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

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Data Processing Software	-	-	3,002	-	-	-	3,002
Data Processing Hardware	-	-	4,244	-	-	-	4,244
Total Capital Outlay	-	-	\$9,948	-	-	-	\$9,948
Total Expenditures							
Total Expenditures	-	-	997,822	-	-	-	997,822
Total Expenditures	-	-	\$997,822	-	-	-	\$997,822
Ending Balance							
Ending Balance	-	-	(997,822)	-	-	-	(997,822)
Total Ending Balance	-	-	(\$997,822)	-	-	-	(\$997,822)

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 153

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 032 - Above Standard Inflation

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	16,052	-	-	-	16,052
State Gov. Service Charges	-	-	16,134	-	-	-	16,134
Data Processing	-	-	(2,365,701)	-	-	-	(2,365,701)
Professional Services	-	-	3,730	-	-	-	3,730
Facilities Rental and Taxes	-	-	42,367	-	-	-	42,367
Facilities Maintenance	-	-	252,728	-	-	-	252,728
Total Services & Supplies	-	-	(\$2,034,690)	-	-	-	(\$2,034,690)
Total Expenditures							
Total Expenditures	-	-	(2,034,690)	-	-	-	(2,034,690)
Total Expenditures	-	-	(\$2,034,690)	-	-	-	(\$2,034,690)
Ending Balance							
Ending Balance	-	-	2,034,690	-	-	-	2,034,690
Total Ending Balance	-	-	\$2,034,690	-	-	-	\$2,034,690

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 154

BUDGET NARRATIVE

Package 101 Business Process Owners

Package Description as modified in the Governor's Recommended Budget

Purpose: PERS requests \$849,600 Other Funds and authority to establish five permanent positions (5.00 FTE), each assigned to specific agency divisions or operational areas, to form a cross-divisional team focused on improving agency operations. This discrete team of Senior Operations Analysts will coordinate and align continuous process improvements with agency strategic goals and performance measures. This team will continue to coordinate the execution of RCP and other projects with agency-wide interdependencies, such as IAP administration, legislative implementation, and data warehousing.

The BPO Team was a significant innovation, born within the context of the RIMS Conversion Project. Previously, the agency did not efficiently and effectively address special projects and process improvements. There was no central hub for the evaluation and development of business operational changes. Consequently, divisions worked as “silos” that would apply their individual perspective without due consideration of the agency’s broader needs or the rippling effects of change.

Within RCP, the BPO Team was tasked with designing the new benefits administration system solutions needed as a result of the legacy database decommissioning. This investment of key staff resources over the past four years has paid off in securing a positive outcome for RCP because the process-driven approach slices through the operational silos and focuses efforts on results, not pieces.

Given that experience, this POP will leverage that investment by making the BPO Team a permanent resource and key drivers in our continuous process improvement program. This package will allow the agency to build on proven success and maximize our return on investment by retaining the structure of a cross divisional team that is highly effective because it is intimately familiar with the capabilities of our new systems and can use that knowledge to better streamline and integrate our business processes. This team will be the agency’s principle “home” for the knowledge of best practices, system design, production controls, and other key functions that an inter-related, process-driven approach requires.

Team operations are more efficient as the skills of process identification, evaluation, communication, and collaboration are highly developed and consistently applied. Creating this team means process improvements are achieved faster, with a better perspective and higher quality. Inculcating a cross-divisional approach to problem identification and solution recognizes the diverse components and interdependencies, breaking down “silo” thinking and narrow constructs. Maintaining a cross-divisional approach improves the quality of risk assessments and thereby improves the likelihood of identifying risks early on to better design effective avoidance and mitigation strategies.

BUDGET NARRATIVE

How Achieved: Establish a cross-divisional team to focus on process design and improvement with clear lines of authority, established priorities, and direct communication, promoting efficiency and accountability. This team's goals will be:

- To develop tools that track progress on the agency strategic goals, strengthen metrics for measuring success, and identify risks and mitigation strategies.
- To make decisions more efficiently, reducing agency risk by improved collaboration and reporting mechanisms, and create a holistic view of agency processes and services.
- To report and monitor agency risks as they align with strategic outcomes, thereby conflating important aspects of our business that are currently performed by various positions.

The Business Process Owners' team would provide the following benefits to agency operations:

- Process change identification, evaluation, communication, and collaboration would proceed more efficiently, with better quality, more dependability, greater speed, and broader perspective.
- Continuous process improvement, with all its attendant reporting, reviewing, and referencing functions, would be centralized, establishing clearer lines of authority, consistent priorities, and improved communication and accountability.
- Problem identification and solution implementation would be enhanced by taking a cross-divisional approach that recognizes the diverse components and interdependencies of agency operations.

Staffing Impact: Five permanent Operations & Policy Analyst 3 positions (5.00 FTE)

Modifications Included in Legislatively Adopted Budget

- Changed the five permanent full-time positions (5.00 FTE) to limited-duration full-time 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.

2011-13 Fiscal Impact: The anticipated impact to 2011-13 is estimated to be approximately the same amount seeing this request is for permanent positions.

Modifications Included in Legislatively Adopted Budget

- The full cost of this package will phase-out in the 2011-13 Essential Budget Level (EBL)

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 101 - Business Process Owners

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	860,180	-	-	-	860,180
Total Revenues	-	-	\$860,180	-	-	-	\$860,180
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	588,720	-	-	-	588,720
Empl. Rel. Bd. Assessments	-	-	210	-	-	-	210
Public Employees' Retire Cont	-	-	48,390	-	-	-	48,390
Social Security Taxes	-	-	45,035	-	-	-	45,035
Worker's Comp. Assess. (WCD)	-	-	310	-	-	-	310
Mass Transit Tax	-	-	3,530	-	-	-	3,530
Flexible Benefits	-	-	128,400	-	-	-	128,400
Reconciliation Adjustment	-	-	5	-	-	-	5
Total Personal Services	-	-	\$814,600	-	-	-	\$814,600
Services & Supplies							
Employee Training	-	-	10,000	-	-	-	10,000
Office Expenses	-	-	25,000	-	-	-	25,000
Total Services & Supplies	-	-	\$35,000	-	-	-	\$35,000
Total Expenditures							
Total Expenditures	-	-	849,600	-	-	-	849,600
Total Expenditures	-	-	\$849,600	-	-	-	\$849,600

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 101 - Business Process Owners

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	10,580	-	-	-	10,580
Total Ending Balance	-	-	\$10,580	-	-	-	\$10,580
Total Positions							
Total Positions							5
Total Positions	-	-	-	-	-	-	5
Total FTE							
Total FTE							5.00
Total FTE	-	-	-	-	-	-	5.00

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 158

BUDGET NARRATIVE

8/19/09 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

2009-11
 PICS SYSTEM: BUDGET PREPARATION

PAGE 1
 PROD FILE

PACKAGE: 101 - Business Process Owners

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
1110101	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	02	4,906.00		117,744 44,469			117,744 44,469
1110102	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	02	4,906.00		117,744 44,469			117,744 44,469
1110103	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	02	4,906.00		117,744 44,469			117,744 44,469
1110104	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	02	4,906.00		117,744 44,469			117,744 44,469
1110105	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	02	4,906.00		117,744 44,469			117,744 44,469
TOTAL PICS SALARY									588,720			588,720
TOTAL PICS OPE									222,345			222,345
TOTAL PICS PERSONAL SERVICES =			5	5.00	120.00				811,065			811,065

BUDGET NARRATIVE

Package 102 Maintenance and Enhancement of Current Service Levels

Package Description as modified in the Governor's Recommended Budget

Purpose: PERS requests \$5,879,732 Other Funds, the establishment of 43 permanent positions to replace current limited duration positions, an increase from a part-time to a full-time permanent position (43.50 FTE); and the continuance of one limited-duration position (1.00 FTE). These positions are needed to maintain the agency's current service levels and to meet the agency's strategic goals and performance objectives. There are 11 necessary components in this package: Addressing Program Services for IAP and OPSRP, Centralized Document Intake for All Retirement Documents, Support Current Service Levels and Increased Retirement Volume, Business Rule Development and Maintenance, Increase Timeliness of Eligibility Determinations, Retirement Application Process Follow-up on the Phone Team, Call Center Support, Development and Maintenance of Contracts and Procurement, Processing Appeals and Reviews of Agency Determinations, Legislative Analysis and Research Support, and Agency Human Resources Support.

Addressing Program Services for IAP and OPSRP

Purpose and How Achieved: PERS requests \$779,609 Other Funds and the establishment of six permanent positions (6.00 FTE), currently limited duration positions approved for the 2007-2009 biennium.

Current and increasing service demands require staff to process transactions in Tier One/Tier Two, Judge Program, OPSRP, and IAP. Six limited-duration positions were requested for IAP retirement and two limited-duration positions for withdrawal processes in the 2007-09 biennium. Volumes of 3,480 IAP retirements and 2,953 IAP withdrawals are anticipated in the 2009-11 biennium as they parallel anticipated Tier One/Two Program volumes of 5,883 retirements and 4,871 withdrawals. Moreover, legislation from 2007 requires a withdrawal application to cover all PERS programs so withdrawals from IAP will trigger transactions in the programs. Given this ongoing workload, these positions are necessary to maintain current service levels.

Staffing Impact: Four positions in the Retirement Services Section will process the anticipated workload volume of 3,480 IAP retirements, 27 OPSRP Pension retirements, 289 IAP beneficiary pay-outs post death, and 48 IAP for divorce split account requests. They will remain with a team of three permanent FTE to process an anticipated volume of 4,000 total applications annually at a rate of 571 per FTE.

- Two permanent Retirement Counselor 1 positions (2.00 FTE), position numbers 1110201 and 1110202.
- Two permanent Retirement Counselor 2 positions (2.00 FTE), position numbers 1110205 and 1110206.

Two positions in the Customer Services Division, the Member Account Priority Processing (MAPP) team, will continue to process current service level of 2,953 withdrawals from the Individual Account Program at a rate of 1,477 annually per FTE.

- Two permanent Retirement Counselor 1 positions (2.00 FTE), position numbers 1110203 and 1110204.

BUDGET NARRATIVE

Centralized Document Intake for All Retirement Documents

Purpose and How Achieved: PERS requests \$892,413 Other Funds and the establishment of eight permanent positions (8.00 FTE), currently limited-duration positions approved for the 2007-09 biennium, and the creation of a new section, Benefit Application Intake and Processing Section (BAIP), within the Benefits Payment Division (BPD).

During 2009, BPD will centralize document intake into one unit under a newly established section, BAIP, to maximize the functionality of FileNet electronic workflow. With workflow, documents are scanned by a bar code and then enter a work cue for review, approval, and follow-up. Since one member's form may apply to several different PERS processes, (e.g., a beneficiary form may apply to a divorce split request, a service retirement, or an Individual Account Program (IAP) retirement), BPD will process all intake forms centrally. This will provide seamless services to members and lessen the circumstances where a form or application is directed to the wrong program. The Principle Executive/Management B position will provide supervision to a team of 13 intake staff across six programs to ensure automated and manual processes obtain all necessary documentation to pay out a benefit. The six programs are: Death benefits, Judge retirements, Tier One and Tier Two, Individual Account Program, Oregon Public Service Retirement Plan, and Divorce splits. Current staff of five positions, which provide application and form intake in the Retirement Services Section and the Specialty Services Section, will join the requested positions detailed below to form this new intake team. This team will process approximately 79,600 documents annually including 6,000 retirees times 8 documents per retirement application = 48,000; 4,000 IAP retirement application times 4 documents per application; = 16,000; 4,000 deaths per year times 3 documents per death = 12,000; 1,200 divorce decrees per year; and 2,400 divorce correspondence per year; resulting in an average of 6,123 processed documents per year per FTE. These documents include applications for all programs, rollover forms, tax forms, demographic forms, beneficiary forms, death certificates, and divorce split templates. This team will verify the accuracy and completeness of submitted documents, send any necessary follow-up requests, and move the completed documents to the unit that processes benefits.

Staffing Impact:

The following eight requested positions will form this new unit described above in the newly established Benefit Application Intake and Processing Section:

- One permanent Principle Executive/Manager B position (1.00 FTE), position number is 1110214.
- Four permanent Office Specialist 2 positions (4.00 FTE), position numbers 1110209 through 1110212.
- One permanent Retirement Counselor 2 position (1.00 FTE), position number is 1110213.
- Two permanent Office Specialist 2 positions, specializing in IAP and OPSRP benefits, (2.00 FTE), position numbers 1110207 and 1110208.

Modifications Included in Legislatively Adopted Budget

- Changed all eight permanent full-time positions (8.00 FTE) under "Centralized Document Intake for All Retirement Documents" to limited-duration full-time positions.

BUDGET NARRATIVE

Support Current Service Levels and Increased Retirement Volume

Purpose and How Achieved: PERS requests \$1,302,129 Other Funds and the establishment of 10 permanent positions (10.00 FTE), currently limited-duration positions that were approved for the 2007-09 biennium, for continued support in retirement benefits and adjustments. These positions will remain with a team of 11 permanent staff in the Retirement Services Section to calculate retirements and adjustments in Tier One/Tier Two and Judge Programs. This team, consisting of 21 permanent positions (21.00 FTE), will process 288 calculations per FTE, totaling approximately 6,000 retirement applications per year. The initial calculation of retirement benefits includes a multi-step analysis, verification, and validation of the member's final average salary, the member's service credit, the total of the member's account balance from each employment segment, application of a statutory factor, an age factor and any applicable survivorship factor. Each retirement benefit must be calculated under two (and sometimes three) methods. The member benefit is paid using the method with the highest resulting payment. Any adjustment to a retirement benefit repeats the same steps as the initial calculation, followed by a comparison between the initial and the adjusted benefit. This process ends with issuing any retroactive benefit or invoice resulting from the adjustment.

Staffing Impact:

The following 10 requested positions will be part of the Retirement Services Section:

- Four permanent Retirement Counselor 1 positions (4.00 FTE), position numbers 1110215 through 1110218.
- Three permanent Retirement Counselor 2 positions (3.00 FTE), position numbers 1110219 through 1110221.
- One permanent Operations & Policy Analyst 1 position (1.00 FTE), position number is 1110222.
- Two permanent Operations & Policy Analyst 2 positions (2.00 FTE), position numbers 1110223 through 1110224.

BUDGET NARRATIVE

Business Rule Development and Maintenance

Purpose and How Achieved:

PERS requests \$287,404 and the establishment of two permanent positions (2.00 FTE), currently limited-duration positions approved for the 2007-09 biennium, in the Policy, Planning, and Legislative Analysis Division (PPLAD) to provide the business rules necessary to codify agency policies and procedures. Business rules are the agency's record and the principal source to support programming, processes, training, and daily operations. Once RCP has closed, these permanent positions would continue revising, updating, and developing non-RCP business rules as the agency's policies and procedures change with new legislation, regulations, process improvements, and other identified efficiencies. Each business rule requires research, analysis, and, once developed, extensive review, negotiation, and revision before approval. The 2 Operations & Policy Analyst 1 positions will join 1 Operations & Policy Analyst 2 position to form the Business Rules Writing Team. This team will develop or revise approximately 275 business rules each year of the 2009-11 biennium, for a total monthly workload of 549 hours, equaling 183 hours per month, per FTE.

Staffing Impact:

- Two permanent Operations & Policy Analyst 1 positions (2.00 FTE), position numbers 1110225 and 1110226.

Modifications Included in Legislatively Adopted Budget

- Changed both permanent full-time positions (2.00 FTE) under "Business Rule Development and Maintenance" to limited-duration full-time positions.

BUDGET NARRATIVE

Increase Timeliness of Eligibility Determinations:

Purpose and How Achieved:

PERS requests \$1,561,650 Other Funds and the establishment of 12 permanent positions (12.00 FTE), currently limited-duration positions approved for the 2007-09 biennium, to perform services within the Member Account Priority Processing (MAPP) team.

2003 Reform legislation mandated that all public employees employed since 2004 have at least two benefit programs, either Tier one/Tier Two and Individual Account Program (IAP) or Oregon Public Service Retirement Plan (OPSRP) Pension Program and IAP. The current just-in-time (JIT) model is inadequate to meet Key Performance Measure (KPM) #1, timely benefit payments, and KPM #7, allowing customers to make informed retirement decisions based on reliable data. This inadequacy is highlighted by 138 members changing their retirement date in 2007 due to adjustments made to their account after they had applied for a benefit.

Therefore, we plan to certify legacy (pre-2004) employment history at the member's earliest retirement eligibility date. During the 2007-09 biennium, the Customer Service Division (CSD) organized a unit named the Member Account Priority Processing team (MAPP) to certify the accuracy of the accounts of members who have applied for a benefit. The annual volume for Tier One/Tier Two members in 2007 was approximately 6,000 retirements, 225 disabilities, 4,871 withdrawals, and 55 deaths. The annual volume for IAP/OPSRP Pension Program in the same time period was 6,000 retirements, 225 disabilities, 2,954 withdrawals and 55 deaths. The statute and technology for certifying member accounts pre- and post-2004 require different skills, knowledge, and experience. Staff must understand the legacy information, rules, and the system as well as the new program rules and system to accurately evaluate and certify member accounts. Therefore, CSD will create two teams to address certification of member data in an effective and efficient manner. One group will focus on legacy programs and systems (Tier One/Tier Two and RIMS) managed by the Principal Executive/Manager B, and the other group will focus on the new programs and systems (OPSRP Pension, IAP and jClarety) managed by the Principal Executive/Manager D. This proactive approach will allow PERS to improve the timeliness of eligibility studies to 60 percent completed within 45 days of the effective retirement date and allow members to make a better informed decision based on the estimate. The change will be made in incremental stages based on retirement eligibility.

To support this effort, we are requesting additional permanent staff to increase our current service level from 10 percent to 60 percent of accounts certified in 30 days from the benefit date, an essential component to the agency reaching its goal of 80 percent of benefits paid in 45 days from the effective retirement date. To manage this most effectively, the current Principal Executive/Manager D will supervise two teams, one focused on pre-2004 accounts and the other team focused on post-2004 accounts.

BUDGET NARRATIVE

Pre-2004 accounts – Legacy Eligibility Team:

Certifying pre-2004 accounts requires staff to review data fields and paper documentation for each employment segment in the member’s account to validate member employment history; qualifying and non-qualifying service time; and credit, salary, contributions, and earnings necessary for calculating benefits accurately. It includes identifying missing or ineligible employment segments, reviewing and comparing archived paper historical documents and data contained in multiple computer systems, and testing salary and contributions that exceed expected tolerances. The initial seven-step review process results in about 20 percent of accounts requiring additional research and paper documentation from one or more employer(s), with an average of four employment segments being researched and adjustments made to one or more systems. It takes an average of 20 steps per account to obtain valid documentation and correct inaccuracies. Additionally, for auditing purposes, two staff members must approve the determination and results. Current projections indicate that 42 percent of members will require manual research and adjustment post- RCP conversion to resolve exceptions before benefits can be calculated and payments issued. The legacy certification process was not programmed in RIMS and will be one of the processes requiring manual intervention even after deployment of the new jClarety computer system.

The Principal Executive/Manager D position, number 0137210, will supervise a team consisting of a Principal Executive/Manager B to manage a legacy eligibility team of 19 positions, consisting of 11 existing permanent positions and the eight requested permanent positions below. The goal is to move the eligibility certification from the “just-in-time” model to the member’s earliest retirement eligibility date. The annual projected volume for Tier One/Tier Two eligibility studies is 4,606 member accounts.

One permanent position can complete 19 eligibility studies per month, 229 annually. This legacy eligibility team of 20 FTE will process approximately 4,580 accounts annually, 229 accounts per year per FTE.

Staffing Impact:

- One permanent Principal Executive/Manager B position (1.00 FTE), position number 1110235
- Three permanent Retirement Counselor 1 positions (3.00 FTE), position numbers 1110228 through 1110230
- Four permanent Retirement Counselor 2 positions (4.00 FTE), position numbers 1110231 through 1110234
- One permanent Office Specialist 2 position (1.00 FTE), position number 1110227

Modifications Included in Legislatively Adopted Budget

- Changed all nine permanent full time positions (9.00 FTE) under “Pre-2004 accounts-Legacy Eligibility Team” to limited duration full time positions.

BUDGET NARRATIVE

Post -2004 accounts – jClarety Eligibility Team:

Certifying post-2004 accounts requires reviewing wage and contribution records submitted electronically on a payroll-by-payroll basis from employers using the Employer Data Exchange (EDX) system. This is a change from the legacy process in which employers submitted employee data one time per year per employee to a process of reporting at least 12 times per year per employee. PERS staff reviews the electronic wage and contribution records submitted from each employer to identify inconsistencies that could indicate either duplicate or missing wage and contribution records and records rejected by jClarety because they do not meet the reporting requirements. PERS' staff works collaboratively with employers to validate the accuracy or to request the employer correct the data. PERS also provides technical support for the new EDX system.

The Principal Executive/Manager D will directly manage a team of 12 staff consisting of nine existing positions and the three permanent positions requested below. This team will be further split into two groups. One group will work on withdrawals and the other group will work on eligibility/separation in IAP/OPSRP. An existing Operations & Policy Analyst 2 position also provides technical assistance to the entire MAPP Team.

One FTE can complete 161 accounts per month, or approximately 1,932 annually. The IAP/OPSRP eligibility/separation team of 5 FTE will process approximately 7,980 accounts annually.

Staffing Impact:

- One permanent Retirement Counselor 1 position (1.00 FTE), position number 1110236
- Two permanent Retirement Counselor 2 positions (2.00 FTE), position numbers 1110237 and 1110238

Modifications Included in Legislatively Adopted Budget

- Changed all three permanent full time positions (3.00 FTE) under “Post-2004 accounts-jClarety Eligibility Team” to limited duration full time positions.

BUDGET NARRATIVE

Retirement Application Process Follow-up on the phone team:

Purpose and How Achieved:

PERS requests \$146,008 Other Funds and the establishment of one permanent position (1.00 FTE), currently a limited-duration position approved for the 2007-09 biennium, in the Information Service Section in the Customer Services Division. This position was established in 2005 by an internal realignment of a Retirement Counselor 2 position in response to member inquiries that could not be resolved by first call resolution, or that resulted from significant service retirement or member account issues. This position manages issues that could affect the member's eligibility to retire on his or her selected retirement date by communicating directly with operations and the member before the member terminates employment. This intervention helps prevent possible delays in paying the benefit, and thereby directly affects the results of PERS' Key Performance Measurement #1. Typical issues include: refunds to retired members who received a lump-sum payment under ORS 238.315 because their computed monthly retirement benefit amount was under \$200 per month (679 in 2007); non-age eligible retirements (298 in 2007); ongoing eligibility studies; retirement application discrepancies; service time and separation issues; option changes; class changes; adjustments; and purchases. This position's functions directly support 6,000 annual retirements by acting as the primary liaison between CSD, BPD, and the member. Since 2005, approximately 2,500 cases have been assigned annually. Seventy-three percent of these cases are completed in 60 days, which meets PERS' service standard of resolving issues within 62 days.

Staffing Impact:

- One permanent Retirement Counselor 2 position (1.00 FTE), position number 1110239

Call Center Support:

PERS requests \$135,890 Other Funds and the establishment of one permanent position (1.00 FTE), currently a limited-duration position approved for the 2007-09 biennium, in the Call Center unit in the Information Services Section in the Customer Services Division. The call center receives over 140,000 calls annually from active and inactive members, retirees, beneficiaries, and the general public. Call volume has steadily increased from 126,000 calls in 2004 to 140,000 in 2007. To meet the agency service standards of answering 90 percent of the calls within two minutes, call abandonment rate of less than 10 percent, and Key Performance Measurement #6, it is critical to establish this position as a permanent position. Call volume for this position could potentially be 12,000 calls per year.

Staffing Impact:

- One permanent Retirement Counselor 1 position (1.00 FTE), position number 1110240

BUDGET NARRATIVE

Development and Maintenance of Contracts and Procurement:

Purpose and How Achieved:

PERS requests \$157,357 Other Funds and the continuance of one limited-duration position (1.00 FTE) approved for the 2007-09 biennium, in the Business Operations Section in Fiscal Services Division. This position will negotiate, execute, and administer a minimum of 150 procurement transactions, or approximately 25 percent of the anticipated workload volume of more than 600 procurement transactions in 2009-11, based on the 20 – 30 percent annual workload increases experienced in 2006 and 2007. And, based on classification level, this position will focus on higher risk and dollar level contracts for supplies, professional services, employee training, retiree health insurance administration, grounds maintenance, Information Technology (IT) hardware and software, and IT project support for the remainder of the RIMS Conversion Project (RCP).

Staffing Impact:

- One limited duration Procurement and Contract Specialist 2 position (1.00 FTE), position number 1110241

Processing Appeals and Reviews of Agency Determinations:

Purpose and How Achieved:

PERS requests \$231,060 Other Funds and the establishment of one permanent position (1.00 FTE), currently a limited-duration position approved for the 2007-09 biennium, and to change a part-time (.50 FTE) position to full-time (1.00 FTE). Both positions are in the Policy, Planning, and Legislative Analysis Division (PPLAD).

In 2005-07, a limited duration Compliance Specialist 1 position was added to administer the appeals and reviews generated from the PERS Reform legislation and subsequent litigation. As predicted, the Oregon Supreme Court's decision in the *Strunk* and *Eugene* cases resulted in a substantial increase in requests for reviews and contested cases, an increase of over 500 percent from 2006 to 2007. Administration of those cases and others which arise from continued litigation is expected to continue into the 2009-11 biennium and beyond. Overall, the increase in transactions by the agency has also resulted in an increased number of requested reviews, appeals, and hearings. Also, a part-time (.50 FTE) Compliance Specialist 2 permanent position that administers member appeals and contested case hearings is requested to increase to a full-time (1.00 FTE) permanent position to maintain the current level of service. Previously, reviews of staff actions and contested case administration were not centralized. Moreover, these matters have increased in volume and complexity as the PERS Plan has changed over the years. These reviews and appeals are all now consolidated to a single area for efficiency, consistency, and quality assurance. Appeals and requests for contested case hearings are anticipated to reach 222 for the 2009-11 biennium, of which 30 percent are associated with the *Strunk* and *Eugene* decision. That number could be significantly higher, pending new legal challenges or court decisions. The 222 appeals or contested case hearings translate into nearly 454 hours per month, thus requiring two full-time positions to handle this workload. As the *Strunk* and *Eugene* cases are resolved, these positions will shift to support the ongoing workload of general appeals and contested cases.

Staffing Impact:

- One permanent Compliance Specialist 1 position (1.00 FTE), position number 1110242
- Increase a permanent Compliance Specialist 2 part-time position (0.50 FTE) to a full-time position (1.00 FTE), position number 0301052

____ Agency Request

____ Governor's Recommended

X Legislatively Adopted

Budget Page 168

BUDGET NARRATIVE

Legislative Analysis and Research Support:

Purpose and How Achieved:

PERS requests \$169,919 Other Funds and the establishment of a permanent position (1.00 FTE), currently a limited-duration position approved for the 2007-09 biennium, in the Policy, Planning, and Legislative Analysis Division (PPLAD).

The 2003 PERS Reform legislation also has resulted in an increase in the volume of legislative analysis and research. For example, PERS adopted 28 Oregon Administrative Rules (OAR) to codify legislation in 2006; in 2007, the number of rules increased 114 percent to 60 rules. In the 2005 regular session, eight PERS-related bills were adopted; that number increased to 19 in the 2007 legislative session. So PERS can continue to provide timely legislative review, policy analysis, and implementation plans, coordinating these efforts through the addition of a permanent position would improve the quality, efficiency, and consistency of those efforts.

Staffing Impact:

- One permanent Operations and Policy Analyst 3 position (1.00 FTE), position number 1110243

BUDGET NARRATIVE

Agency Human Resources Support:

Purpose and How Achieved:

PERS requests 216,293 Other Funds and the establishment of one permanent position (1.00 FTE), currently a limited-duration position approved for the 2007-09 biennium, in Human Resources to support the overall needs of the agency in grievances, discrimination and harassment complaints, Labor and Equal Opportunity Complaints, organizational structure, position management, classification, labor relations/collective bargaining, layoffs, recruitment, and training.

The duties of this position have changed and grown significantly since it was originally established in 2005. Due to continued growth in employee base, this position will offer a qualified, credible source of advice for employees, thereby reducing the need for employees to access the grievance procedure, file Bureau of Labor & Industries complaints, or file legal action against the agency. Although the state does not have a formal comparison of human resource positions to the total number of agency employees, other agencies have set their ratio at one human resource position to every 60 (60.00 FTE) employees. With this permanent position, PERS' would match these other agencies' ratio. In addition, this position is necessary to meet the following strategic initiatives: maintain and improve current customer service levels (strategic initiative #2), optimize effectiveness and efficiencies (strategic initiative #3), and support staff in developing the skill set required to support strategic outcomes (strategic initiative #5).

Staffing Impact:

- One permanent Human Resource Analyst 3 position (1.00 FTE), position number 1110244

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.

2011-13 Fiscal Impact: Forty three permanent positions and one position that changes from a part-time to a full-time position continue into the 2011-13 biennium. The fiscal impact is \$5,716,450 Other Funds for personal services and an additional \$262,038 Other Funds for services and supplies, totaling \$5,722,375.

Modifications Included in Legislatively Adopted Budget

- Funding for 21 permanent positions (21.00 FTE) and one position that changes from a part-time to a full-time position (0.50 FTE) were approved at a total cost of \$2,980,908 Other Funds. Funding for an additional 23 positions (23.00 FTE) were approved as limited duration positions at a total cost of \$2,898,824 Other Funds. These 23 limited duration positions and associated costs will phase-out in the 2011-13 Essential Budget Level.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 102 - Maintenance & Enhancement of Current Svc Levels

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	5,961,797	-	-	-	5,961,797
Total Revenues	-	-	\$5,961,797	-	-	-	\$5,961,797
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	3,833,052	-	-	-	3,833,052
Empl. Rel. Bd. Assessments	-	-	1,869	-	-	-	1,869
Public Employees' Retire Cont	-	-	315,076	-	-	-	315,076
Social Security Taxes	-	-	293,227	-	-	-	293,227
Worker's Comp. Assess. (WCD)	-	-	2,759	-	-	-	2,759
Mass Transit Tax	-	-	22,998	-	-	-	22,998
Flexible Benefits	-	-	1,142,760	-	-	-	1,142,760
Reconciliation Adjustment	-	-	28	-	-	-	28
Total Personal Services	-	-	\$5,611,769	-	-	-	\$5,611,769
Services & Supplies							
Employee Training	-	-	45,463	-	-	-	45,463
Office Expenses	-	-	222,500	-	-	-	222,500
Total Services & Supplies	-	-	\$267,963	-	-	-	\$267,963
Total Expenditures							
Total Expenditures	-	-	5,879,732	-	-	-	5,879,732
Total Expenditures	-	-	\$5,879,732	-	-	-	\$5,879,732

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 171

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 102 - Maintenance & Enhancement of Current Svc Levels

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	82,065	-	-	-	82,065
Total Ending Balance	-	-	\$82,065	-	-	-	\$82,065
Total Positions							
Total Positions							44
Total Positions	-	-	-	-	-	-	44
Total FTE							
Total FTE							44.50
Total FTE	-	-	-	-	-	-	44.50

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 172

BUDGET NARRATIVE

8/19/09 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

2009-11
 PICS SYSTEM: BUDGET PREPARATION

PAGE 2
 PROD FILE

PACKAGE: 102 - Maintenance & Enhancement of C

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
0137070	OA C0104 AA	OFFICE SPECIALIST 2	1-	1.00	24.00	06	2,695.00		64,680-36,049-			64,680-36,049-
0137070	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	06	2,695.00		64,680-36,049			64,680-36,049
0137480	OA C0104 AA	OFFICE SPECIALIST 2	1-	1.00	24.00	05	2,585.00		62,040-35,630-			62,040-35,630-
0137480	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	05	2,585.00		62,040-35,630			62,040-35,630
0301052	OA C5247 AA	COMPLIANCE SPECIALIST 2		.50	12.00	09	4,951.00		59,412-22,321			59,412-22,321
0501119	OA C1484 IA	INFO SYSTEMS SPECIALIST 4	1-	1.00	24.00	04	4,056.00		97,344-41,233-			97,344-41,233-
0501119	OA C1484 IA	INFO SYSTEMS SPECIALIST 4	1	1.00	24.00	04	4,056.00		97,344-41,233			97,344-41,233
0510531	OA C0104 AA	OFFICE SPECIALIST 2	1-	1.00	24.00	05	2,585.00		62,040-35,630-			62,040-35,630-
0510531	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	05	2,585.00		62,040-35,630			62,040-35,630
1110201	OA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	06	3,383.00		81,192-38,669			81,192-38,669
1110202	OA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	05	3,235.00		77,640-38,106			77,640-38,106
1110203	OA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	07	3,547.00		85,128-39,293			85,128-39,293
1110204	OA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	04	3,086.00		74,064-37,538			74,064-37,538
1110205	OA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	09	4,286.00		102,864-42,108			102,864-42,108
1110206	OA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	05	3,547.00		85,128-39,293			85,128-39,293
1110207	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	04	2,473.00		59,352-35,203			59,352-35,203

BUDGET NARRATIVE

8/19/09 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

2009-11
 PICS SYSTEM: BUDGET PREPARATION

PAGE 3
 PROD FILE

PACKAGE: 102 - Maintenance & Enhancement of C

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
1110208	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	04	2,473.00		59,352 35,203			59,352 35,203
1110209	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	03	2,380.00		57,120 34,849			57,120 34,849
1110210	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	05	2,585.00		62,040 35,630			62,040 35,630
1110211	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	06	2,695.00		64,680 36,049			64,680 36,049
1110212	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	05	2,585.00		62,040 35,630			62,040 35,630
1110213	OA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	04	3,383.00		81,192 38,669			81,192 38,669
1110214	MMS X7002 AA	PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	04	4,238.00		101,712 41,926			101,712 41,926
1110215	OA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	04	3,086.00		74,064 37,538			74,064 37,538
1110216	OA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	05	3,235.00		77,640 38,106			77,640 38,106
1110217	OA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	05	3,235.00		77,640 38,106			77,640 38,106
1110218	OA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	05	3,235.00		77,640 38,106			77,640 38,106
1110219	OA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	04	3,383.00		81,192 38,669			81,192 38,669
1110220	OA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	04	3,383.00		81,192 38,669			81,192 38,669
1110221	OA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	04	3,383.00		81,192 38,669			81,192 38,669
1110222	OA C0870 AA	OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	05	3,727.00		89,448 39,980			89,448 39,980
1110223	OA C0871 AA	OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	04	4,286.00		102,864 42,108			102,864 42,108

BUDGET NARRATIVE

8/19/09 REPORT NO.: PDPFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY: 45900 PUB EMPLOYEES RETIREMENT SYSTEM
 SUMMARY XREF: 300-00-00 Operations

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

2009-11
 PICS SYSTEM: BUDGET PREPARATION

PAGE 4
 PROD FILE

PACKAGE: 102 - Maintenance & Enhancement of C

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
1110224	OA C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	04	4,286.00		102,864 42,108			102,864 42,108
1110225	OA C0870	AA OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	08	4,286.00		102,864 42,108			102,864 42,108
1110226	OA C0870	AA OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	05	3,727.00		89,448 39,980			89,448 39,980
1110227	OA C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	02	2,284.00		54,816 34,484			54,816 34,484
1110228	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	06	3,383.00		81,192 38,669			81,192 38,669
1110229	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	06	3,383.00		81,192 38,669			81,192 38,669
1110230	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	06	3,383.00		81,192 38,669			81,192 38,669
1110231	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	05	3,547.00		85,128 39,293			85,128 39,293
1110232	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	05	3,547.00		85,128 39,293			85,128 39,293
1110233	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	05	3,547.00		85,128 39,293			85,128 39,293
1110234	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	07	3,903.00		93,672 40,650			93,672 40,650
1110235	MMS X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	04	4,238.00		101,712 41,926			101,712 41,926
1110236	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	07	3,547.00		85,128 39,293			85,128 39,293
1110237	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	06	3,727.00		89,448 39,980			89,448 39,980
1110238	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	06	3,727.00		89,448 39,980			89,448 39,980
1110239	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	08	4,089.00		98,136 41,358			98,136 41,358

BUDGET NARRATIVE

8/19/09 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

2009-11
 PICS SYSTEM: BUDGET PREPARATION

PAGE 5
 PROD FILE

PACKAGE: 102 - Maintenance & Enhancement of C

POSITION NUMBER	CLASS	CDMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1110240	OA	C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	08	3,727.00		89,448 39,980			89,448 39,980
1110241	OA	C0437	AA PROCUREMENT & CONTRACT SPEC 2	1	1.00	24.00	05	4,495.00		107,880 42,905			107,880 42,905
1110242	OA	C5246	AA COMPLIANCE SPECIALIST 1	1	1.00	24.00	09	4,089.00		98,136 41,358			98,136 41,358
1110243	MMN	X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	02	4,906.00		117,744 44,469			117,744 44,469
1110244	MMS	X1322	AA HUMAN RESOURCE ANALYST 3	1	1.00	24.00	09	6,565.00		157,560 50,788			157,560 50,788
8900204	OA	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	09	3,086.00		74,064 37,538			74,064 37,538
8900204	OA	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	09	3,086.00		74,064 37,538			74,064 37,538
9500160	OA	C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	02	2,052.00		49,248 33,600			49,248 33,600
9500160	OA	C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	02	2,052.00		49,248 33,600			49,248 33,600
9900320	OA	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	04	2,473.00		59,352 35,203			59,352 35,203
9900320	OA	C0104	AA OFFICE SPECIALIST 2	1	1.00	24.00	04	2,473.00		59,352 35,203			59,352 35,203
TOTAL PICS SALARY										3,833,052			3,833,052
TOTAL PICS OPE										1,755,691			1,755,691
TOTAL PICS PERSONAL SERVICES =				44	44.50	1068.00				5,588,743			5,588,743

BUDGET NARRATIVE

Package 103 Infrastructure Maintenance & Enhancement

Package Description

Purpose: PERS requests \$3,138,193 Other Funds, the establishment of two permanent positions (2.00 FTE), currently limited- duration positions that were approved for the 2007-09 biennium, and the continuance of one limited-duration position (1.00 FTE). These positions are needed to support the migration of microfilmed images from deteriorating film stock to digital images in the agency's electronic content management repository and the ongoing mail pick-up and delivery services between PERS' headquarters and the 72nd Avenue facility. \$775,000 is requested to maintain the lease for the 72nd Avenue facility through June 2011. \$2,082,849 is requested for ongoing maintenance and service charges for hardware and software maintenance, for purchases in accordance to PERS' Lifecycle Replacement Plan, and to strengthen the core agency infrastructure.

How Achieved:

Document Imaging

The Image and Information Management (IIM) section currently 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. The bulk of membership and employer information is currently on microfilm and needs to be migrated to FileNet, our new electronic content management system. Working copies of the microfilm are deteriorating and either require replacement or migration to another media. Migration of information from microfilm to digital imaging is the efficient and cost-effective direction the agency is moving toward. Having this information in a media easily accessible to business users reduces the time required to process retirement and withdrawal applications. The IIM film library consists of approximately 4,800 rolls of working microfilm, which hold an estimated 24 million images. Ultimately, all of this film will need to be migrated to digital images to facilitate timely processing of member retirement applications.

Solution: PERS requests 2 permanent positions to migrate film rolls that are in critical condition to digital media. Staffing is necessary to provide support in migrating that information off of the deteriorating film before replacement copies have to be made from the original silver copy maintained at the State Archives in Salem. This is an ongoing effort (as opposed to one-time) until all document images currently maintained on film are migrated to digital. The business objective is to provide timely information to the business units for processing retirement as well as protecting and preserving the official public records for the retention cycle of the information.

72nd Avenue Building Facility Support

Since the 2003-2005 biennium, PERS staff have occupied leased space in a commercial facility on SW 72nd due to lack of available capacity within the Headquarters facility. The leased space houses Benefit Payments Division staff and additional staff and contractors committed to the RCP effort and conversion to the jClarety platform. The current lease expires in September 2008. DAS Facilities has negotiated a lease extension, and current cost estimates for 2009-2011 requirements are in the range of \$775,000. In addition, Facilities Services provides twice-daily mail and office supply delivery services from headquarters to SW 72nd.

Solution: This activity is supported by 1 limited duration position since 2003. This request continues funding for that position and incorporates the additional costs associated with the leased facility through the end of the 2009-2011 biennium.

BUDGET NARRATIVE

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. This section is responsible for preparing PERS' IT Lifecycle Replacement Planning to ensure the agency's infrastructure supports the technology associated with the RIMS Conversion Project (RCP) and the critical activities needed in carrying out agency operations. This initiative is for maintenance and service charges that were initially covered under the original purchases for jClarety and FileNet, and the continuation of various other software maintenance agreements and service charges.

Solution: Eighty-nine percent of the total request, \$1,745,649, will be used for maintenance and service charges for jClarety and FileNet and the continuation of various other software maintenance agreements, maintenance, and service charges. The remainder is for periodic replacement of hardware and peripherals and for miscellaneous consulting services.

Staffing Impact: Two permanent Office Assistant 2 positions (2.00 FTE), which are currently limited duration positions, and one continued limited duration Mail Services Assistant position (1.00 FTE).

Modifications Included in Legislatively Adopted Budget

- Changed the two permanent full-time Office Assistant positions (2.00 FTE) to limited-duration full-time 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.

2011-13 Fiscal Impact: Two permanent positions continue into the 2011-13 biennium. The fiscal impact is \$172,939 Other Funds for personal services and an additional \$11,850 Other Funds for services and supplies, totaling \$184,789.

Modifications Included in Legislatively Adopted Budget

- Funding for the three limited-duration positions and costs related to the leased 72nd Avenue facility, totaling \$1,177,680 Other Funds, were approved on a one-time basis and will phase-out in the 2011-13 Essential Budget Level. \$1,960,513 Other Funds was approved on a permanent basis for technology maintenance agreements, service charges, and lifecycle equipment replacement.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

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

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	3,142,871	-	-	-	3,142,871
Total Revenues	-	-	\$3,142,871	-	-	-	\$3,142,871
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	159,024	-	-	-	159,024
Empl. Rel. Bd. Assessments	-	-	126	-	-	-	126
Public Employees' Retire Cont	-	-	13,072	-	-	-	13,072
Social Security Taxes	-	-	12,166	-	-	-	12,166
Worker's Comp. Assess. (WCD)	-	-	186	-	-	-	186
Mass Transit Tax	-	-	954	-	-	-	954
Flexible Benefits	-	-	77,040	-	-	-	77,040
Reconciliation Adjustment	-	-	1	-	-	-	1
Total Personal Services	-	-	\$262,569	-	-	-	\$262,569
Services & Supplies							
Employee Training	-	-	2,775	-	-	-	2,775
Office Expenses	-	-	137,336	-	-	-	137,336
Data Processing	-	-	1,629,324	-	-	-	1,629,324
Facilities Rental and Taxes	-	-	775,000	-	-	-	775,000
IT Expendable Property	-	-	102,850	-	-	-	102,850
Total Services & Supplies	-	-	\$2,647,285	-	-	-	\$2,647,285

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

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

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Data Processing Hardware	-	-	228,339	-	-	-	228,339
Total Capital Outlay	-	-	\$228,339	-	-	-	\$228,339
Total Expenditures							
Total Expenditures	-	-	3,138,193	-	-	-	3,138,193
Total Expenditures	-	-	\$3,138,193	-	-	-	\$3,138,193
Ending Balance							
Ending Balance	-	-	4,678	-	-	-	4,678
Total Ending Balance	-	-	\$4,678	-	-	-	\$4,678
Total Positions							
Total Positions							3
Total Positions	-	-	-	-	-	-	3
Total FTE							
Total FTE							3.00
Total FTE	-	-	-	-	-	-	3.00

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 180

BUDGET NARRATIVE

8/19/09 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

2009-11
 PICS SYSTEM: BUDGET PREPARATION

PAGE 6
 PROD FILE

PACKAGE: 103 - Infrastructure Maintenance & E

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
1110301	OA C0102 AA	OFFICE ASSISTANT 2	1	1.00	24.00	04	2,128.00		51,072 33,889			51,072 33,889
1110302	OA C0102 AA	OFFICE ASSISTANT 2	1	1.00	24.00	05	2,214.00		53,136 34,217			53,136 34,217
1110303	OA C0405 AA	MAIL SERVICES ASSISTANT	1	1.00	24.00	06	2,284.00		54,816 34,484			54,816 34,484
TOTAL PICS SALARY									159,024			159,024
TOTAL PICS OPE									102,590			102,590
TOTAL PICS PERSONAL SERVICES =			3	3.00	72.00				261,614			261,614

BUDGET NARRATIVE

Package 104 Enterprise Applications

Package Description as modified in the Governor's Recommended Budget

Purpose: PERS requests \$9,714,912 Other Funds for the continuation of the RIMS conversion project (RCP), including the establishment of three permanent positions (3.00 FTE), the continuance of one limited-duration position (1.00 FTE), and to fund contractors. This package continues the implementation of the modern benefit administration system (jClarety) requested in the 2007 – 2009 PERS Legislatively Adopted Budget, Package 111. Specifically, this package is designed to improve and expedite data migration and cleansing and to strategically support RCP and subsequent enterprise operations by focusing on automated enterprise regression testing tools and system development and environmental support. There are six necessary components in this package: RIMS Conversion Project, Maintenance and Enhancement post RCP, Data Migration/Data Prep, Data Quality/Integrity, Leverage Existing Systems and Technology, and Enterprise Applications Support.

Purpose and How Achieved:

RIMS Conversion Project (RCP): PERS requests \$6,034,244 Other Funds for professional services. This amount is the sum of \$3,534,244 the remainder of the overall original \$27,500,000 RCP project budget, and a \$2,500,000 increase in the overall RCP project budget, to be spent in 2009-11 for RCP completion. Funding for this project was approved through June 30, 2009, and needs to be continued through the 2009-11 budget. RCP requirements and projected expenditures through June 30, 2010 as well as fiscal impact of incorporating intervening legislation, were evaluated to identify any additional requirements. It was determined that the project needed an additional dollars and an extension of the project end date.

Phase II of RCP establishes jClarety as the major line-of-business application to administer all PERS retirement programs and to serve as the central point for information flow throughout the agency. Other defined components of the enterprise-wide technology architecture are workflow, financial management, digital document management, development platforms, call center tools, and query and reporting tools. These components form a tightly integrated set of tools that PERS staff will use to provide better service to members, employers, and other stakeholders.

Maintenance and Enhancement (M&E) post-RCP: PERS requests \$700,000 Other Funds in professional services for jClarety M&E, which has been funded through the RCP project. PERS anticipates there will still be a need for funding to address functionality gaps and operational enhancements that may be identified after the last scheduled RCP release. Based on historical M&E expenditures, in the 2005-07 and 2007-09 biennia we should plan for approximately \$175,000 per quarter or \$700,000 Other Funds total for one fiscal year since the project will most likely end mid-way through the 2009-11 biennium. Post-RCP, this will be considered for inclusion in the 2011-13 essential budget level as the need for ongoing M&E is reevaluated and refined. Providing funding for continued M&E to this new system will allow functionality to be corrected or improved and will decrease interruptions to the business processes jClarety supports.

BUDGET NARRATIVE

Data Migration/Data Prep: PERS requests \$720,000 Other Funds in professional services to analyze and adjust member records. As part of the RIMS Conversion Project (RCP), data must be migrated from RIMS (legacy system) to jClarety. To complete Stage 2A in early 2009, we know approximately 42 percent of all member accounts contain data that will not migrate, and these data need to be corrected. We expect similar data issues for the benefit data migration in Stage 2B. The goal is to develop a strategy to integrate all data successfully into the new system as needed. To do this, resources are required to analyze and adjust member records, including funding for approximately 10 contractors through June 30, 2010, when Stage 2B should be completed. This proposal is similar to the model that has worked successfully for Stage 2A. In Stage 2B, we expect to have a 5 percent error rate on the total number of records and will need the same staffing level to mitigate these errors so the records can be successfully migrated.

The benefit will be that the data exceptions for Stage 2B will be corrected and all data will migrate to jClarety successfully. This will benefit all staff, members, and retirees since jClarety will be the system that the staff will rely on in all business processes and customer service inquiries.

Data Quality/Integrity: PERS requests \$1,440,000 Other Funds in professional services for continued funding for 10 NextSource contractors; \$129,965 Other Funds in personal services and \$5,925 Other Funds in services and supplies to establish one permanent Retirement Counselor 2 position (1.00 FTE), currently a limited-duration position approved for the 2007-09 biennium, to continue the Data Validation program; and \$170,775 Other Funds in personal services and \$5,925 to continue one limited-duration Operations and Policy Analyst 2 position.

Real-time electronic reporting and data migration from RIMS to jClarety has uncovered data issues. The goal is to resolve these earlier than just before application for a benefit, to quickly verify and complete member records, and to pay member benefits in an accurate and timely manner (i.e., 45 days from the retirement date), a PERS Key Performance Measure. To do this, we need to implement two initiatives: strengthen the data validation process at the point of data entry and outsource work to contractors that can focus on specific data exceptions and issues.

The benefits of this component are:

- Incrementally decreased initial benefit payment time from 92 to 45 days or less.
- Meet agency's customer service goal and key performance measure of uninterrupted cash flow for members going from active employment to retirement.
- Reduced difficulty of eligibility investigations by reducing the number of accounts with bad data to approximately 15 percent by the end of the 2009-11 biennium
- Increased additional time for employers to correct member accounts from 30 days to two years, which will also reducing their frustration with PERS. Employers will have many more opportunities to review data, even prior to the two years before early retirement date
- Increased customer satisfaction survey results to the good or excellent categories by the end of the 2009-11 biennium
- Increased PERS reputation as a well-respected organization that serves our members delivering retirement benefits effectively and efficiently, quantified by:

BUDGET NARRATIVE

- Member/retiree surveys, or
 - PERS defining what it means to deliver retirement benefits effectively and efficiently and measuring against that goal.
- Limited amount of maintenance needed for future retirements after accounts are verified
 - Actuarial evaluations will be more accurate with increased valid data
 - Member accounts will be more accurate with increased valid data
 - Reduced financial impact on employers when eligibility errors are identified earlier in the member's career
 - Increased staff morale when errors are caught and corrected earlier in the benefit process
 - Constant improvement in data validity as project progresses

Leverage Existing Systems and Technology: PERS requests \$90,000 Other Funds in professional services to hire a contractor for approximately 75 hours per month, at \$100 per hour, for 12 months; \$25,000 Other Funds in IT expendable property to update security and monitoring hardware; and \$46,000 Other Funds in IT expendable property to purchase a desktop application to increase overall network stability and security. Storage capacity and network devices are continuing to increase as PERS adds new functionality to the enterprise architecture. Consequently, PERS may be unable to provide a stable and responsive network infrastructure and support system without improvements. The goal is to increase overall network stability and security and to reduce the complexity in the computing environment to more efficiently manage computing resources. Updating security and monitoring software will improve information security, and purchasing desktop thin-client migration software will enable the Technical Operations Section to deploy applications to one destination instead of multiple desktops.

Enterprise Applications Support: PERS requests \$325,228 Other Funds in personal services and \$21,850 Other Funds in services and supplies to establish two new permanent Information Systems Specialist 7 positions to focus on automated enterprise regression test development and tools development and environmental (non-production) support. The Information Services Division (ISD) needs to support the agency's strategic goals and cannot achieve this with current staffing levels. The goal is to address business needs quickly and effectively, as well as to support and maintain the Oregon Retirement Information Online Network (ORION) enterprise long term (post-RIMS Conversion Project). ISD plans to do this by reorganizing its resources, which it has already begun to do. The addition of these two new positions is part of the restructure plan and are necessary to focus on automated enterprise regression test development and tools development and environmental (non-production) support. The agency must posture itself to start the maintenance and support for ongoing changes in ORION. As a result, ISD has reorganized and consolidated two existing sections into one called the Enterprise Application Section to better meet the needs of the business. Within this new section, a new team, the Support Services Team, was formed to quickly and reliably respond and address changes in ORION.

BUDGET NARRATIVE

The benefits are:

- Development of automated enterprise regression tests would save time in testing. Manual tests would typically take 10 days to run; it would take two hours for these same tests to run if they were automated.
- Automate testing would increase coverage of current testing from approximate 20 percent to approximately 67-70 percent. This greater coverage would help ensure the desired level of quality and accuracy of ORION.
- A dedicated Enterprise Systems Support Specialist would provide quicker response time (at least 75 percent decrease mean time between downtime) so TOS can focus on the needs of the business community (instead of internally to IT).

Staffing Impact: Three permanent positions (3.00 FTE) and continuation of one limited-duration position (1.00 FTE)

Modifications Included in Legislatively Adopted Budget

- Changed the two permanent full-time Information Systems Specialist 7 positions (2.00 FTE) under “Enterprise Applications Support” to limited-duration full-time positions.
- Changed the permanent full-time Retirement Counselor 2 position (1.00 FTE) under “Data Quality/Integrity” to a limited duration full-time position.

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.

2011-13 Fiscal Impact: Three permanent positions continue into the 2011-13 biennium. The fiscal impact is \$455,191 Other Funds for personal services and an additional \$17,775 Other Funds for services and supplies, totaling \$472,966.

Modifications Included in Legislatively Adopted Budget

- Funding for post-conversion system maintenance and enhancement (\$700,000 Other Funds) and data migration and preparation (\$720,000 Other Funds) were approved as permanent. The positions and remaining \$8,294,912 Other Funds were approved as one-time costs and will phase-out in the 2011-13 Essential Budget Level.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 104 - Enterprise Applications

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	9,723,186	-	-	-	9,723,186
Total Revenues	-	-	\$9,723,186	-	-	-	\$9,723,186
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	448,896	-	-	-	448,896
Empl. Rel. Bd. Assessments	-	-	168	-	-	-	168
Public Employees' Retire Cont	-	-	36,900	-	-	-	36,900
Social Security Taxes	-	-	34,340	-	-	-	34,340
Worker's Comp. Assess. (WCD)	-	-	248	-	-	-	248
Mass Transit Tax	-	-	2,694	-	-	-	2,694
Flexible Benefits	-	-	102,720	-	-	-	102,720
Reconciliation Adjustment	-	-	2	-	-	-	2
Total Personal Services	-	-	\$625,968	-	-	-	\$625,968
Services & Supplies							
Employee Training	-	-	3,700	-	-	-	3,700
Office Expenses	-	-	20,000	-	-	-	20,000
IT Professional Services	-	-	8,984,244	-	-	-	8,984,244
Expendable Prop 250 - 5000	-	-	2,000	-	-	-	2,000
IT Expendable Property	-	-	79,000	-	-	-	79,000
Total Services & Supplies	-	-	\$9,088,944	-	-	-	\$9,088,944

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 186

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 104 - Enterprise Applications

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
Total Expenditures							
Total Expenditures	-	-	9,714,912	-	-	-	9,714,912
Total Expenditures	-	-	\$9,714,912	-	-	-	\$9,714,912
Ending Balance							
Ending Balance	-	-	8,274	-	-	-	8,274
Total Ending Balance	-	-	\$8,274	-	-	-	\$8,274
Total Positions							
Total Positions							4
Total Positions	-	-	-	-	-	-	4
Total FTE							
Total FTE							4.00
Total FTE	-	-	-	-	-	-	4.00

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 187

BUDGET NARRATIVE

8/19/09 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

2009-11
 PICS SYSTEM: BUDGET PREPARATION

PAGE 7
 PROD FILE

PACKAGE: 104 - Enterprise Applications

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
1110401	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	06	3,727.00		89,448 39,980			89,448 39,980
1110402	OA C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	08	5,187.00		124,488 45,540			124,488 45,540
1110403	OA C1487	IA INFO SYSTEMS SPECIALIST 7	1	1.00	24.00	02	4,895.00		117,480 44,428			117,480 44,428
1110404	OA C1487	IA INFO SYSTEMS SPECIALIST 7	1	1.00	24.00	02	4,895.00		117,480 44,428			117,480 44,428
TOTAL PICS SALARY									448,896			448,896
TOTAL PICS OPE									174,376			174,376
TOTAL PICS PERSONAL SERVICES =			4	4.00	96.00				623,272			623,272

BUDGET NARRATIVE

Package 105 Standards, Training and Certification

Package Description

Purpose:

PERS requests \$755,000 Other Funds to pay for: professional expertise to apply sound plan management standards for audits and actuarial services; increased actuarial services in areas such as fiscal impacts, legislative analysis, and financial reporting; a peer review of internal audits needed to maintain industry standards for sound plan management; and the development of new standard financial reports in Fundware that extracts jClarety data.

How Achieved:

Actuarial Services

PERS requests \$560,000 Other Funds to pay for the full utilization of actuarial services for: valuations and studies as required by statute and to meet financial reporting and other industry standards, fiscal impact statements for the governor and Legislature, and analysis to assist the PERS Board in meeting its statutory and fiduciary responsibilities. Many of these services are planned for legislative sessions, including Board requests for legislative concept cost analysis. PERS anticipates a current biennial (2007-09) shortfall of \$550,000 in actuarial services to allow full utilization of actuarial contract services. Coverage of the current shortfall will be through internal savings. Budget shortfalls will continue into future biennia unless permanent budget limitation is obtained.

Actuarial Audit

PERS requests \$110,000 Other Funds for an actuarial audit of the current actuarial provider needed to ensure fiscally sound plan status. This will verify the actuary is adhering to accepted standards and using reasonable methods and assumptions to certify that liabilities are correctly valued and employer rates are set at the level necessary to adequately fund promised pension benefits. This audit will occur after the December 31, 2009 system valuation.

Without this funding PERS will have to reduce actuarial services to statutory mandated work such as biennial valuations to establish employer rates and experience studies to determine actuarial equivalency factors. This deficit will severely limit access to critical analytical information by the Board, Legislature, and other stakeholders. This would increase the possibility of internal decisions or externally mandated changes to the system that may have unforeseen financial consequences to the agency, members and employers. Actuarial information will be assumed correct or substituted with PERS staff analysis, increasing the possibility that information provided might be incorrect or not meet industry best practices or standards.

BUDGET NARRATIVE

Internal Audit Peer Review

PERS requests \$35,000 Other Funds to procure professional services to conduct a peer review of PERS internal audit function to meet the Standards for The Professional Practice of Internal Auditing (Red Book). To ensure compliance with industry standards, a peer review is required to be performed at least every five years by an independent reviewer. Our next peer review is due in 2010. In the past, internal auditors from other agencies in the state of Oregon were able to provide peer reviews of each other's work. The peer review of PERS' internal audit function in 2005 was performed by the Chief Audit Executive of the Oregon Department of Corrections at no cost. This is no longer acceptable under OAR 125-700-0055.

Standard Financial Reports in Fundware

PERS requests \$50,000 Other Funds to contract for development of standard financial reports in Fundware. In the transition from RIMS to jClarety, standard reports for managing employer contribution and reserve information are not supplied. The conversion of the agency system of record from RIMS to jClarety means standard financial management reports will no longer be accurate. New reports will need to be developed to extract jClarety data. Additionally, some reports will need to bridge between static RIMS legacy data and jClarety until the legacy data has aged out of the system or is converted into the system of record. Developing these reports will ensure PERS has current financial and actuarial reporting abilities commensurate with those used in 2007. Costs are based upon similar past projects such as PERS' financial system conversion from its in-house SBT accounting system to the Statewide Financial Management Application.

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.

2011-13 Fiscal Impact: The anticipated impact is an estimated \$560,000 Other Funds for actuarial services.

Modifications Included in Legislatively Adopted Budget

- Funding for the actuarial audit (\$110,000 Other Funds) was approved on a one-time basis and will phase out in the 2011-13 Essential Budget Level. The remaining \$645,000 Other Funds were approved as permanent.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 105 - Standards, Training & Certification

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	755,000	-	-	-	755,000
Total Revenues	-	-	\$755,000	-	-	-	\$755,000
Services & Supplies							
Professional Services	-	-	755,000	-	-	-	755,000
Total Services & Supplies	-	-	\$755,000	-	-	-	\$755,000
Total Expenditures							
Total Expenditures	-	-	755,000	-	-	-	755,000
Total Expenditures	-	-	\$755,000	-	-	-	\$755,000
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 191

BUDGET NARRATIVE

Package 106 Data Transition and Standard Tool Development

Package Description as modified in the Governor's Recommended Budget

Purpose: PERS requests \$1,527,319 Other Funds and the establishment of 10 permanent positions (10.00 FTE). 80 percent of these positions are currently limited-duration positions that were approved for the 2007-09 biennium. These positions are needed to form two teams that will address the agency's challenges in bridging data between the current legacy system, RIMS, and the new system of record, jClarety within the Benefits Payment Division. These teams will continue to bridge needed information from the legacy system and develop operational reports to assist in managing data and accounts in jClarety to incept, calculate, and process benefit and payments.

In the 2009-11 biennium, PERS will complete installation and migration of the current legacy data system to jClarety, a \$27 million, six-year project. The final data migration involves the movement of 143,310 accounts with 929,567 records. Based upon current conversion statistics, 42 percent of these accounts will have some error while transitioning. This initiative will ensure that benefit payments are processed in jClarety as the system of record. The benefit payment services to be performed outside of jClarety will then update to the system of record by this team.

This package will allow the agency to: 1) successfully transition to jClarety as the benefit system of record, moving 143,310 member accounts while developing and utilizing a standardized process to address these accounts that do not transfer without error, and 2) develop tools to address agency transactions that do not calculate in jClarety and ensure these transactions are updated in the system of record.

How Achieved:

Challenges:

- A data migration exception rate of 42 percent requires expertise in two systems: 1) program and account management will require working knowledge of the previous system, RIMS, and the functions of the new system, jClarety and 2) manual skill in converting this information.
- Some agency transactions will need to be maintained outside of the jClarety system and reconciled to it as the payment system of record, allowing jClarety to maintain all payment information.
- Membership and benefit data in jClarety, FileNet, and end-user developed tools will not always perform as expected or will require updates. In 2007, the Customer Service Division (CSD) Technical Team addressed 396 incidents to keep systems running. This essential service allows staff to maintain productivity and is necessary in Benefit Payments Division (BPD) and CSD.

BUDGET NARRATIVE

Proposal:

Customer Service Division Technical Team (CSD TT) will focus on member level data and providing technical support to ensure accurate account information prior to annual statements, estimates, withdrawals, appeals, and retirements. This will be an as-needed process, providing the necessary legacy information as transactions are requested. This team will also develop additional workflows; assist in jClarety M&E development; provide data reporting for internal and external stakeholders (employers); develop productivity enhancement tools and reports; analyze databases; maintain current applications; develop new desktop reporting applications to ensure data accuracy; and develop EDX data validation tools.

Benefit Payments Division Technical Team (BPD TT) will focus on retired account level data and processes. Currently, BPD maintains 40-50 percent of retirement processes outside of RIMS due to a lack of functionality. Tools and processes have been developed to retrieve data, calculate a benefit with that data, verify the results, and place information into RIMS to issue a benefit payment. These calculations and payment information is retained in RIMS and FileNet. Based upon current conversion error rates, data migration to jClarety will reveal approximately 42 percent of accounts that have some type of error that will not allow all data to migrate. This team will retrieve necessary account detail in historical RIMS and FileNet databases to make any adjustments to retired accounts. These include divorce splits (splitting a retired account before payments were made and creating two separate accounts with new payment amounts), Age 80 Pop Ups (recalculating the retirement amount as the member's option at retirement is no longer valid after age 80, changing the payment amount), contests, appeals, and court judgments (decisions that require going back to the original account and recalculating the benefit due). In addition, complex or infrequent functionality will need to be addressed outside of the payment system of record and updated to the system. Examples include second retirements, look-back calculations (reviewing alternate calculation methods to determine the highest benefit payment) and Internal Revenue Service 415 calculations. These processes exist today in a combination of manual (paper and pencil) calculations and desktop software developed tools (Excel spreadsheets). However, the source data these tools and processes draw from will have changed and will require expertise in locating and incorporating data to populate these tools. Additionally, this team will develop second level verifications of results and updates to jClarety, allowing program staff to continue daily functions while adding efficiency and quality to their processes.

BUDGET NARRATIVE

Staffing Impact:

Customer Service Division Technical Team (CSD TT):

- Two permanent Information Systems Specialist 4 positions (2.00 FTE)
- Two permanent Operations & Policy Analyst 2 positions (2.00 FTE)

Benefit Payments Division Technical Team (BPD TT):

- One permanent Principal Executive/Manager D position (1.00 FTE)
- One permanent Project Manager 1 position (1.00 FTE)
- Two permanent Operations & Policy Analyst 2 positions (2.00 FTE)
- Two permanent Operations & Policy Analyst 1 positions (2.00 FTE)

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.

2011-13 Fiscal Impact: Ten permanent positions continue into the 2011-13 biennium. The fiscal impact is \$1,466,994 Other Funds for personal services and an additional \$60,325 Other Funds for services and supplies, totaling \$1,527,319.

Modifications Included in Legislatively Adopted Budget

- Funding for "Data Transition and Standard Tool Development" was approved.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 106 - Data Transition & Standard Tool Development

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	1,609,384	-	-	-	1,609,384
Total Revenues	-	-	\$1,609,384	-	-	-	\$1,609,384
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	1,091,088	-	-	-	1,091,088
Empl. Rel. Bd. Assessments	-	-	420	-	-	-	420
Public Employees' Retire Cont	-	-	89,689	-	-	-	89,689
Social Security Taxes	-	-	83,470	-	-	-	83,470
Worker's Comp. Assess. (WCD)	-	-	620	-	-	-	620
Mass Transit Tax	-	-	6,547	-	-	-	6,547
Flexible Benefits	-	-	256,800	-	-	-	256,800
Reconciliation Adjustment	-	-	(61,640)	-	-	-	(61,640)
Total Personal Services	-	-	\$1,466,994	-	-	-	\$1,466,994
Services & Supplies							
Employee Training	-	-	10,325	-	-	-	10,325
Office Expenses	-	-	50,000	-	-	-	50,000
Total Services & Supplies	-	-	\$60,325	-	-	-	\$60,325
Total Expenditures							
Total Expenditures	-	-	1,527,319	-	-	-	1,527,319
Total Expenditures	-	-	\$1,527,319	-	-	-	\$1,527,319

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 195

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 106 - Data Transition & Standard Tool Development

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

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	82,065	-	-	-	82,065
Total Ending Balance	-	-	\$82,065	-	-	-	\$82,065
Total Positions							
Total Positions							10
Total Positions	-	-	-	-	-	-	10
Total FTE							
Total FTE							10.00
Total FTE	-	-	-	-	-	-	10.00

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 196

BUDGET NARRATIVE

8/19/09 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

2009-11
 PICS SYSTEM: BUDGET PREPARATION

PAGE 8
 PROD FILE

PACKAGE: 106 - Data Transition & Standard Too

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			
1110601	OA C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	05	4,495.00		107,880 42,905			107,880 42,905			
1110602	OA C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	05	4,495.00		107,880 42,905			107,880 42,905			
1110603	OA C1484	IA INFO SYSTEMS SPECIALIST 4	1	1.00	24.00	06	4,446.00		106,704 42,718			106,704 42,718			
1110604	OA C1484	IA INFO SYSTEMS SPECIALIST 4	1	1.00	24.00	08	4,875.00		117,000 44,353			117,000 44,353			
1110605	OA C0854	AA PROJECT MANAGER 1	1	1.00	24.00	06	4,495.00		107,880 42,905			107,880 42,905			
1110606	OA C0870	AA OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	02	3,235.00		77,640 38,106			77,640 38,106			
1110607	OA C0870	AA OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	02	3,235.00		77,640 38,106			77,640 38,106			
1110608	OA C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	05	4,495.00		107,880 42,905			107,880 42,905			
1110609	OA C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	09	5,442.00		130,608 46,511			130,608 46,511			
1110610	MMS X7006	AA PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	07	6,249.00		149,976 49,585			149,976 49,585			
TOTAL PICS SALARY									1,091,088			1,091,088			
TOTAL PICS OPE									430,999			430,999			
TOTAL PICS PERSONAL SERVICES =									10	10.00	240.00	1,522,087			1,522,087

BUDGET NARRATIVE

Package 107 Legal Services

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 budget limitation to cover costs of legal services provided by outside counsel. 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 for limited purposes.

The outside counsel advises the PERS Board on:

- Fiduciary issues
- Litigation resulting from implementation of the 2003 PERS Reform legislation and the *Strunk* and *Eugene* decisions; specifically, the challenges to the PERS Board's settlement of the *Eugene* case and its recovery of overpaid benefits
- Federal tax issues, including plan qualification
- Administrative rule issues and contested cases that arise due to the reform legislation

PERS' need for legal services was increased due to a number of major lawsuits over the implementation of the reform legislation package. At this stage, the principal remaining litigation deals with recovering amounts overpaid to benefit recipients based on the original crediting of 20 percent earnings in 1999 to Tier One member regular accounts. During the 2009-11 biennium, legal services are expected to be required in relation to the review of those efforts by the Oregon and federal appellate courts, in addition to the continuing work on fiduciary and federal tax issues. The majority of PERS' legal costs continue to be driven by events that are not easily predicted, making an accurate estimate of 2009-11 expenses difficult.

Because of the scale of risk posed by failing to implement the PERS reforms or otherwise competently manage the PERS Plan, these legal services are a principle priority of the agency. The main component of those services, representation related to PERS Reform litigation, has successfully identified reform pensions that trimmed \$6 billion in plan liabilities. As to the other components of outside counsel services, fiduciary counsel provides a specialized perspective in the obligations and responsibilities of a retirement plan board. Federal tax qualification is a fundamental need of any retirement plan to avoid immediate tax consequences to all plan participants, and counsel must be well-versed in government plan qualification requirements, as well as building relationships with federal tax authorities to provide accurate analysis and strategic guidance

Staffing Impact: There is no impact from this Policy Option Package. Agency staff needed to support these legal service activities do so within the scope of their established 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.

2011-13 Fiscal Impact: The anticipated impact to 2011-13 is an estimated \$1,000,000 Other Funds.

Modifications Included in Legislatively Adopted Budget

- Funding for legal services was approved.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 107 - 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
Revenues							
Transfer In - Intrafund	-	-	1,000,000	-	-	-	1,000,000
Total Revenues	-	-	\$1,000,000	-	-	-	\$1,000,000
Services & Supplies							
Professional Services	-	-	1,000,000	-	-	-	1,000,000
Total Services & Supplies	-	-	\$1,000,000	-	-	-	\$1,000,000
Total Expenditures							
Total Expenditures	-	-	1,000,000	-	-	-	1,000,000
Total Expenditures	-	-	\$1,000,000	-	-	-	\$1,000,000
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 199

BUDGET NARRATIVE

Package 805 Budget Reconciliation Adjustments (HB 5054)

Purpose: This measure, HB 5054, encourages all agencies to use all means possible to maximize efficiency in the expenditure of appropriated funds while maintaining delivery of services to the public. Agencies should find these efficiencies through the use of management actions that focus on reducing services, supplies, and capital outlay expenditures and by managing position vacancies to the greatest extent practicable to generate budget savings. It is the Legislature's expectation that no more than half of the savings anticipated by this measure come from compensation reductions. PERS' administrative and operating expenses reduction totals \$2,113,017.

How Achieved: This package includes adjustments made to the Governor's Recommended Budget (GRB). House Bill 5054 makes adjustments to 2009-11 budgeted expenditures for state agencies to reflect the impact of a number of changes to DAS assessments and charges as well as several other assessments and charges as follows:

- \$1,054,852 reduction to remove the amount that was built into the GRB at PICS freeze (April 2008) for 2009-11 step increases, including related PERS and Social Security expenditures;
- \$729,182 reduction based on a statewide target savings amount based on salary reductions of about 2% from Essential Budget Level (EBL) salaries plus related PERS, Social Security, and Other Payroll Expenditures (OPE);
- \$156,685 reduction in Attorney General (AG) savings due to a reduction in the hourly rate change from \$158/hour to \$137/hour in addition to an additional 1.7% reduction to account for more efficient provision and usage of AG services;
- \$2,460 reduction in rent as a result of a uniform rent fee from \$1.40 to \$1.38 per square foot;
- \$15,720 reduction in fleet costs reflected in Instate Travel line item;
- \$76,725 increase in State Data Center charges adjusted to account for updated usage data and other adjustments as follows: increase of \$33,555 for Storage, a decrease of \$8,832 for Network, an increase of \$138,862 for Mainframe, and a decrease of \$86,860 in Voice charges;
- \$230,843 reductions in a number of Department of Administrative Services (DAS) assessments and charges.

BUDGET NARRATIVE

State Government Service Charges

The total decrease of \$230,843 in State Government Service Charges, as reflected in Package 805, is detailed below:

	2009-11 GRB	HB 5054 Reductions	2009-11 LAB
Central Government Service Charge.....	\$ 270,945	\$	\$ 270,945
DAS Service Charges (various assessments)	894,649	(226,025)	668,624
DAS User Fees – State Controller’s Division (SCD).....	155,805	(3,023)	152,782
Minority, Women, & Emerging Small Business.....	13,771		13,771
Oregon Government Ethics Commission.....	6,483		6,483
Risk combined Property, Liability, & Workers Comp.....	286,657		286,657
Secretary of State – Administrative Rules.....	4,454		4,454
Secretary of State – Audits Division	510,000		510,000
Oregon State Library Assessment	110,370		110,370
State of Oregon Law Library.....	27,954		27,954
State Treasury Charges (based on user fee).....	144,695		144,695
State Treasury/Debt Management (COP) Charges.....	3,354	(1,795)	1,559
Total State Government Service Charges.....	\$2,429,137	\$(230,843)	\$2,198,294

Staffing Impact: There is no impact from this Policy Option Package.

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.

2011-13 Fiscal Impact: No fiscal impact is anticipated at this time.

BUDGET NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon
 Pkg: 805 - Budget Reconciliation Adjustments (HB 5054)

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

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Reconciliation Adjustment	-	-	(1,784,034)	-	-	-	(1,784,034)
Total Personal Services	-	-	(\$1,784,034)	-	-	-	(\$1,784,034)
Services & Supplies							
Instate Travel	-	-	(15,720)	-	-	-	(15,720)
State Gov. Service Charges	-	-	(230,843)	-	-	-	(230,843)
Data Processing	-	-	76,725	-	-	-	76,725
Attorney General	-	-	(156,685)	-	-	-	(156,685)
Facilities Rental and Taxes	-	-	(2,460)	-	-	-	(2,460)
Total Services & Supplies	-	-	(\$328,983)	-	-	-	(\$328,983)
Total Expenditures							
Total Expenditures	-	-	(2,113,017)	-	-	-	(2,113,017)
Total Expenditures	-	-	(\$2,113,017)	-	-	-	(\$2,113,017)
Ending Balance							
Ending Balance	-	-	2,113,017	-	-	-	2,113,017
Total Ending Balance	-	-	\$2,113,017	-	-	-	\$2,113,017

Essential and Policy Package Fiscal Impact Summary - BPR013

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 202

BUDGET NARRATIVE

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

Public Employees Retirement System, Oregon
2009-11 Biennium

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

Source	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
Other Funds						
Charges for Services	7,152,861	7,889,041	7,889,041	7,648,000	7,648,000	7,648,000
Interest Income	2,261,805	1,609,318	1,609,318	2,880,000	2,880,000	2,880,000
Other Revenues	900,117	230,200	230,200	526,500	526,500	526,500
Transfer In - Intrafund	70,075,110	79,998,475	79,998,475	74,074,052	76,574,052	76,574,052
Transfer Out - Intrafund	(5,984,535)	(8,041,588)	(8,041,588)	(4,198,012)	(4,198,012)	(4,198,012)
Tsfr To Governor, Office of the	-	-	-	-	(79,500)	(79,500)
Total Other Funds	\$74,405,358	\$81,685,446	\$81,685,446	\$80,930,540	\$83,351,040	\$83,351,040

Detail of LF, OF, and FF Revenues - BPR012

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 203

BUDGET NARRATIVE

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

Source	Fund	ORBITS Revenue Acct	2005-2007 Actual	2007-09 Legislatively Adopted	2007-09 Estimated	2009-11		
						Agency Request	Governor's Recommended	Legislatively Adopted
Operations								
Charges for Services	Limited Other	Charges for Services	7,152,861	7,889,041	7,629,071	7,648,000	7,648,000	7,648,000
Interest Earnings	Limited Other	Interest Income	2,261,805	1,609,318	2,822,829	2,880,000	2,880,000	2,880,000
Other	Limited Other	Other Revenue	900,117	230,200		526,500	526,500	526,500

2009-11

107BF07

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 204

2009-11

107BF02

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary
2009-11 Biennium
Operations

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

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
LIMITED BUDGET (Excluding Packages)						
PERSONAL SERVICES						
Other Funds	42,804,560	50,682,707	50,682,707	45,902,352	45,308,877	45,308,877
SERVICES & SUPPLIES						
Other Funds	27,474,686	29,620,738	29,620,738	29,620,738	29,620,738	29,620,738
CAPITAL OUTLAY						
Other Funds	4,167,315	947,701	947,701	947,701	947,701	947,701
TOTAL LIMITED BUDGET (Excluding Packages)						
Other Funds	74,446,561	81,251,146	81,251,146	76,470,791	75,877,316	75,877,316
AUTHORIZED POSITIONS	401	401	401	296	296	296
AUTHORIZED FTE	386.71	394.88	394.88	295.05	295.05	295.05
LIMITED BUDGET (Essential Packages)						
010 NON-PICS PSNL SVC / VACANCY FACTOR						
PERSONAL SERVICES						
Other Funds	-	-	-	253,400	253,213	253,213
022 PHASE-OUT PGM & ONE-TIME COSTS						
SERVICES & SUPPLIES						
Other Funds	-	-	-	(15,092,372)	(15,092,372)	(15,092,372)
CAPITAL OUTLAY						
Other Funds	-	-	-	(592,400)	(592,400)	(592,400)
031 STANDARD INFLATION						

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 205

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary
2009-11 Biennium
Operations

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

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
SERVICES & SUPPLIES						
Other Funds	-	-	-	1,022,002	987,874	987,874
CAPITAL OUTLAY						
Other Funds	-	-	-	9,948	9,948	9,948
032 ABOVE STANDARD INFLATION						
SERVICES & SUPPLIES						
Other Funds	-	-	-	(2,034,690)	(2,034,690)	(2,034,690)
TOTAL LIMITED BUDGET (Essential Packages)						
Other Funds	-	-	-	(16,434,112)	(16,468,427)	(16,468,427)
LIMITED BUDGET (Essential Budget Level)						
Other Funds	74,446,561	81,251,146	81,251,146	60,036,679	59,408,889	59,408,889
AUTHORIZED POSITIONS	401	401	401	296	296	296
AUTHORIZED FTE	386.71	394.88	394.88	295.05	295.05	295.05
LIMITED BUDGET (Policy Packages)						
PRIORITY 0						
805 BUDGET RECONCILIATION ADJUSTMENTS (HB :						
PERSONAL SERVICES						
Other Funds	-	-	-	-	-	(1,784,034)
SERVICES & SUPPLIES						
Other Funds	-	-	-	-	-	(328,983)
PRIORITY 1						

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 206

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary
2009-11 Biennium
Operations

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

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
101 BUSINESS PROCESS OWNERS						
PERSONAL SERVICES						
Other Funds	-	-	-	825,180	814,600	814,600
SERVICES & SUPPLIES						
Other Funds	-	-	-	35,000	35,000	35,000
AUTHORIZED POSITIONS						
	-	-	-	5	5	5
AUTHORIZED FTE						
	-	-	-	5.00	5.00	5.00
PRIORITY 2						
102 MAINTENANCE & ENHANCEMENT OF CURRENT						
PERSONAL SERVICES						
Other Funds	-	-	-	5,693,834	5,611,769	5,611,769
SERVICES & SUPPLIES						
Other Funds	-	-	-	267,963	267,963	267,963
AUTHORIZED POSITIONS						
	-	-	-	44	44	44
AUTHORIZED FTE						
	-	-	-	44.50	44.50	44.50
PRIORITY 3						
103 INFRASTRUCTURE MAINTENANCE & ENHANCEMENT						
PERSONAL SERVICES						
Other Funds	-	-	-	267,247	262,569	262,569
SERVICES & SUPPLIES						
Other Funds	-	-	-	2,647,285	2,647,285	2,647,285

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 207

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary

Version: Z - 01 - Leg. Adopted Budget

2009-11 Biennium

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

Operations

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
CAPITAL OUTLAY						
Other Funds	-	-	-	228,339	228,339	228,339
AUTHORIZED POSITIONS	-	-	-	3	3	3
AUTHORIZED FTE	-	-	-	3.00	3.00	3.00
PRIORITY 4						
104 ENTERPRISE APPLICATIONS						
PERSONAL SERVICES						
Other Funds	-	-	-	634,242	625,968	625,968
SERVICES & SUPPLIES						
Other Funds	-	-	-	6,588,944	9,088,944	9,088,944
AUTHORIZED POSITIONS	-	-	-	4	4	4
AUTHORIZED FTE	-	-	-	4.00	4.00	4.00
PRIORITY 5						
105 STANDARDS, TRAINING & CERTIFICATION						
SERVICES & SUPPLIES						
Other Funds	-	-	-	755,000	755,000	755,000
PRIORITY 6						
106 DATA TRANSITION & STANDARD TOOL DEVELO						
PERSONAL SERVICES						
Other Funds	-	-	-	1,549,059	1,466,994	1,466,994
SERVICES & SUPPLIES						

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 208

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary
2009-11 Biennium
Operations

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

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
Other Funds	-	-	-	60,325	60,325	60,325
AUTHORIZED POSITIONS	-	-	-	10	10	10
AUTHORIZED FTE	-	-	-	10.00	10.00	10.00
PRIORITY 7						
107 LEGAL SERVICES						
SERVICES & SUPPLIES						
Other Funds	-	-	-	1,000,000	1,000,000	1,000,000
TOTAL LIMITED BUDGET (Policy Packages)						
Other Funds	-	-	-	20,552,418	22,864,756	20,751,739
AUTHORIZED POSITIONS	-	-	-	66	66	66
AUTHORIZED FTE	-	-	-	66.50	66.50	66.50
TOTAL LIMITED BUDGET (Including Packages)						
Other Funds	74,446,561	81,251,146	81,251,146	80,589,097	82,273,645	80,160,628
AUTHORIZED POSITIONS	401	401	401	362	362	362
AUTHORIZED FTE	386.71	394.88	394.88	361.55	361.55	361.55
OPERATING BUDGET						
Other Funds	74,446,561	81,251,146	81,251,146	80,589,097	82,273,645	80,160,628
AUTHORIZED POSITIONS	401	401	401	362	362	362
AUTHORIZED FTE	386.71	394.88	394.88	361.55	361.55	361.55
TOTAL BUDGET						
Other Funds	74,446,561	81,251,146	81,251,146	80,589,097	82,273,645	80,160,628

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 209

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary
 2009-11 Biennium
 Operations

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

Description	<i>2005-07 Actuals</i>	<i>2007-09 Leg Adopted Budget</i>	<i>2007-09 Leg Approved Budget</i>	<i>2009-11 Agency Request Budget</i>	<i>2009-11 Governor's Rec. Budget</i>	<i>2009-11 Leg Adopted Budget</i>
AUTHORIZED POSITIONS	401	401	401	362	362	362
AUTHORIZED FTE	386.71	394.88	394.88	361.55	361.55	361.55

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request

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X Legislatively Adopted

Budget Page 210

BUDGET NARRATIVE

Debt Service

Overview

This program accounts for debt service payments on Certificates of Participation (COP) issued to finance the PERS headquarters building construction, after the COP for IT systems start-up supporting OPSRP is paid off May 1, 2009.

This COP is to make the principle payment of \$970,000 Other Funds and interest payments of \$453, 075 Other Funds on the Oregon Public Retirement System Certificate of Participation Series 2002, Series B, Partial Refunding of the 1996 Series A-PERS Office Building according to the Debt Service Schedule. The remaining balance is \$4.55 million as of June 2009 and will be fully paid by May 2017.

Base Budget Adjustments

This is a decrease of \$4,286,125 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

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary
2009-11 Biennium
Debt Service

Version: Z - 01 - Leg. Adopted Budget
Cross Reference Number: 45900-400-00-00-00000

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
DEBT SERVICE (Excluding Packages)						
DEBT SERVICE						
Other Funds	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
TOTAL DEBT SERVICE (Excluding Packages)						
Other Funds	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
DEBT SERVICE (Essential Budget Level)						
Other Funds	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
TOTAL DEBT SERVICE (Including Packages)						
Other Funds	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
TOTAL BUDGET						
Other Funds	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 212

BUDGET NARRATIVE

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

Source	Fund	ORBITS Revenue Acct	2005-07 Actual	2007-09 Legislatively Adopted	2007-09 Estimated	2009-11		
						Agency Request	Governor's Recommended	Legislatively Adopted
Debt Service								
Interest	Limited Other	Interest Income	11,337					
Other	Limited Other	Other Revenues	3,318		3,000	3,000	3,000	3,000
Transfer In – Intrafund	Limited Other	Transfer In – Intrafund	5,706,295	5,709,200	5,709,200	1,420,075	1,420,075	1,420,075

2009-11

107BF07

___ Agency Request

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X Legislatively Adopted

Budget Page 213

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Program Unit Appropriated Fund Group and Category Summary
 2009-11 Biennium
 Debt Service

Version: Z - 01 - Leg. Adopted Budget
 Cross Reference Number: 45900-400-00-00-00000

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
DEBT SERVICE (Excluding Packages)						
DEBT SERVICE						
Other Funds	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
TOTAL DEBT SERVICE (Excluding Packages)						
Other Funds	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
DEBT SERVICE (Essential Budget Level)						
Other Funds	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
TOTAL DEBT SERVICE (Including Packages)						
Other Funds	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
TOTAL BUDGET						
Other Funds	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075

Program Unit Appropriated Fund and Category Summary- BPR007A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 214

BUDGET NARRATIVE

Facilities Maintenance and Management

Facilities Maintenance Discussion

PERS Headquarters building was built in 1996 and Department of Administration Services Facilities Services has provided annual maintenance. There is no deferred maintenance due to the age of the building. There are sufficient dollars in the facilities maintenance account in PERS Essential Budget to cover the routine annual maintenance and occasional repairs to the HVAC system. Last biennium an additional \$198,413 Other Funds in Policy Package 114 was approved for a one-time expenditure of carpet replacement and re-painting. PERS does not anticipate any relocations of workspace at this time.

BUDGET NARRATIVE

Facilities Maintenance Summary Report

AGENCY: Public Employees Retirement System
 Agency #: 45900

Value of Buildings and Building Improvements			Facilities Operations and Maintenance (O&M) Budget			
Cost of Buildings <small>(as reported to Risk Management)</small>	6/30/08 Replacement Value <small>(Risk Management)</small>		Personal Services	Services & Supplies	Total	
\$ 7,436,081	\$ 7,827,491		\$ 23,256	\$ 505,874	\$ 529,130	
Total Sq. Ft. of Bldgs: 60,220 sq. ft.		2009-11 Maint. Budget (no janitorial or utility)		Utilities Budget (and Janitorial): \$ 651,649		
		÷ Square Feet of building: \$ 8.79 sq. ft.				
Total Outstanding Deferred Maintenance			Deferred Maintenance Budget 2009-11			
As of 6/30/08	Categories 1-2	Categories 3-5	Total	Personal Services	Services & Supplies	Capital Outlay
Projected 6/30/09	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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

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

Briefly describe how the facilities maintenance budget is developed (note whether software (or manual process) described above is used in budget development). There is no software used to develop the facilities maintenance budget. Most of it (over 80%) is set by DAS through estimates for the interagency facilities maintenance agreement that is listed with the biennial budget instructions. The remaining budget portion is used for unplanned DAS special project (non-IA) maintenance costs, and for non-DAS maintenance work. This portion is carried forward with inflation added.
 Briefly describe the system or process used to identify Deferred Maintenance (e.g.; staff makes an annual estimate based on periodic assessments; evaluation of facilities using contract structural engineering firm, etc.) PERS has not had to defer any maintenance for the HQ building. All unplanned maintenance needs have been covered through existing budgets.

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

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

2009-11

107BF16a

BUDGET NARRATIVE

Facilities Operations and Maintenance Report

(Excluding facilities improvements and deferred maintenance)

AGENCY Name: Public Employees Retirement System
 Agency #: 45900

	2005-07 Actuals	FTE	Leg Approved 2007-09	FTE	2007-09 Estimates	FTE	2009-11 Budget	FTE
General Fund								
Personal Serv - Utilities & Janitorial	\$		\$		\$		\$	
Personal Services - Maintenance	\$		\$		\$		\$	
S&S - Utilities & Janitorial	\$		\$		\$		\$	
S&S - Maintenance	\$		\$		\$		\$	
GF Subtotal	\$		\$		\$		\$	
Lottery Funds								
Personal Serv - Utilities & Janitorial	\$		\$		\$		\$	
Personal Services - Maintenance	\$		\$		\$		\$	
S&S - Utilities & Janitorial	\$		\$		\$		\$	
S&S - Maintenance	\$		\$		\$		\$	
LF Subtotal	\$		\$		\$		\$	
Other Funds								
Personal Serv - Utilities & Janitorial	\$ 21,862	0.14	\$ 24,439	0.14	\$ 24,675	0.14	\$ 27,132	0.14
Personal Services - Maintenance	\$ 18,738	0.12	\$ 20,947	0.12	\$ 21,150	0.12	\$ 23,256	0.12
S&S - Utilities & Janitorial	\$ 544,141		\$ 482,730		\$ 696,075		\$ 624,517	
S&S - Maintenance	\$ 448,658		\$ 585,336		\$ 743,238		\$ 505,874	
OF Subtotal	\$ 1,033,399		\$ 1,113,452		\$ 1,485,138		\$ 1,180,779	
Federal Funds								
Personal Serv - Utilities & Janitorial	\$		\$		\$		\$	
Personal Services - Maintenance	\$		\$		\$		\$	
S&S - Utilities & Janitorial	\$		\$		\$		\$	
S&S - Maintenance	\$		\$		\$		\$	
FF Subtotal	\$		\$		\$		\$	
Total All Funds	\$ 1,033,399		\$ 1,113,452		\$ 1,485,138		\$ 1,180,779	

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

2009-11

107BF16b

___ Agency Request

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X Legislatively Adopted

Budget Page 217

BUDGET NARRATIVE

Special Reports

Information Technology-related Project and Initiatives

INFORMATION TECHNOLOGY PROJECTS IN 2009-11				
(That <u>Equal</u> or <u>Exceed</u> \$150,000)				
Agency Name:	PUBLIC EMPLOYEES RETIREMENT SYSTEM			
Project Name:	RIMS REPLACEMENT PROJECT			
Mandated Project?	Yes or No	NO	By: Legislature, Federal Gov, Other (identify it)	
Base Budget or POP?		POP	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.
State Data Center Impact	Yes or No	YES		The agency mainframe application (RIMS) will be decommissioned halfway through the 2009-11 biennium. Mainframe cost recovery previously allocated to PERS by the SDC may need to be reallocated to remaining users.

Project Description:
 Complete the replacement of the agency's legacy pension administration system (RIMS). This project was initiated in the 2003-05 biennium and will be completed by the end of the 2009-11 biennium.

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.

BUDGET NARRATIVE

The project will be completed in the 2009-11 biennium. The original expected cost of the project was \$27.5M, however, in light of several significant legislative changes to the pension plan, the agency has determined that it will include additional functionality in the project scope. The expected cost of the project was increased by 2.5M and is now \$30M and the final completion date has been extended to June 30, 2010. The 2009-11 biennium costs for this project are shown in the chart schedule below.

Cost Summary							
Total estimated cost by fund (2009-11):	General Fund	Lottery Funds	Other Funds	Non-Limited	Federal Funds	Non-Limited	Total Funds
	\$	\$	\$6,034,244	\$	\$	\$	\$
Total estimated cost by fund (all biennia):	\$	\$	\$30,000,000	\$	\$	\$	\$
Estimated Cost by category (2009-11):	Personal Services	Services & Supplies	Capital Outlay	Special Payments	Debt Service		
	\$XX	\$6,034,244	\$XX	\$	\$		
Estimated Cost by category (all biennia):	\$XX	\$XX	\$XX	\$	\$		

State Data Center Cost Estimate (2009-11):	\$0	Positions: Internal	
Expected Start Date:	6/2005	Contractor	Various
Expected Completion Date:	6/2010	FTE:	

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BUDGET NARRATIVE

Major IT Project Business Case Documents

Oregon Public Employees Retirement System

Business Case

Title: RIMS Conversion Project Business Case
Executive Sponsor: Paul R. Cleary
Creation Date: 06.16.2004
Author: Jeffrey M. Marecic

Revision History

Date	Description of the revision	Author's name
06.16.2004	Initial Creation	Jeffrey M. Marecic
06.30.2004	Modifications made due to Clarety Business Team input	Jeffrey M. Marecic
07.15.2004	Refine high-level requirements	Jeffrey M. Marecic
07.29.2004	Updated from Clarety Business Team	Jeffrey M. Marecic
10.12.2004	Incorporate Updates from Exec Staff, JBT	Jeffrey M. Marecic

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Table of Contents

Introduction	3
Background.....	3
Agency Mission Statement	3
Guiding Principles.....	3
1. Description	5
2. High Level Requirements:.....	8
3. What are the benefits?.....	10
4. Who does it impact and how?	12
5. What other system or processes does this request impact?.....	13
6. What is the impact to the organization if this operational need is not met?	13
Appendix A - CEM Score Comparison Details:	15

Confidential

State of Oregon PERS

Page 2 of 17

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 222

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Business Case

Introduction

This document is a companion document to the RIMS Conversion Project Plan.

The purpose of this document is:

- To outline the agency's plan to improve the delivery of retirement services, information and benefits by implementing a new pension administration system.
- To link this investment in new technology to the vision and mission of the agency.
- To describe the supporting business rationale for this investment.

Background

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

Agency Mission Statement

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

Guiding Principles

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

1. **Trustworthy** - We build trust internally and with all stakeholders.
2. **Transparent** - Our work is transparent, direct and open (recognizing timing around litigation and personnel issues).
3. **Member-focused** - We care about our members. We assure that members receive their legitimate benefits. We seek to understand and meet member needs.
4. **Inclusive** - We uphold our stakeholders' right to provide input into decisions that affect them.

Confidential

State of Oregon PERS

Page 3 of 17

BUDGET NARRATIVE

Oregon Public Employees Retirement System

5. **Objective** – We administer the law objectively, not subject to political pressure or improper influence.
6. **Straightforward** – We strive for simplicity. We aim to make our benefits and services easy to understand, straightforward to administer, and efficient to implement.
7. **Accountable** – We do what we say we'll do. We make and keep commitments.
8. **Data-protective** – We maintain and improve the integrity of member data through our processes, business rules, decision-making, and any quick fixes.
9. **Aligned** – We're focused on our objectives. We keep strategy and resources aligned, and deliver results, even as priorities change.
10. **Clear** – Our communications are clear, consistent and concise, and meet stakeholder needs.
11. **Courageous** – We're willing to make hard decisions in order to implement our strategy and to deliver according to the character of the organization.
12. **Competitive** – We understand the financial implications of all our decisions and aim to operate competitively.
13. **Careful** – We anticipate and manage risks to support financial stability for members, employers and taxpayers.

Desired outcomes by December 2006:

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

In the months that followed the December retreat, the mission statement, the guiding principles and the desired outcomes have been reviewed, discussed, expanded upon and embraced by all divisions and levels of the agency. Although still a work in progress, this process is creating the strategic business plan for PERS. All PERS divisions are reviewing their core processes, how they relate to the mission of the agency and then determining how to modify them, eliminate them or create new ones. As a result of these strategy sessions, many important customer-focused initiatives and related activities

BUDGET NARRATIVE

Oregon Public Employees Retirement System

are being formulated and acted upon by the agency. Although the tactical implementation of these initiatives is varied, there are very clear themes that are evident throughout all of the divisions' plans. Many of these themes have significant implications for information technology at PERS. Some offer a clear direction and others suggest general trends and requirements.

The agency is focused on rebuilding its reputation throughout the member community. There are several key aspects to the agency's strategy for achieving this: 1) delivering on promises; 2) providing easy access to reliable information; and, 3) simplifying pension plans and the way members and employers interact with the agency. Every division has identified these themes in their daily operations and in their focus for improvement. One common element to accomplishing the agency's strategy is the modernization of the agency's pension administration system. The current system has been deteriorating steadily over the course of the last decade and has created an environment characterized by inefficiency, ineffectiveness and high cost.

1. Description

What do you want to do?

PERS wants to undertake a project to replace the current Retirement Information Management System (RIMS) and related manual processes and offline systems with a new, integrated pension administration application called jClarety. The proposed solution includes comprehensive pension administration functionality that allows PERS to administer retirement benefits for members of the ORS Chapter 238 plan. This solution would also allow the agency to integrate the administration of the Chapter 238 plan with the Chapter 238A plan (Oregon Public Service Retirement Plan - OPSRP) for which jClarety is already being used.

Why do you need to do this?

The problem PERS has had with its current pension administration system and its unsuccessful attempts to replace it over the last 7 years are well documented. The Retirement Information Management System (RIMS) was developed in the mid-1980s. By some estimates, the system delivered only about 80% functionality when it was delivered. Today, only about 50% of all retirement calculations can be accomplished within the system. In fact, no complete actual (accurate) benefit payments are issued solely through RIMS. All RIMS calculated actual payments must have some kind of manual adjustment before issuance of the payment.

Several factors have led to the diminishing condition of RIMS. The increasing size of PERS membership, a greater number of retirement transactions, new plan requirements and the complexities associated with managing multiple plans and options have created a need for supplemental functionality that is not currently available in RIMS. As a result, PERS staff are required to perform more and more retirement calculations using offline systems (for example, spreadsheets and separate databases) and manual calculations.

Confidential

State of Oregon PERS

Page 5 of 17

BUDGET NARRATIVE

Oregon Public Employees Retirement System

From a technical standpoint, maintaining and enhancing RIMS has become unmanageable. During the last several years, PERS technical staff have been overwhelmed with system change requests. Retirement plan modifications and amendments often result in the need for numerous programming changes in RIMS. At one time change requests numbered over 800. Today, the number of outstanding change requests is still in the hundreds.

In addition, RIMS has become increasingly more unstable and unreliable due to undocumented system modifications and customizations for nearly 15 years. This has resulted in a deterioration of the underlying code. As a consequence, PERS staff is plagued with frequent RIMS program crashes, incorrect calculations and the reduced ability to process member benefits and other related transactions.

These factors have obvious and severe ramifications for PERS members, member employers, staff and other stakeholders. For example, it takes, on average, 45 to 92 days to process a member's retirement application. This delay in processing is due to the manual effort required to collect and verify needed data and to determine the appropriate plan rules to be applied. The backlog in retirement calculations, and in other areas, continues to grow and has caused serious budgetary repercussions at the agency. In order to handle increasing workload, associated backlogs and other operational issues, PERS has had to add over 100 staff positions. The additional costs associated with the new staff include: salaries and benefits, additional building space (72nd Street), additional workstations, extended network capacity, leased parking, etc.

Some of the more critical issues with RIMS are:

- Increasing retirement plan complexity. The increasing number of new plans, options, legislative mandates, and business rules add complexity to overall processes. This creates system modification and maintenance challenges in the current system.
- Manual processes that should be automated. Many processes are being performed manually because RIMS has not been kept current with changes in business rules over the years. In other cases, current technology that was unavailable even a short while ago now makes it possible (and feasible) to automate tasks previously done manually. This is especially true of technologies in the areas of workflow, imaging, document management, and other related areas.
- Multiple ways of performing the same task. The method of performing a given calculation should be the same across the agency. In those cases where multiple methods are used, it is possible to get a different answer from a manual versus automated calculation method. Examples of such multiplicity include retirement benefit calculations (vs. retirement benefit estimates).
- Screens not matching workflow. Users often must refer to multiple screens (as many as a dozen) to input information from a single form.
- Data fidelity/integrity. Validation of data being input into RIMS is poorly implemented. As a result, incorrect data are placed in a data store which results in inaccurate calculations.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

- Compound data fields. Due to evolving needs over the years, users have found creative ways to inappropriately store data in a database when there is no correct place to store them. One technique is to put multiple pieces of data, each of a different type, into a single-purpose field within a single record, creating a compound data field. In some cases, this was part of the original database design (e.g., entering a name and its legal authority (power of attorney, trustee, etc.) in the same field). In other cases, users are using inappropriate fields when no appropriate field exists (e.g., storing a federal identification number in a social security data field).
- Manual interfaces between systems (retyping of data). Users must frequently take data that are already available in electronic form and retype it into different tables or applications. This is particularly true of the interface between RIMS and the accounting systems. The data are already available either directly or through calculation, but must be re-keyed. Because of the inability to electronically share data between systems, data are frequently duplicated, creating problems with synchronization and accuracy.
- Data duplication. PERS has developed a number of applications that result in duplication of data. This creates a data synchronization problem in which updated, specific data are not systematically posted to all the data stores in which it occurs. Major problems result from outdated or incorrect data being stored in various parts of the system.
- Reports not tailored to the needs of the user. Users may have voluminous reports printed in order to look up a single piece of information. This is necessary because a more specific report is unavailable.
- Lack of system documentation.
- Hierarchical database. The current system is based on a hierarchical database as opposed to a relational database. This technology is inefficient and is becoming obsolete. Support for this type of system will be increasingly difficult to obtain.

In summary, the effects of the inefficiencies caused by the deteriorating RIMS application extend well beyond its inability to calculate a pension benefit.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

2. High Level Requirements:

The following list provides a high-level overview of the agency requirements for a pension administration system.

- Dramatically improve system functionality.
- Improve retirement application processing, by eliminating manual calculations, manual data entry and reducing the time needed to research inaccurate or missing data.
- Support and improve agency services and processes,
- Increase efficiency through member self-service and automated processes thereby reducing the cost of processing benefits and eliminating errors.
- Provide individual members access to information so they can make informed benefit choices.
- Provide a system that can be modified quickly in support of retirement plan changes and rules.
- Enable the agency to achieve its mission to become a well-respected organization and serve members more effectively.
- Control the cost of administering retirement services.

This solution will also address the most pressing business drivers that are affecting PERS' ability to provide adequate service to its members while building on an existing functioning architecture. These business drivers are:

- The increase in the number of members moving towards retirement.
- The growing number of functions that are performed manually.
- The time needed to complete retirement cases is rising.
- The administrative cost to provide member services is rising.
- The calculation of credited service, subject earnings and other parameters have become more complex requiring more sophisticated ways of capturing and processing information.
- Member and employer satisfaction with PERS service levels is dropping.
- Members' demands for additional, more frequent and accurate information are increasing.
- The expectation of electronic communication, particularly over the Internet, is increasing.
- Employment history has become more complex requiring more sophisticated ways of capturing and processing complex data.
- Agency liabilities have increased due to incorrect benefit calculations and unreconciled accounts.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

The following list provides a high-level overview of the functional areas requirements the solution must successfully address.

Membership

- Employer Account Maintenance
- Employer Reporting
- Employer Self Service
- Member Account Maintenance
- Optional Service Credits
- Refunds Processing
- Cash Receipts
- Taxes
- Cash Disbursements
- Member Self Service

Benefit Payments

- Benefit Estimates
- Benefit Plan Configuration
- Retirement Application Processing
- Benefit Account Adjustments
- Pension Payments
- Death Benefits
- Disability Benefits
- Divorce Benefits
- Benefit Recipient Self Service

Supporting Services, Functions or Features

- Administrative Services: Workflow
- Administrative Services: Imaging
- Data Conversion of RIMS Data
- User Guides

Confidential

State of Oregon PERS

Page 9 of 17

BUDGET NARRATIVE

Oregon Public Employees Retirement System

- Training for PERS Business and Technical Staff
- Batch Job Scheduling and Monitoring
- Bridging Functionality
- Post Implementation Support
- All necessary Hardware and Software
- Technical and Database Support Throughout the Development Effort
- Ad-hoc reporting capabilities
- Adequate Security for the System and Data
- Full Integration with the Chapter 238A Plan
- Full Integration with the Financial System
- Full Integration with Investment Companies and Third Party Administrators
- ACH integration

The overarching objective of this project is to install a modern, integrated retirement administration system that will satisfy existing requirements and will provide a foundation that enables PERS to incorporate future changes in retirement plans as they occur.

3. What are the benefits?

This project is a key component to achieving the agency's mission over the coming years. The agency will realize the greatest benefits from the new system in its ability to process information and calculations much more efficiently than it can now and therefore provide a much higher level of customer service than currently. The major impediment to the agency's ability to meet member needs and stakeholder expectations is the fragmented and unreliable nature of its current information system. The new system will directly address these issues and will enable the agency to meet its objectives and fulfill its mission. While it is difficult to quantify these benefits, the impacts of them will be quite dramatic.

The following list contains benefits of this project.

- Improve efficiency and cost effectiveness by containing the need to increase the number of staff required to process the expected growth in the number of retirees and retirement requests.
- Integrate the Chapter 238 plan into the existing application used for the Chapter 238A (OPSRP) plan. This will allow for all data, processing and calculations to be handled by a single integrated system.
- Improve the accuracy of the data entering the system, as adequate edits will exist in the data entry screens.
- Improve the accuracy of estimate and actual benefit calculations.

Confidential

State of Oregon PERS

Page 10 of 17

BUDGET NARRATIVE

Oregon Public Employees Retirement System

- Implement member self-service, which allows members to get plan information, forms, and updates as well as view their account information, modify select information, and create retirement estimates from their personal computers at their convenience.
- Implement employer self-service, which allow employers to submit member information (notice of employment and separation) and modify non-secure information.
- Minimize the time required to implement rule-driven changes to the system.
- Maximize the product life expectancy for the system.
- Provide full integration with the financial system.
- Develop a highly adaptive/maintainable application that is capable of meeting future business needs, and that can be supported by PERS staff.
- Improve process management through the use of a workflow engine, which will ultimately reduce processing time and provide management information to the agency.
- Improve document management through the use of an integrated document imaging capability and the workflow system. This allows for the on-line storage and maintenance of documents.
- Improve internal system controls and auditing.
- Leverage the existing knowledge, tool set and experience gained during the HB2020 implementation.
- Utilize an industry database for efficient and cost effective management of PERS data.
- Standardized system input and work screens, which will help, maximize productivity and reduce errors of navigation and duplicity.
- Automated interfaces between systems will reduce the staff's reliance on redundant data entry into multiple systems. This results in increased efficiency and a reduction in the work effort, error rates, and re-works.
- A single integrated system that results in a reduction in duplicate data, which translates into more accurate postings and reporting.
- A comprehensive set of standard reports, which offers management, a unique and accurate view of the member and employer data for improved management decision-making.

It is expected that many of the process improvement benefits and system consolidation activities associated with the project will ultimately result in reducing the costs related to administering the pension plans at the agency. There are many variables that come into play that make it difficult to quantify these potential cost savings at this time including: future plan changes, data quality received by employers, events that may trigger retirement spikes, and others. It is expected, however, that the agency's ability to respond to these external circumstances will be greatly enhanced and will lead to cost avoidance in the future.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

One clear, quantifiable, cost-related benefit of this project is the elimination of the agency's mainframe processing and storage costs. These costs are significant and are expected to be nearly \$2 million for the 05-07 biennium. As stated previously, the agency is currently operating two separate and distinct environments for the pension plans: RIMS and jClarety. The vast majority of the computing infrastructure is already in place for jClarety and the incremental amount associated with the addition of the Chapter 238 plan is expected to be minimal. Therefore, the agency can expect to retire most, if not all, of the RIMS application upon the successful completion of this project saving the agency close to \$2 million per biennium. If the agency chooses not to do this project, it will continue to incur the mainframe costs associated with RIMS as well as the cost associated with the jClarety application.

In addition, the industry standard for grading and comparing the agency's service and administrative costs is the Cost Effectiveness Measurement, Inc. (CEM) survey. CEM is a global information and research company that provides performance benchmarking to retirement and health care plans. Their service provides independent and objective information to plan sponsors and fiduciaries including performance insights, detailed cost analysis, best practices benchmarking, and strategic governance and management information. PERS participates in the public sector pension administration portions of the CEM survey. There are 50 respondents in this survey, 17 of which are in PERS' peer group. The most recent survey (April 2004) indicated that PERS scored at the bottom of its peer group on the CRM/IT capability score (with a score of 29, See Appendix A). This score is an aggregate of several IT and customer service related factors that indicate the level at which the agency can collect, process and access member data when needed. After reviewing the agency's score and the factors that led to it, it was determined that the agency's score could increase to 70.5 after the successful completion of this project. This compares very favorably with the agency's peer group average score of 70. These scores are a relative measure of the agency's ability to fulfill customer service needs when compared to other similar agencies and will likely be a key measure of the PERS'S success as it implements its new mission and guiding principles.

4. Who does it impact and how?

An undertaking of this magnitude at PERS will affect all stakeholders of the agency. It is the expectation that there may be some disruption in the processes, communication, reporting, or relationship with all of these entities. The agency is taking a very deliberate and measured approach to project planning in order to minimize the risks to the project and potential disruption to continuing operations of the agency. The agency believes that, given appropriate attention to risks and mitigation strategies, the project will result in an increase in the level and quality of service that PERS is able to provide its stakeholders. The list of affected stakeholders includes:

- PERS Members
- PERS Retirees
- PERS Employers
- PERS Member Alternate Payees
- PERS Member Beneficiaries

Confidential

State of Oregon PERS

Page 12 of 17

BUDGET NARRATIVE

Oregon Public Employees Retirement System

- PERS Board
- PERS Employees
- State of Oregon DAS/CIO
- Oregon State Legislature
- Oregon State Treasury
- Related financial Institutions

5. What other system or processes does this request impact?

First and foremost the removal of the existing RIMS application will take place. This will be done in a phased approach as the functionality of the various parts of RIMS is replaced by the new system. As each function in the new system is turned on, its corresponding function in RIMS will be turned off. This same process will apply to manual retirement processes that are not currently handled by the RIMS application. It also applies to the numerous desktop applications (Visual Basic, PowerBuilder, FoxPro, Delphi, Excel) that currently provide support to business process not handled by RIMS.

All external interfaces where data are transferred to entities outside the agency or between systems such as the financial system and third party vendors/partners will be affected.

Many business processes will be affected since processing will be handled by the application rather than through manual calculations, handoffs and desktop applications as is frequently done today.

6. What is the impact to the organization if this operational need is not met?

Impact

If PERS does not undertake this project it will not have the necessary tool set to meet its obligations to members and other stakeholders and effectively address its most pressing business concerns. It will **NOT** be able to:

- Measurably improve service to its members, retirees, and employers.
- Improve the productivity of PERS staff.
- Improve the accuracy, collection and recording of member data which are the basis for the delivery of all benefits administered by PERS.
- Implement a comprehensive set of automated benefit and customer service processes that become the core of improved customer service.
- Provide employer and member self service options which improve service and reduce staff workloads.
- Reduce the processing time and error rate by eliminating the need for manual process and the transferring of

Confidential

State of Oregon PERS

Page 13 of 17

BUDGET NARRATIVE

Oregon Public Employees Retirement System

- information between 'desktop' application RIMS.
- Eliminate the time consuming call backs by providing an integrated database, imaging and workflow process which allows most telephone inquiries to be responded to in one session.
 - Eliminate the time consuming activities relating to the processing of paper requests and forms.
 - Provide more accurate information and integrated processing that will allow staff to spend less time proofing and auditing of transactions.
 - Reduce the audit costs for the agency.
 - Provide more accurate and timely information necessary to perform actuarial valuations.
 - Provide a technological framework to move the agency into the mainstream of electronic communication and business practices.

Confidential

State of Oregon PERS

Page 14 of 17

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 234

2009-11

107BF02

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Appendix A – CEM Score Comparison Details:

CEM Score Comparison (Pre-Clarety to post-Clarety)

The following table is a comparison of the most recent CEM (Cost Effectiveness Measurement) scores submitted by PERS and the expected scores after the complete implementation of the jClarety system.

Weight of Question	Question	Scores			
		PERS	Peer Avg	All Avg	jClarety
CRM/Call Capability					
	Q103 Do you have a tool to help you project call volumes?	No	71% Yes	64% Yes	No
5%	Score: [Yes – 100, No – 0]	0	71	64	0
	Q104 When a member calls in you do have immediate computer access to the following member data?				
	a) Record of the member's previous call to the agency?	No	47% Yes	44% Yes	No
	b) Copies of the recent correspondence on-line?	No	82% Yes	61% Yes	No
	c) Knowledge based on-line help system available for use by the service representative?	No	47% Yes	58% Yes	No
15%	Score: [33.3% for each Yes]	0	59	54	0
	Q104 When a member calls in you do have immediate computer access to the following member data?				
	d) Most recent member statement?	No	57% Yes	70% Yes	Yes
	e) Account value?	Yes	100% Yes	88% Yes	Yes
	f) Pensionable salary?	Yes	94% Yes	94% Yes	Yes
	g) Salary history?	Yes	100% Yes	100% Yes	Yes
	h) Total service credit?	Yes	100% Yes	100% Yes	Yes
	i) Service credit history?	Yes	100% Yes	100% Yes	Yes
	j) Beneficiary information?	Yes	100% Yes	100% Yes	Yes
	k) Home address and phone number?	Yes	100% Yes	92% Yes	Yes
	l) Non-pension benefit and optional elections?	Yes	88% Yes	90% Yes	Yes
		No	85% Yes	71% Yes	No
10%	Score: [10.1% for each Yes]	74	92	90	88
	Q105 Will you provide the following information on an immediate real-time basis over the phone?				

Confidential

State of Oregon PERS

Page 15 of 17

BUDGET NARRATIVE

Oregon Public Employees Retirement System

		a) Estimates of benefits at retirement?				
	b)	If, yes, can you easily model and provide alternate annuity payment scenarios?	No	71% Yes	58% Yes	Yes
			No	92% Yes	81% Yes	Yes
	c)	If, yes, is the estimate based on an interactive benefit calculator linked to the member account?	No	62% Yes	81% Yes	Yes
10%		Score: [20% for yes to b, 80% if yes to c, otherwise 0%]	0	52	49	100
		Q107 Can members order forms and publications using either an information line or self-serve option?				
			No	50% Yes	57% Yes	No
5%		Score: [Yes=100, No=0]	0	71	80	0
		Automation				
		Q104 Percent annuity pension inceptions calculated manually?				
			36%	22%	17%	15%
5%		Score: [Percent that require manual calculation]	64	78	84	85
		Document Imaging				
		Q106 Do you use imaging technology?				
	a)	If, yes, do you keep images of all incoming member correspondence and submitted forms?	No	86% Yes	82% Yes	Yes
			No	85% Yes	72% Yes	Yes
	b)	Indicate whether all historical documents have been imaged, or if not, the earliest year for which you hold imaged documents?	0	62% All	56% All	0
5%		Score: [60% if you use imaging, +20 if you keep images of all incoming documents, +20 if all historical documents are imaged or +10 if some historical documents are imaged]	0	78	73	60
		Data Collection				
		Q145 What is the breakdown of 'collection point' providing you with payroll data between the following formats, and the total number of:				
	c)	Electronically via the internet or direct link-up by modem?	0	28%	37%	95%
	d)	Computer readable [i.e., computer tape or disk?]	0	33%	31%	5%
	e)	Paper	100%	39%	32%	0%
5%		Score: [100% for % of data collected electronically, +80% for % of data collected that is computer readable, otherwise 0]	0	54	62	99

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Weight	Category	Q149	Q151	Q169	Website	Overall
5%	Data Quality Q149 What % of your active and inactive member on-line records are complete and accurate? Score: [100% - Yes, 0% - No]	15% 15	70% 70	74% 74	80% 80	
5%	Diagnostic Software Q151 Do you have a diagnostic software system for detecting and correcting contribution errors? Score: [100% - Yes, 0% - No]	No 0	71% Yes 71	68% Yes 68	Yes 100	
5%	Integration Q169 When you get an address change, how many systems do you update? Score: [100% - 1, otherwise 0]	2% 0	70% 70	79% 78	1% 100	
25%	Website Member Website Capability Score?	68% 68	70% 70	69% 68	98% 98	
100%	OVERALL Score	29	70	68	98	70.5

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Project Proposal

Title: RIMS Conversion Project Proposal
Executive Sponsor: Paul R. Cleary
Creation Date: 07/19/04
Author: Jeffrey M. Marecic
Associated Business Case: RIMS Conversion Project

Revision History

Date	Description of the revision	Author's name
07/19/2004	Initial Draft	Jeffrey M. Marecic
08/01/2004	Updates to initial draft	Jeffrey M. Marecic
09/23/2004	Updates from PSC	Jeffrey M. Marecic
10/12/04	Updates from Exec Staff and JBT	Jeffrey M. Marecic

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Table of Contents

Introduction	4
1 Proposal Description	4
2 High-level Requirements	8
3 Potential Solutions	12
3.1 Option 1 - Maintain and Enhance the RIMS System.....	12
3.1.1 Description of the Solution	12
3.1.2 Business Architecture Implications	12
3.1.3 Information Technology Implications.....	12
3.1.4 Risk.....	13
3.1.5 Advantages/Disadvantages	14
3.1.6 Solution Assumptions	15
3.1.7 Estimated Costs	15
3.1.8 Estimated Timeline.....	16
3.2 Option 2 - Convert RIMS to the jClarety Application	17
3.2.1 Description of the Solution	17
3.2.2 Business Architecture Implications	18
3.2.3 Information Technology Implications	19
3.2.4 Risk.....	20
3.2.5 Advantages/Disadvantages	21
3.2.6 Solution Assumptions	22
3.2.7 Estimated Costs	22

Confidential

State of Oregon PERS

Page 2 of 36

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 239

BUDGET NARRATIVE

Oregon Public Employees Retirement System

3.2.8	Estimated Timeline.....	23
3.3	Option 3 - Develop a Custom Solution.....	25
3.3.1	Description of the Solution.....	25
3.3.2	Business Architecture Implications.....	25
3.3.3	Information Technology Implications.....	25
3.3.4	Risk.....	26
3.3.5	Advantages/Disadvantages.....	26
3.3.6	Solution Assumptions.....	27
3.3.7	Estimated Costs.....	27
3.3.8	Estimated Timeline.....	27
3.3.9	Comparison of Potential Solutions.....	27
4	Recommendation.....	29
4.1	Recommended Solution.....	29
5	Appendices.....	30
5.1	Appendix A - Security Standards for a Browser-based Solution.....	30
5.2	Appendix C - Batch Processing Standards Solution.....	36

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Project Proposal

Introduction

This document is a companion document to the RIMS Conversion Project Business Case and the RIMS Conversion Project Plan.

The purpose of this document is to:

- Define the high-level project requirements;
- Outline the proposed solutions (solutions considered);
- Recommend the optimal solution; and,
- Estimate the cost of implementing the recommended solution.

1. Proposal Description

Current Environment History

RIMS (Retirement Information Management System)

OPERS was created by the 1945 Oregon Legislature and commenced operation on July 1, 1946. It provides retirement coverage for all Oregon State government employees and Oregon school district employees. It is the retirement program for approximately 95 percent of local government employees in Oregon. While participation by state government units, school districts and community colleges is mandatory, participation by most political subdivisions is optional, but irrevocable if elected.

Benefits administered by OPERS include service and disability retirement benefits, death benefits and retiree health insurance programs. The OPERS retirement programs are administered by OPERS under Oregon Revised Statutes (ORS) Chapters 238, 238A and 243 and are overseen by the Public Employees Retirement Board (PERB).

Effective July 1991, OPERS became the administrator of Oregon's Deferred Compensation Program, an IRC 457 plan. PERS developed the RIMS application to also manage the IRC 457 plan.

Approximately 865 Oregon state, school and local government organizations have employees who participate in OPERS.

OPERS has had to manage the rapid legislative changes, trends and external conditions utilizing RIMS. RIMS is a legacy application that was developed over 14

BUDGET NARRATIVE

Oregon Public Employees Retirement System

years ago using COBOL, CICS, IMS and other mainframe based components. By some estimates, RIMS provided only 80% of the needed functionality when it was delivered and that percentage has declined steadily. Today's estimates suggest that RIMS is capable of performing only about 50% of the needed retirement calculations on a consistent basis.

The causes for the steady decline of RIMS are many. Examples are:

- The dynamic nature of the retirement plan that RIMS supports and the frequent need for changes due to retirement plan adjustments requires constant code modifications and process changes;
- The legacy platform upon which the system was built is complex and, by today's standards, inflexible;
- The system itself is complicated and is comprised of over 1,000 program modules and 400 reports;
- Documentation for RIMS is scarce, and where available, outdated;
- Lack of investment in RIMS enhancements and modifications;
- Most of the technical expertise for the system is no longer available; and,
- Poor data quality due to the lack of edits, inaccurate calculations, and multiple data sources (865 employers provide data to the system).

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

This lack of investment in RIMS maintenance, together with the other issues mentioned above, has severely and adversely impacted PERS' ability to do business. A rapid succession of retirement plan changes, continued under investment in RIMS, an increase in the number of retirements to process and increasingly unreliable data have created an environment of backlogs, inaccurate calculations and mistakes. PERS staff are required to perform more and more retirement calculations using offline systems (for example, spreadsheets and separate databases) and manual calculations.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

The following diagram (Diagram 1) graphically depicts the current state of the RIMS environment. Notice the extensive use of manual processes and stand alone desktop applications to perform base retirement functions. A goal of this project is to eliminate as many of the manual process and desktop applications as possible.

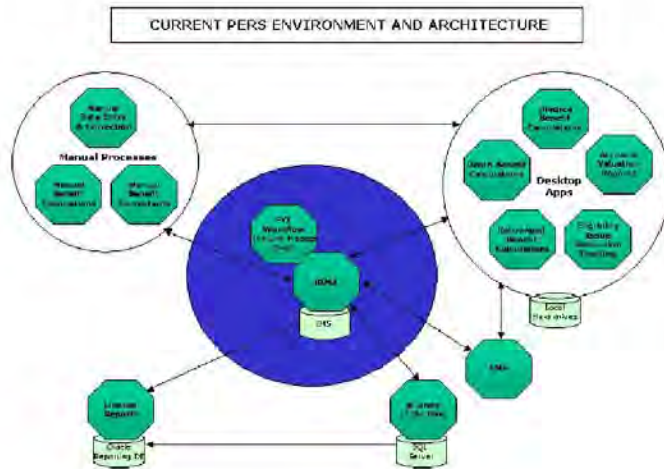


Diagram 1

JClarety/HB2020

Effective August 29, 2003, PERS became the administrator of the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program, and the Individual Account Program (IAP).

In January 2004 PERS, implemented the first phase of this project, employer reporting, using the jClarety system and is currently in the process of implementing

BUDGET NARRATIVE

Oregon Public Employees Retirement System

the second phase, member account maintenance. The third phase, benefit processing, will be completed in July of 2005. Although this implementation is using the base jClarety template with minimal modifications, it does provide PERS with a solid base for future enhancements to the application.

Desired Outcome

The PERS Board of Directors and Executive Team have set aggressive goals for the agency with its new mission and vision statement:

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

In order to meet this mission, PERS needs to significantly alter the methods, means and tools with which it does business. One of the initiatives PERS will undertake to achieve this mission is a project to replace the current Retirement Information Management system (RIMS), along with its associated desktop applications and manual processes, with a new fully integrated application. The current RIMS system is inefficient, difficult to maintain and does not satisfy the needs of the agency, its members or other stakeholders. PERS has the opportunity to implement a new system that will meet core business needs for retirement application processing, record keeping, data accuracy and auditing. The new line of business application will provide increased efficiencies through automation, integration and data accuracy not currently provided by RIMS. It will also be implemented in a contemporary technical environment that provides for improved maintainability, expandability, functionality and flexibility.

Proposed Solutions

Over the past several years the agency has studied several options to replace the functionality currently handled by the RIMS application and its associated manual processes and desktop applications. The three options under consideration are:

1. Do not implement a new system but rather maintain and enhance the existing RIMS application to meet the needs of the agency.
2. Implement the PERS Chapter 238 plan in the existing jClarety environment, which is currently processing the Chapter 238A plan.
3. Design and build a totally custom system. (This approach was formerly attempted under the Oregon Pension Administration System (OPAS) project).

This document discusses the pros and cons of each of these options as well as presents a recommended direction for the agency.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

2 High-level Requirements

This section describes the high-level requirements that must be met by a successful RIMS Conversion solution. The requirements are divided into three sections. The first describes those high-level requirements known at the time the Business Case was created. The second describes the stakeholder needs discovered during the walk through of the jClarety application by members of the jClarety Business Team and the RIMS conversion planning team. The third describes the supplemental, or non-business requirements, of a viable solution.

High-level requirements defined in the Business Case:

The following list provides a high-level overview of the overall agency requirements as defined in the Business Case for this proposal.

- Dramatically improve system functionality.
- Improve retirement application processing by eliminating manual calculations, manual data entry and reducing the time needed to research inaccurate or missing data.
- Support and improve agency services and processes.
- Increase efficiency through member self-service and automated processes, thereby reducing the cost of processing benefits and eliminating errors.
- Provide individual members access to information so they can make informed benefit choices.
- Provide a system that can be modified quickly in support of retirement plan changes and rules.
- Enable the agency to achieve its mission to become a well-respected organization and serve members more effectively.
- Control the cost of administering retirement services.

This solution will also address the most pressing business drivers that are affecting PERS' ability to provide adequate benefit service to its members while building on an existing functioning architecture. These business drivers are:

- The increase in the number of members moving towards retirement.
- The growing number of functions that are performed manually.
- The time needed to complete retirement cases is rising.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

- The administrative cost to provide member services is rising.
- The calculation of creditable service, subject salary and other parameters have become more complex, requiring more sophisticated ways of capturing and processing information.
- Member and employer satisfaction with PERS service levels is dropping.
- Members' demands for additional, more frequent and accurate information are increasing.
- The expectation of electronic communication, particularly over the Internet, is increasing.
- Employment history has become more complex, requiring more sophisticated ways of capturing and processing complex data.
- Agency liabilities have increased due to incorrect benefit calculations and unreconciled accounts.

The following list provides a high-level overview of the requirements for the retirement processing functional areas that the solution must successfully address.

Membership

- Employer Account Maintenance
- Employer Reporting
- Employer Self Service
- Member Account Maintenance
- Purchases
- Withdrawals Processing
- Cash Receipts Taxes
- Cash Disbursements
- Member Self Service

Benefit Payments

BUDGET NARRATIVE

Oregon Public Employees Retirement System

- Benefit Estimates
- Benefit Plan Configuration
- Retirement Application Processing
- Benefit Account Adjustments
- Retirement Allowance Payments
- Death Benefits
- Disability Retirement Allowances
- Divorce and Alternate Payee Transactions
- Benefit Recipient Self Service

Supporting Services, Functions or Features

- Administrative Services: Workflow
- Administrative Services: Imaging
- Data Conversion of RIMS Data
- User Guides
- Training for PERS Business and Technical Staff
- Batch Job Scheduling and Monitoring
- Bridging Functionality
- Post Implementation Support
- All Necessary Hardware and Software
- Technical and Database Support Throughout the Development Effort
- Ad-Hoc Reporting Capabilities
- Adequate Security for the System and Data
- Full Integration with the Chapter 238A Plan

BUDGET NARRATIVE

Oregon Public Employees Retirement System

- Full Integration with the Financial System
- Full Integration with Investment Companies and Third Party Administrators
- ACH Integration

Detailed stakeholder requirements for the RIMS Conversion project:

The RIMS Conversion Team has done significant work over the past several months to document clearly the requirements for the new system. In addition, a dedicated team of six business users (jClarety Business Team), other agency personnel and two Covansys (jClarety vendor) consultants spent three weeks conducting live a walk-through of the base jClarety application and compared the jClarety functionality to the 1,050 stakeholder needs (high-level business requirements) defined during the OPAS (Oregon Pension Administration System) project. The OPAS project was focused on reengineering the core business functions of the organization and was very detailed in creating process improvements and functional system requirements. The goal of the project was to join the agency, its customers and its information systems together in a tightly integrated system.

The result of this walk-through exercise is a comprehensive list of the stakeholder needs. This list of stakeholder needs forms the basis for selecting a system and an approach to replace RIMS.

The Covansys SOW and list of stakeholder needs provides the detailed stakeholder needs that were validated during the walk through process with the jClarety Business Team.

Supplemental Requirements:

Appendix A - provides the security standards for a browser-based solution.

Appendix B - provides the Internet performance standards for a browser-based solution.

Appendix C - provides the batch processing standards for a RIMS conversion solution.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

3 Potential Solutions

3.1 Option 1 - Maintain and Enhance the RIMS System

3.1.1 Description of the Solution

This option seeks to maintain and enhance the current RIMS application and does not require a new system to be built or purchased but does require PERS to do substantial maintenance and enhancement to the current RIMS application. The modifications are intended to bring the application and data up to the requirements necessary to fulfill the business and stakeholder needs defined for a comprehensive RIMS Conversion solution.

3.1.2 Business Architecture Implications

This solution retains the existing application, system architecture and the majority of its associated business processes. As a result, the impact to the business community in terms of process change and structural change is minimal. Relatively few new processes, procedures, or organizational changes would be needed, but existing processes and procedures would require changes as manual functions or separate applications are incorporated into RIMS. The major impact to the business would come from the integration of new functionality, like member self-service and the associated business processes to support this functionality.

Another, more important, impact to the business is that the new Chapter 238A plan and the original Chapter 238 plan would continue to run on two different platforms, one on the mainframe and one on a LAN. This makes retirement processing, where the person belongs to both plans, more difficult and makes consolidated reporting and auditing much more difficult, time consuming and costly.

Furthermore, as stated above, the current processing environment is outdated. Assuming that the numerous significant modifications can be made to the system in a timely, cost-effective manner, it is highly unlikely that the system could be maintained successfully on an ongoing basis. The key reason that RIMS conversion is under consideration is that the underlying technology and code are difficult to maintain and several generations behind current technology standards.

3.1.3 Information Technology Implications

The existing RIMS application lacks needed functionality. In fact, it is estimated that only 50% of retirement calculations are handled by the system. And, since November 1, 2003 only about 50% of retirements using the actual retirement figures have been processed. The remaining retirements are being paid based on the estimated benefit amount.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Additionally, an October 2002 audit found that 30% of the benefit calculations performed by the agency had at least one error. This has resulted in a growing backlog of manual corrections that need to be processed by the agency.

If you couple the poor condition of the existing application with the fact that many current stakeholder needs, such as death benefit calculations, divorce calculations, member self-service and on-line retirement estimating are not handled by RIMS, you can begin to appreciate the scope and amount of work that is needed to make RIMS a truly usable system. When you further consider the fact that even after these modifications are developed, PERS would be left with technology that will soon be phased out, this option becomes even less desirable. The information technology implications and associated risks with a project of this size and complexity are substantial and costly.

3.1.4 Risk

This option is rated as a HIGH risk option for the following reasons.

Economic:

Due to the amount of work needed to ensure that the application meets the needs of the business the cost of this option is very high. In fact, the cost is nearly 2 times higher than a COTS (jClarety) solution. Furthermore, PERS would continue to maintain two separate and distinct operating environments: RIMS and jClarety. This will result in a biennial operating cost of nearly \$2 million above a single environment solution. These factors make this option a high economic risk.

Technical:

The agency will still rely on an outdated, poorly designed architecture that is not easily scalable or adaptable to certain stakeholder needs such as member self-service. Additionally, the amount of work to fix and upgrade RIMS to meet all of the stakeholder needs is substantial. From a technical project management standpoint, this makes this option a high technical risk.

Political:

The public as well as the legislature realizes that RIMS is an outdated system that does not meet the needs of the agency, employees or the legislature. Convincing them that upgrading RIMS is a viable option may not be politically possible. This makes this option a high political risk.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Business:

The agency is already familiar with the RIMS application and associated processes. Assuming that the needed modifications are feasible and doable, this option would have little impact on the agency in terms of user training for RIMS. However, users would be required to learn and use two different systems. Therefore this option is rated a medium to high business risk.

3.1.5 Advantages/Disadvantages

Advantages of this option:

1. It utilizes the same architecture and code as the existing application thus reducing the learning curve of the staff.
2. No extensive training is needed for the business to use the application. New modules can be developed using the existing look and feel of the application.
3. It is built on very reliable equipment and operating system.

Disadvantages of this option:

1. The technology that the application is built on is not easily scalable to meet some of the stakeholder needs.
2. The design of the application is so poor that some issues may be too costly or difficult to correct in a reasonable timeframe and therefore never implemented.
3. Very little documentation exists for the application making modifications much more difficult.
4. This option would make it extremely difficult to integrate with the Chapter 238A plan currently being implemented in the jClarety application.
5. The Chapters 238 and 238A plans would be on two separate systems. This creates an overly complex technical environment and would require knowledge of both systems for ISD to run and maintain them and from the business side of PERS to understand and work with both.
6. Users would need to use two different interfaces.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

7. Maintaining separate application environments would significantly increase the cost of administering the pension plans.

3.1.6 Solution Assumptions

The RIMS application is in good enough shape for the enhancements to be made and to meet the stakeholder needs stated above and to take the agency toward its stated vision as outlined in its Mission statement.

The Chapters 238A and 238 plans would reside in separate environments therefore support for the two systems would be needed for the life of the systems.

The life span of the updated RIMS application would be at least as long as the HB2020 jClarety application so no additional conversions would be needed.

3.1.7 Estimated Costs

The cost estimate is taken from the "OPAS Business Case Analysis V2" document dated February of 2001.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Component Description	Implementation Cost	Post Implementation Cost (Recurring)
Modify and enhance RIMS to meet stakeholder and business needs	\$37 to \$45 million	Will need to maintain both the RIMS environment for 238 and the jClarety environment for 238A. Potential \$2M dollar per biennium more than the recommended solution.

3.1.8 Estimated Timeline

The time estimate is taken from the "OPAS Business Case Analysis V2" document dated February of 2001. There is no reason to believe that this estimate has changed dramatically since the OPAS business case was compiled.

At that time, it was estimated that the required RIMS modifications comprised 370,000 - 450,000 man-hours of time. Assuming an average hourly development rate of \$100, the total project would cost \$37-45 million.

This number represents 1.6 times the work effort of the jClarety implementation (Option 2) for which we have a solid estimate of 44 months duration. Additional analysis would be needed to determine if the resources would be available and the work could be efficiently organized in order to complete this option in the same 44 month timeframe.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

3.2 Option 2 – Convert RIMS to the jClarety Application

3.2.1 Description of the Solution

This solution proposes the migration of the Chapter 238 plan (RIMS) into the jClarety application already in use by the agency for the OPSRP plan (Chapter 238A plan). This means that some of the functionality needed for the Chapter 238 plan is already available and operational. The remaining functionality would be configured to meet the requirements and calculations of the Chapter 238 plan.

Functionality that is already available for the Chapter 238 plan includes: Employer Reporting, Employer Maintenance, Cash Receipts and General Ledger interface. This functionality has been implemented for both plans in jClarety as part of the OPSRP implementation.

The remaining RIMS functionality will be implemented in three Stages. Each stage will result in a new set of jClarety functionality that replaces and retires functionality in the current RIMS system. These stages are defined as:

Stage 1 adds Enrollment and Demographics for Chapter 238 plan members. This migrates demographic and employment history for Chapter 238 members from RIMS to jClarety, providing a single system of record for demographic and employment data across Chapters 238 and 238A plan members. Basic service request tracking functionality will also be implemented in Stage 1.

At the completion of Stage 1, Employment maintenance is decommissioned (turned off) in RIMS. All Employer and Member Employment History are maintained in jClarety and 'bridged' to RIMS.

Stage 2 provides full Member Account Maintenance functionality for Chapter 238 plan members, converting all member account information from RIMS to jClarety. Optional Service Credit, Benefit Estimation, Refunds, and the first stage of Member Self Service functionality are implemented. Imaging and workflow is introduced and enabled to support core business processes relating to OSC, Benefit Estimates, and Refunds.

At the completion of Stage 2, all membership functionality is decommissioned (turned off) in RIMS. All membership data is maintained in jClarety and 'bridged' to RIMS as necessary. Benefit and payment processing will continue to be processed by RIMS.

Stage 3 completes the transition from RIMS to jClarety. Retirement Application Processing, Benefit Adjustments, and Payments will be implemented. For member self service, additional benefit related functionality is implemented.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

At the completion of Stage 3, all RIMS functionality will be decommissioned (turned off). The following chart provides a graphical representation of the transition from RIMS to jClarety by Stage:

Functional Component:	Functionality at Stage Completion:			
	Current (from HB2020)	End of Stage 1	End of Stage 2	End of Stage 3
Employer Reporting	CL	CL	CL	CL
Employer Maintenance	CL	CL	CL	CL
Cash Receipts	CL	CL	CL	CL
Cash Disbursements - Employer	CL	CL	CL	CL
General Ledger	CL	CL	CL	CL
Enrollment and Demographics	RIMS	CL	CL	CL
Member Account Maintenance	RIMS	RIMS	CL	CL
Optional Service Credit	RIMS	RIMS	CL	CL
Benefit Estimation	RIMS	RIMS	CL	CL
Refunds	RIMS	RIMS	CL	CL
Admin Services: Imaging	N/A	N/A	CL	CL
Admin Services: Workflow	N/A	N/A	CL	CL
Member Self Service	N/A	N/A	CL	CL
Retirement Application Processing	RIMS	RIMS	RIMS	CL
Benefit Account Adjustments	RIMS	RIMS	RIMS	CL
Pension Payments	RIMS	RIMS	RIMS	CL
Cash Disbursements - Member	RIMS	RIMS	RIMS	CL
Benefit Recipient Self Service	N/A	N/A	N/A	CL

LEGEND: RIMS = Supported by RIMS
 CL = Supported by Clarety / Retired from RIMS
 N/A = Not yet available

3.2.2 Business Architecture Implications

Since jClarety operates somewhat differently than RIMS, business processes will need to be modified to reflect the jClarety processing. However, because the Chapter 238A plan will already be in production, some areas of the organization will have already modified their processes and will require minimal changes for the addition of the Chapter 238 plan.

More importantly, this solution results in both plans running on the same software and hardware. This integrated solution allows for common maintenance, reporting, auditing and retirement processing.

This solution also allows the agency to solve or meet all of the stakeholder needs defined by the business.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

3.2.3 Information Technology Implications

PERS has the opportunity to leverage current assets, including the Chapter 238A jClarety implementation as a solution for RIMS Conversion. The jClarety Wage and Contribution reporting module is implemented at PERS. And the Full Membership Module is three quarters of the way to being completed. Expanding jClarety to support the Chapter 238 Plan provides the potential for significant cost savings and reduces the implementation timeframe over an alternate COTS package or a custom solution.

This solution allows the agency to reduce the complexity of its information technology environment as the RIMS application and its associated hardware as well as desktop applications and spreadsheets can all be decommissioned at the conclusion of the project. This greatly reduces the number of tools and skills sets the agency must maintain.

At the conclusion of this implementation, the environment that supports PERS' business will be greatly simplified from the previous RIMS environment (See Diagram 1 for a graphical depiction of the current RIMS environment).

The following diagram (Diagram 2) graphically depicts the future PERS environment and architecture after the jClarety implementation. If you compare it to Diagram 1, shown earlier in this document, you will see that the result of this solution is a fully integrated solution that handles both the Chapters 238 and the 238A plans. The only non-integrated functionality is the functionality that PERS has determined to be a very small percentage of their total work load where the effort to fully automate this functionality is not worth the cost. The example shown here assumes that judge's retirements are not handled by the new system. This has not been determined at this time and is only an example for illustration purposes.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

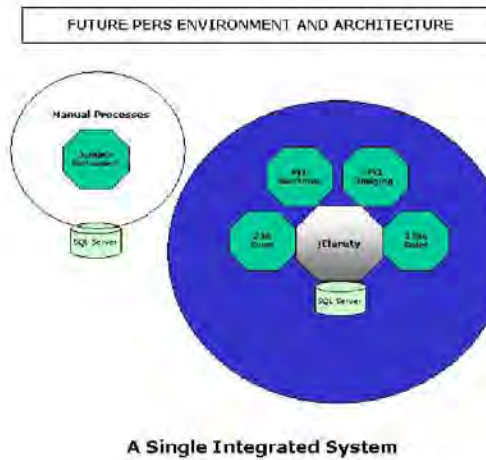


Diagram 2

3.2.4 Risk

This option is rated as a Low to Medium risk option for the following reasons.

Economic:

This option is by far the lowest implementation cost of the 3 options. This solution also reduces the ongoing maintenance cost to the agency as the RIMS system can be decommissioned at the conclusion of the project. And since the design of the application lends itself to be easily modified, the ongoing maintenance costs will be reduced. In addition, since this option results in a single platform, it will eliminate nearly \$2 million per biennium in operating costs to the agency. This makes this option a low economic risk.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Technical:

This option reuses existing PERS hardware and software which has proven to work with the implementation of the Chapter 238A plan. This makes this option a low technical risk. It further reduces technical risk to know that numerous other retirement organizations are already using the jClarety solution. This has allowed the vendor to work out many of the bugs and issues with developing a new system prior to it being implemented at PERS.

Political:

The state has already agreed that jClarety is a viable solution as it selected it for the Chapter 238A project and has already endorsed it for the RIMS Conversion project. Furthermore, a previous attempt by the agency to develop a custom application was rejected by DAS and the legislature in favor of a COTS solution. This makes this option a low political risk.

Business:

The agency is already using the jClarety application for the Chapter 238A plan. This means they are already somewhat familiar with the system. Since 70% of the functionality for RIMS is already met by the jClarety application, only 30% needs to be configured to meet the requirements stated for the RIMS Conversion project. This makes this option a medium business risk.

3.2.5 Advantages/Disadvantages

Advantage of this option:

1. Selected as the 'best in breed' COTS application for the Chapter 238A implementation. Already in use at the agency for the Chapter 238A plan.
2. Significantly lower cost than the other 2 options.
3. When complete, the Chapters 238 and 238A plans will reside on one common system. The technical environment will be substantially less complex than with the other two options.
4. jClarety has been implemented in several other state retirement agencies.
5. This solution provides the shortest implementation timeframe of all the options.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

6. Industry best practices are built into the system.
7. Web enabled for member and employer self-service functionality.
8. The design of jClarety lends itself to be easily expandable and modifiable.
9. The technical architecture of jClarety is modern and appropriate skill sets are available.
10. PERS has already done significant work over the past several months participating in a live walk-through of the base jClarety application to compare its functionality to the PERS stakeholder needs to ensure jClarety met PERS expectations or could be modified to do so.

Disadvantage of this option:

1. There is currently very little in-house knowledge of the jClarety architecture and design.
2. Stakeholder needs and customization to the application are restricted to the constraints imposed by the jClarety design template. This means that some current agency processes may need to be changed.

3.2.6 Solution Assumptions

The jClarety solution can effectively and efficiently run two retirement plans on the same software and hardware.

The related financial system replacement project (Full R*STARS implementation) will be completed by July 2005 and it will contain the needed functionality to replace some existing RIMS financial components.

The jClarety application can be modified to meet the agency needs defined in the Business Case and this document.

This solution can be implemented for an estimated \$25 million.

3.2.7 Estimated Costs

Component Description	Implementation Cost (Estimated)	Post Implementation Cost (Recurring)
JClarety Consulting (Covansys)	\$17.3 million	N/A
Project Management	\$ 3.4 million	N/A

BUDGET NARRATIVE

Oregon Public Employees Retirement System

- Project management for 44 months.		
Internal position backfill for core Project team over 44 months.	\$ 1.48 million	N/A
Hardware/Software/Services	\$ 1.7 million	N/A
DAS QA Reserve	\$ 1.1 million	N/A
Project Cost	\$25.0 million	Once jClarety is implemented for both the 238 and 238A plans, the costs for RIMS support will be eliminated. This option reduces the overall cost for system maintenance/support by nearly \$2M per biennium when compared to a mixed environment option. There is no expected increase in the number of FTE for jClarety support at the conclusion of the project.
Contingency (10%)	\$ 2.5 million	N/A
Total Project Estimate	\$27.5 million	N/A

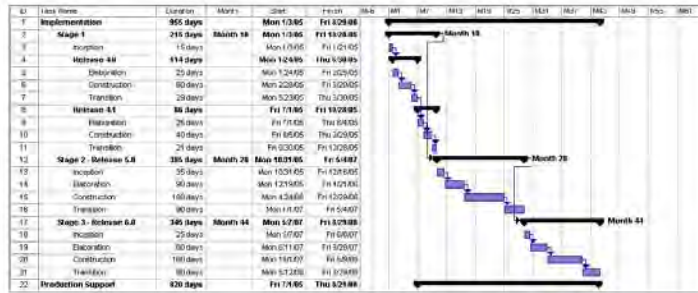
3.2.8 Estimated Timeline

The following Gantt chart depicts the estimated 44-month timeframe for the implementation of the jClarety solution. The Gantt chart is broken down into the 3 stages described in the solution description above. To be consistent, we have carried over the release naming convention from the Chapter 238A project. Thus the first full release in the project is 4.0.

The project begins in January of 2004 with Stage 1, where the RIMS employment data will be converted to jClarety with the appropriate data being transmitted to RIMS to ensure that the two systems are in sync which the rest of the implantation continues. PERS is capable of beginning this effort in January because the input from the business users subject matter experts (SMEs) is minimal.

BUDGET NARRATIVE

Oregon Public Employees Retirement System



BUDGET NARRATIVE

Oregon Public Employees Retirement System

3.3 Option 3 - Develop a Custom Solution

3.3.1 Description of the Solution

With this solution, PERS will design and build a totally custom solution that meets all of the stakeholder needs defined in the Business Case and the requirements section of this document. It is assumed that no template is used, as is done in option 2 above, to create the base functionality of the system, although certain predefined COTS applications could be used to support the implementation of certain functionality.

This implies that a totally new system that has never been implemented before would be designed and created by PERS. PERS would assume all the risk inherent with the creation of a custom solution. PERS would also have to hire the expertise, either as internal staff or through a contract basis, that would be needed to understand the complex technologies necessary to build a client server based application. Since PERS currently operates on an IBM mainframe, expertise in new technologies does not exist at PERS.

The level of expertise needed and the scope of work involved in creating a totally custom solution was beyond the experience level of PERS staff when attempting to implement the OPAS project.

3.3.2 Business Architecture Implications

As PERS has discovered with the implementation of the Chapter 238A plan, large projects take a significant amount of business user support. The Chapter 238A plan made use of an existing system that already had a significant amount of base functionality built into it. A custom solution, due to the fact that it does not make use of an existing system, would need significantly larger business user support than the Chapter 238A implementation.

3.3.3 Information Technology Implications

This solution will have a large impact on the information technology strategy for the agency. A custom solution implies that the technical solution is open to many possible options. In the OPAS project, a totally custom solution, PERS selected a technical solution that was modern and flexible; however, it required a complete retooling of the agency, an overhaul of the existing infrastructure, and significant retraining of staff. This required a major financial outlay for new software, hardware, training, and third party packages, thus significantly driving up the price and technical impact to the agency.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

3.3.4 Risk

This option is rated as a HIGH risk option for the following reasons.

Economic:

This is the most costly option to meet the needs of the stakeholders and the business. Due to the nature and uncertainty of custom IT solutions, PERS can feel fairly certain that the economic impact will be greater than currently stated. That makes this option a high and economic risk.

Technical:

Although it's not known, it is likely that this option will use completely new and modern technology at PERS. Regardless of the technology chosen, the fact that it is undefined and untested is a significant concern for the agency given its current operational challenges. Historically, custom IT solutions have had a high failure rate. These factors make this option a high technical risk.

Political:

The state has already agreed that jClarety is a viable solution as it selected it for the Chapter 238A project and has already endorsed it for the RIMS Conversion project. Veering off in a new direction at this point in time may be politically risky. Secondly, PERS has already attempted and failed at presenting a custom solution. Politically, it would be very difficult to suggest another attempt at a custom solution. This makes this option a high political risk.

Business:

The total impact to the business cannot be known at this time. This in itself makes this option a risky business option. It can be assumed that a custom solution will have more impact than Option 1 - Maintain and Enhance RIMS, as the agency already understands the application and has its business processes in sync with RIMS. It will also have a larger impact than Option 2 - Re-use the jClarety Application. Since jClarety is already being implemented for the Chapter 238A plan, the agency already has some familiarity with it.

3.3.5 Advantages/Disadvantages

Advantage of this option:

1. All of the stakeholder needs can be met.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Disadvantage of this option:

2. This is the highest cost solution.
3. This is the least defined solution at this time.
4. This has by far the highest economic, technical, political and business risk.

3.3.6 Solution Assumptions

The agency has the knowledge, resources and Subject Matter Experts' (SME's) time to commit to designing and building a custom solution.

The agency can "sell" the concept of a custom solution to the legislature, the public and itself.

3.3.7 Estimated Costs

The cost estimate is taken from the "OPAS Business Case Analysis V2" document dated February of 2001.

Component Description	Implementation Cost (Estimated)	Post Implementation Cost (Recurring)
Custom System	\$58 to \$65 million	Undetermined at this time.

3.3.8 Estimated Timeline

The time estimate is taken from the "OPAS Business Case Analysis V2" document dated February of 2001.

580,000 - 650,000 man-hours of time assuming the implementation cost stated above and a \$100 per hour rate.

This number represents 2.4 times the work effort of the jClarety implementation (Option 2) for which we have a solid estimated duration of 44 months. Additional analysis would be needed to determine if the resources would be available and the work could be efficiently organized in order to complete this option in the same 44 month timeframe.

3.3.9 Comparison of Potential Solutions

The following table summarizes the costs, work effort and risk of the three options discussed in this document. From the analysis presented, the

BUDGET NARRATIVE

Oregon Public Employees Retirement System

second option, Reuse the jClarety Application, presents the most beneficial solution for the agency. It is by far the lowest cost, work effort and risk of the three options. It also enables the agency to meet the stakeholder needs defined by the business while providing a stable base for future enhancements and updates to the application and plans.

Solution	Implementation Costs (Estimated)	Work Effort	Risk
Option 1 - Maintain and Enhance the RIMS System	\$37 to 45 mil	370,000 – 450,000 man hours	High
Option 2 – Convert RIMS to the jClarety Application	\$25 to 27.5 mil	250,000 man hours	Medium
Option 3 - Develop a Total Custom Solution	\$58 to 65 mil	580,000 – 650,000 man hours	High

BUDGET NARRATIVE

Oregon Public Employees Retirement System

4 Recommendation

4.1 Recommended Solution

PERS is recommending that the agency implement "Option 2 to Convert RIMS to the jClarety Application" solution. This solution has been selected in order to reduce the risk, cost and work effort of a RIMS conversion project. The COTS-based approach allows the agency to reduce the time needed for RIMS conversion and significantly reduces the associated risks. Moreover, this strategy enables the agency to reduce complexity by integrating the Chapter 238 plan into the existing jClarety system currently being implemented for the Chapter 238A plan. The jClarety solution allows the agency the best opportunity to meet its mission in a timely and cost efficient manner while assuming as little risk as possible for such a large-scale system implementation.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

5 Appendices

5.1 Appendix A - Security Standards for a Browser-based Solution

Critical data is not encrypted when it is transmitted across the Internet. jClarety sessions using SSL should be at least 128-bit encryption. The use of encryption based digital signature technology provides positive authentication of transmitted data. Encrypt all sensitive data transmissions between the Internet and critical servers. Enable strong encryption for all critical data traversing the Internet. Employ an encryption solution that has digital signature technology.

The communications between the critical asset jClarety servers and the Internet accessible systems on the DMZ are not encrypted. There is currently no encryption between the external jClarety web servers and internal application and web servers. In order to provide the fullest protection for critical information assets, all communications between the DMZ and the internal network should be encrypted. Encrypt the sensitive data transmissions between the backend database servers and the DMZ servers.

Some critical data may be vulnerable to disclosure. PERS is not encrypting all stored critical data. Although other controls may be in place to protect the stored data, PERS should also protect the critical data with strong encryption. Encrypt the stored critical data.

The sensitive information stored in the Internet accessible web server is not encrypted. Internet accessible web servers are inherently at risk because of the number and frequency of newly discovered web server attacks. Thus, critical data should not be stored other than transiently on web servers, rather it should be sent to secure internal database servers. If critical data absolutely must remain on the web server, then in order to provide the fullest protection for critical information assets, the data stored on the web server should be encrypted. This measure ensures that the data is protected as it resides on the server. Verify the content of information on external jClarety web servers. Encrypt the sensitive data on the Internet accessible web servers.

Covansys plans to use SSL for transport, but no encryption is planned for storage. Covansys indicates that no member data will be stored on Internet accessible servers. Internet accessible servers have the same risks as the Internet accessible web servers, including critical data. Verify the nature of the data exposed to the public Internet and the interfaces between the web and application servers within the Covansys jClarety implementation. Verify that there are no hard coded entity passwords within the web servers in the jClarety application suite. Encrypt any sensitive data on the Internet accessible servers.

Individual customer private third-party data are not kept in separate databases from that of other customers. Commingling private third-party data from multiple

BUDGET NARRATIVE

Oregon Public Employees Retirement System

customers can risk compromise and violation of certain protection laws and regulations.

Each customer private third-party database should have separate and distinct access passwords, so that customer database administrators cannot access one another's private data. Identify customer private third-party data and segregate it into distinct databases. Ensure that each customer's access procedures are unique and that they do not allow access to any other customer's data.

jClarety has maintenance accounts. Maintenance accounts can place critical assets at risk because they are generally accessible to a group or groups of people. This results in un-attributed access to systems. Remove all maintenance accounts from critical systems upon placement into production. Include this process within the overall Configuration Management or Change Control process as appropriate.

The external jClarety Web Server is directly accessible from the public domain. Although it may not be probable, it is possible that the jClarety Web server could be exploited directly from an external address. If this were to occur, it would then be theoretically possible to obtain critical data or launch attacks against the other database servers from the jClarety web server. Consider placing access controls between the jClarety Web server and the public domain; establish DMZ with firewall protection and IDS.

Critical systems are not regularly patched. PERS' failure to regularly patch all critical systems exposes critical assets to unnecessary risk of compromise, corruption, or loss. One of the major problems is the requirement to test patches for their potential impact on legacy installed desktop and LAN systems. Create and document a procedure to regularly test patches of critical systems to ensure that they have up to date operating system and application patches and hot fixes.

The systems handling critical assets have not been evaluated or re-assessed periodically. In order to assure the continued confidentiality, integrity and availability of critical and sensitive information assets, periodic evaluation of controls in place should be conducted. These evaluations should be completed annually, or whenever significant changes in the computing or network environment are implemented. New technical vulnerabilities are discovered continuously and require frequent monitoring of firewall status and patch updates. Establish a schedule for periodic assessment of the information security program, which includes all key safeguards and countermeasures. Such an evaluation may be performed on a general support system such as the PERS Local Area Network and/or on an application specific basis. The pace at which changes are expected in the jClarety environment may demand more frequent evaluation of controls. Evaluation should be designed into the COTS implementation methodologies and systems life cycle.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Employer user creation must be improved. Naming standards must exist and a validation process must be created to ensure authorized users are created and removed in a timely manner.

The system must be designed to allow "activity based" costing.

The database must store data classification attributes for stored data.

Two factor authentication should be deployed for system administrator or super user accounts at a minimum. Consideration for deploying two factor authentication on employer accounts should be considered.

Encryption must be implemented using standard encryption technologies that have been approved by the federal government.

Inter-server communication must be encrypted.

Strong password policy must be setup and enforced for internal and external application.

Remove local administration rights from user accounts.

Remove application login accounts from domain users.

Produce audit reports for user rights.

History data and non-data should be archived.

A process must be created to notify system administrators of account and certificate expirations.

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Appendix B - Internet Performance Standards for a Browser-based Solution

PERS ISD STANDARD	
Intranet Business Application Performance	
Purpose of Standard: Set a design standard for any WEB based application deployed at PERS in terms of system scalability, stability and response times for intranet users	
Category: WEB Design & Development (WDD)	Reference ID#: <Category Acr.-0000.00>
Originator: Jim Duckering	Date Submitted: 07/20/2004
Status: Proposed	Date Status Change:
Recommend Review Cycle: Annually	Date of Last Review:
Standard Details	

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Standard:

All enterprise web business applications deployed in the PERS ISD production environment must meet the following system design level requirements for intranet user scalability, response time and stability.

Scalability**Activity Type****Requirement****Goal**

Peak expected hourly usage

500 users

1000 users

Peak expected sustained usage

300 users

500 users

Maximum percentage of users expected to execute queries in any one hour

50%

75%

User Response Times against Scalability Requirements**Activity Type****Requirement****Goal**

Avg. Normal Page Requests

Basic Data Base Entries

5 sec. or less

3 sec. or less

Avg. Query Execution

15 sec. or less

5 sec. or less

Stability**Activity Type****Requirement****Goal**

BUDGET NARRATIVE

Oregon Public Employees Retirement System

Business Usage expected system uptime
99%
~2.8hrs/wk
99.9%
~30min./wk

Supporting Information: (background, benefit, impact, etc.)

Currently there are no known industry standards for WEB application performance. In the absence of any standard, we must set system level development requirements for user response time based on expected usage loads. This standard is based on discussions with business users and research done on web applications that have been deployed in the industry.

Terms/Special Definitions:

- Response Time – defined as the time it takes an enterprise system to interact with a user request and display the results to that request. This measurement must take in to account the expected load on the system. Increased load must not affect the expected response time.
- Enterprise System – all the components that make up an information technology solution supporting the business users. (i.e., hardware, firmware, software, network, business application, etc.)

Issues:

BUDGET NARRATIVE

Oregon Public Employees Retirement System

5.2 Appendix C - Batch Processing Standards Solution

PERS ISD STANDARD Clarety Batch Processing Window	
Purpose of Standard: Set a window for all Clarety Batch Processing to provide for 20/7 system availability	
Category: SW Development and Design	Reference ID#: <Category Acr.-0000.00>
Originator: Doug Sawkins	Date Submitted: 07/23/2004
Status: Proposed	Date Status Change:
Recommend Review Cycle: Annually	Date of Last Review:
Standard Details	
Standard: Establish a batch processing cycle that runs from 11PM to 3AM 7 days. This includes all jobs of varying frequency (Weekly, Monthly and Annual). This will become effective once RIMS Conversion project is completed (around the end July 2008).	
Supporting Information: (background, benefit, impact, etc.) This is based on information from Covansys that this achievable once the RIMS bridging jobs are eliminated and that the hourly cost of RIMS downtime is between \$4,000 and \$8,000.	
Terms/Special Definitions:	
<ul style="list-style-type: none"> • None 	
Issues:	

BUDGET NARRATIVE

Major IT Project Update

Background

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 administration services across all retirement programs. The resulting system is named ORION (Oregon Retirement Information Online Network).

RCP will extend and further customize the jClarety application template developed in Phase I (completed in 2005). The scope of the RCP includes the retirement plan administration components needed to administer the PERS Chapter 238 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 programs.

Converting from RIMS to ORION

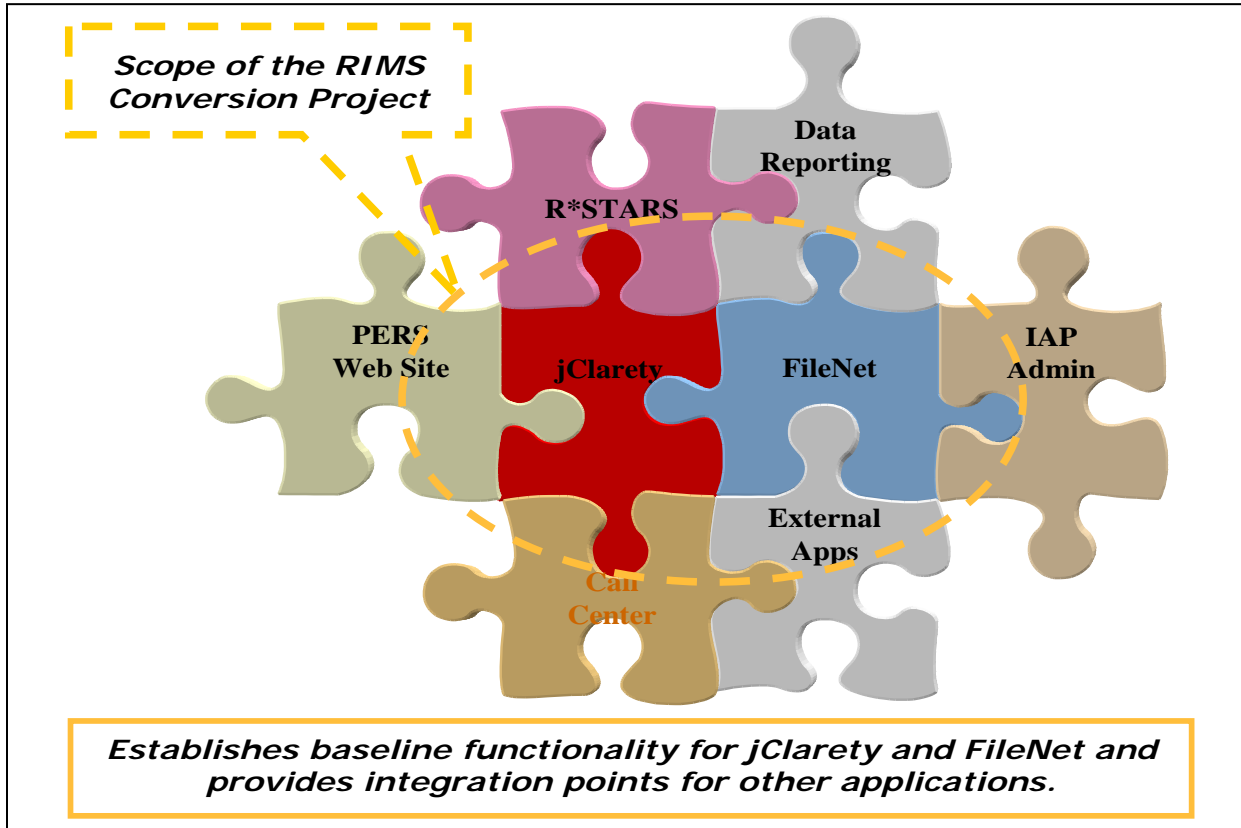
The RCP is a multi-staged project that will result in a comprehensive retirement administration and information system. Some important characteristics of the project are:

- ORION will enable PERS to achieve its mission to become a well-respected organization that serves its members efficiently and effectively.
- Staff will be able to access the information they need to successfully perform their duties and responsibilities.
- New functionality is being added to the system in staged releases. This allows staff to begin to gain the benefits of the new system sooner and allows the project to manage risk.
- Organizational and process changes will be instituted as new functionality and related efficiencies are realized during and after transition to the new systems.
- ORION will integrate complementary and supporting technologies (e.g., electronic workflow, contact management, member and employer self-service, call center management, financial transactions, and reporting) to create a system that supports business operations.
- All RIMS functionality will be decommissioned and transferred to applications that coordinate with the architectural design of the agency's enterprise system.
- At the end of the project, any remaining change requests will have been prioritized and classified appropriately for future deployment (if necessary). RCP will provide a system that can be modified quickly in support of retirement plan statutory changes and rules.
- The ongoing support structure for the system—post-implementation—will be a combination of in-house staff and, for large enhancements or modifications, a support agreement with the implementation partner. Training of internal staff in jClarety application support is included in the main RCP contract.

The following diagrams graphically depict the integration goals of the project and the subprojects contained within the overall program.

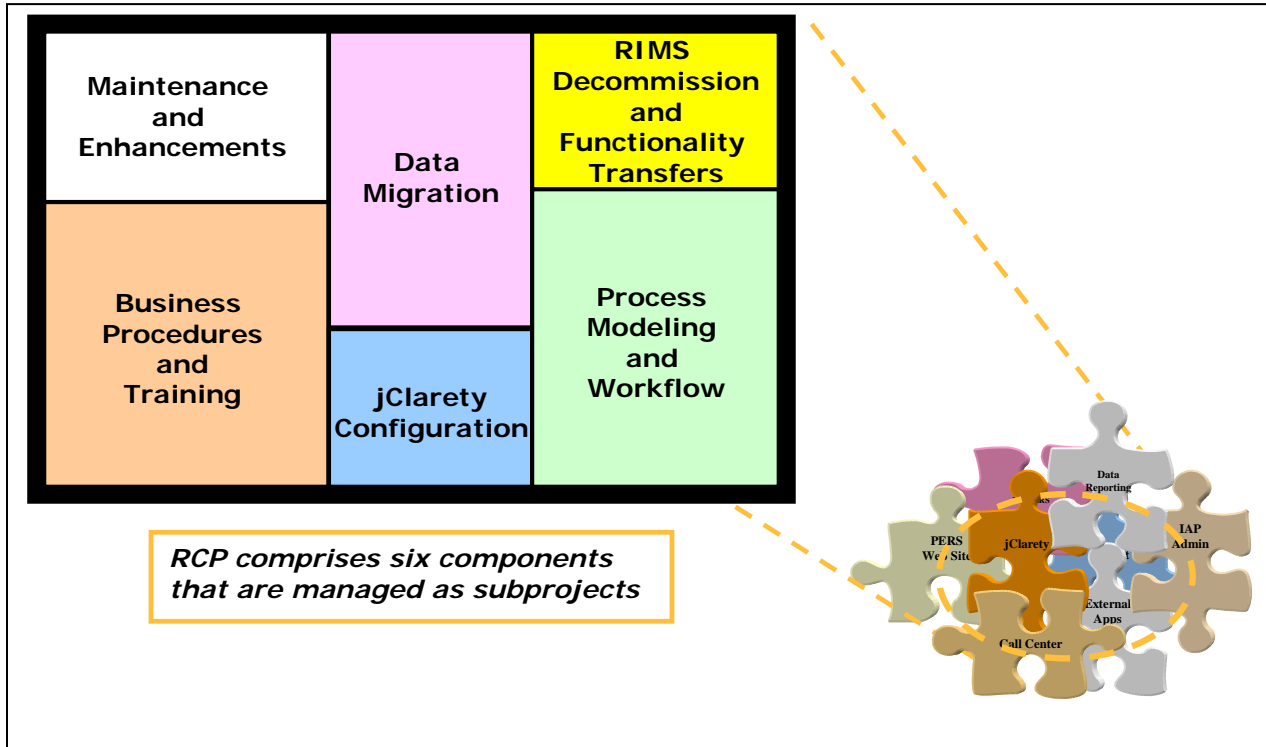
BUDGET NARRATIVE

RCP Integration Goals



BUDGET NARRATIVE

RCP Components



BUDGET NARRATIVE

Since RCP is being implemented in stages, agency staff and employers have been introduced to some of the benefits and capabilities of the new system in functional releases. This approach, in contrast to a “big bang” approach where all system functionality is developed and released at one time, has the advantage of allowing users to gradually become accustomed to the new tools and integrate their experiences into subsequent releases. On the other hand, the approach also presents some challenges since staff is required to navigate between the old system and the new system until the old one is fully decommissioned.

Project Benefits

Some of the benefits attributable to RCP staged releases to date include:

- Employers have a single, web-enabled entry point to report and correct demographic, wage, and contribution information for all PERS plans. Validation rules enhance the quality of incoming data. Employers can report more timely.
- New customer service capabilities, such as contact management, have enabled PERS’ staff to respond to member inquires more efficiently and effectively.
- Electronic document imaging has greatly improved staff efficiency: provides secure access to documents, provides access to documents within minutes rather than hours/days, reduces paper consumption from more than 45,000 copies per month to 500, eliminates lost/misplaced documents, eliminates costs for filming (\$50K/biennium).
- Electronic workflows enable PERS staff and employers to receive, track, prioritize, and report status on significant business processes. Workflows already implemented include salary certification, retirement application intake, and withdrawal.
- Employer payments are received via electronic funds transfer (EFT). This has decreased employer workload and their cost to make a paper check payment. It has also decreased the time it takes for these funds to be deposited and available for investing.
- Employers receive consolidated bi-monthly statements that provide a comprehensive view of their accounts and give PERS-enhanced accounts receivable tracking and reporting capabilities.
- Full auditing capabilities for every update to data in the system.
- Agency technical staff learning the new technologies.

Additional benefits expected at RCP completion include:

- Tier One, Tier Two, OPSRP Pension Program, and IAP administration will be conducted in a single system.
- More than 80 percent of retirement calculations will be automatically processed by ORION. Legacy system retirement calculations (about 6,000 a year) require frequent manual intervention due to system limitations and poor data quality. More than 50 percent were handled completely manually.
- Self-service will enable members to get plan materials, forms, and estimates as well as view and update information over the Internet.
- Integrated workflow will provide repeatable processes that will increase the efficiency, data availability, and accountability of PERS staff. It will also allow better management and allocation of staff workload.
- A single data source will allow staff to view and complete account reviews faster leading to PERS’ ability to provide benefits faster.

BUDGET NARRATIVE

- The ability to correct data systematically through designed user interfaces (currently most of the data correction is done manually and is extremely time consuming).



Project Progress and Schedule

The diagram below outlines the course of the project to date. Stages 1A, 1B, and 1C have been completed and the system functional capabilities are displayed on the right. Stage 2A is currently in analysis and development mode. Stage 2B is planned for development and deployment in the 2009-2010 timeframe.

The projected implementation date for Stage 2A has yet to be determined, pending additional analysis and system functionality changes brought on by several retirement plan changes that occurred during the last two legislative sessions. The addition of these programming changes has been determined to be critical to the efficient operations of the agency and is important to incorporate into this stage of the project. Once a complete understanding of these issues is determined (by August 2008), a certain release date will be determined. *It should be noted that the impact of these items will result in changes to project schedule, scope, and budget.*

BUDGET NARRATIVE

The staged implementation strategy for the project has not only allowed for the accelerated use of system functionality by PERS staff, but it has also allowed the project to be flexible and to respond to the dynamic nature of the environment. At the onset, the project was expected to take 44 months to implement. Agency staff determined that a risk that system functionality changes would occur over that time period was probable. To mitigate this risk, the project management process includes procedural mechanisms to add and remove system functionality as required by the business drivers. This ensures the final system will contain the right functionality for the business at the project's conclusion.

While the insertion or deletion of functionality during the project can be disruptive, project management staff, working with business staff, weighs the relative project disruption against the adverse operational impact of not implementing the changes timely. When the potential adverse impact to business operations of not implementing the changes outweighs the scheduling impact to the project, the change is incorporated. If, on the other hand, the potential impact of not including the changes is not significant to business operations, the changes are delayed until a later time. For example, of the 20 potential application changes that emanated from the previous two legislative sessions, only six were considered significant enough to include in the current project schedule. The others will be addressed in the short term using existing resources and systems and incorporated into ORION later if needed.

Project Funding

The table below outlines the project budget and spending from project inception through May 2008. Of the originally approved budget of \$27.5 million, PERS management expects to spend just under \$24 million by the end of the current biennium, leaving approximately \$3.5 million remaining. In light of several significant legislative changes to the pension plan, the agency has determined that it will include additional functionality in the project scope. The expected cost of the project was increased by 2.5M and is now \$30 million and the final completion date has been extended to June 30, 2010.

BUDGET NARRATIVE

Updated with information from Feb 2009 Major IT Project Update PROJECT FINANCIALS

Fund Sources	BIENNIAL BUDGETS	FEDERAL SHARE	STATE SHARE
	Approved Amount	Approved Amount	Approved Amount
Project Development Costs	\$ 25,285,847	\$	\$
Software/Hardware Costs	\$ 1,380,376	\$	\$
*Agency Staff Costs (including S&S)	\$ 1,740,698	\$	\$
*Other Costs	\$ 2,340,347	\$	\$
Total Budget:	\$ 30,747,268	\$	\$ 27,500,000
Current Budget Funds Expended:	\$ 17,846,773	\$	\$
Expenditures Previous Releases:	\$ N/A	\$	\$
Project Spending Totals:	\$ 17,846,773	\$	\$

Notes:

- Total of biennially approved budgets: \$30,747,268
 Less: unspent and unscheduled budget from 03-05 and 05-07: 6,781,512
 Total approved budget projected to be spent through 07-09: \$23,965,756
- Current Budget Funds Expended have been confirmed by biennial review and reconciliation of 05-07 expenditures.
- Remainder of overall \$27,500,000 project budget to be spent in 09-11: \$3,534,244.
- RCP projected expenditures through June 30, 2010. Which includes fiscal impact of 2007 legislation, are \$30,000,000. A request for the additional \$2,500,000 has been submitted to DAS/Office of Budget and Management (BAM) and included in the 09-11 Governor's Recommended Budget (GRB).

BUDGET NARRATIVE

Project Oversight and Quality Assurance

The project incorporates several quality assurance and quality control mechanisms into the planning and execution activities. First, a Department of Administrative Services (DAS) QA resource has been assigned to the project. This resource provides DAS oversight and coordinates external QA/QC resources.

Second, an external QA resource has been procured to provide periodic (quarterly/semi-annually) QA reviews and assessments of the project. This contractor, working under the direction of the DAS resource, gauges the health of the project based on survey and interview feedback from project participants in conjunction with industry standards and best practices.

Third, the agency's Project Management Office (PMO) utilizes the industry standard project management methodology (Project Management Body of Knowledge) for project management activities. The PMO comprises both internal staff and external consultants.

Finally, the agency's internal QA section coordinates quality control activities for all major deliverables for the project. In addition, the internal QA group manages the Quality Checkpoint (QCP) process and testing procedures for all major project deliverables. This QCP process ensures project deliverables conform to business specifications and are thoroughly tested before deployment into the production environment.

Using these QA/QC procedures, the agency has been able to identify and manage the major risks associated with this project as well as enable proper evaluation of project artifacts. Project risk management is a continuous process, and the project team works with end-user staff to ensure appropriate mitigation strategies are being implemented.

BUDGET NARRATIVE

Risks and Mitigation Strategies

The following table lists the major risks, identified by an independent Quality Analysis report, to the project as well as the mitigation plans associated with the risks.

Risk #1	RCP is competing with projects resulting from the <i>Strunk and Eugene</i> litigation, Individual Account Program remediation, and the HB2020 legislation for limited, skilled resources as well as on-going operations.
Mitigation #1	PERS management and staff are developing a prioritized, integrated approach that takes into account the interdependencies of not only the major projects noted above, but daily operations as well as additional important but smaller projects.
Risk #2	Data integrity is inconsistent in RIMS, which will be the source of the data needed for jClarety.
Mitigation #2	A business-led data cleansing and migration team has been formed to deal with the data integrity issue and is developing a series of programs to identify, prioritize, and correct problem data.
Risk #3	New development methodologies, procedures, and software impose a formal set of processes and skill sets that need to be mastered through training and assimilation time.
Mitigation #3	PERS is using outside experts to provide Rational training using these new tools, and continued improvement and skill development is expected.
Risk #4	Legislative changes to the retirement plan in the 2005 and 2007 sessions have altered the scope and functionality required to administer the retirement system. Similar legislative changes may occur before the end of this project, which is scheduled to complete at the end of 2009.
Mitigation #4	Attempt to manage functionality and scope changes to the project within the current budget and time line by exchanging functionality no longer needed with the additional functionality. Some additional budget authority and project schedule adjustments may be requested at an upcoming EBoard meeting or in the 2009-11 agency budget.

BUDGET NARRATIVE

Audit Response Report

The following reports were completed and/or issued by the Secretary of State or the Joint Legislative Audit Committee in the 2003-05 and 2005-07 biennia and thus far in the 2007-09 biennium:

2007-2009:

- The annual audit of the PERS Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007 was issued in December 2007 by the Secretary of State Audits Division (OAD). Two significant deficiencies were identified in their revised report on internal control and compliance dated February 2008. One of these deficiencies has been resolved, while management continues to address the other weakness identified in the report.

2005-2007:

- The annual audit of the PERS CAFR for the fiscal year ended June 30, 2006 was issued in December 2006 by the OAD. No reportable conditions were reported and no management letter was issued.
- jClarety Application Controls Review: The OAD 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 annual audit of the PERS CAFR for the fiscal year ended June 30, 2005 was issued in December 2005 by the OAD. 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 annual audit of the PERS CAFR for the fiscal year ended June 30, 2004 was issued in December 2004 by the OAD. One reportable condition was identified and corrective measures have been implemented along with a work plan to prevent the problem from reoccurring in future years.
- The annual audit of the PERS CAFR for the fiscal year ended June 30, 2003 was issued in December 2003 by the OAD. No reportable conditions were identified.

In addition, the following reviews and engagements were conducted by the PERS Internal Audit Section, DAS, or by independent contractors during the above periods:

BUDGET NARRATIVE

<u>Report Title</u>	<u>Date Issued</u>	<u>Conducted By</u>
Desktop Applications	06/20/2008	PERS Internal Audit
Position Description/Performance Evaluation Audit	06/05/2008	DAS HRSD
Accounts Receivable	10/18/2007	PERS Internal Audit
Information Security Review	09/17/2007	PERS Internal Audit
SPOTS Card	08/01/2007	PERS Internal Audit
Payroll and Overtime	01/25/2007	PERS Internal Audit
Employee Account Review	09/06/2006	PERS Internal Audit
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 Audit
jClarety User Logical Access Review	12/09/2004	PERS Internal Audit
Member Retirement Purchases Options	09/13/2004	PERS Internal Audit
Total Lump Sum Benefit Option Review	06/22/2004	PERS Internal Audit
Assessment of PERS' Performance Measurement System Integrity and Outcomes	06/04/2004	PERS Internal Audit
Travel Card Review	06/03/2004	PERS Internal Audit
SPOTS Card	04/28/2004	PERS Internal Audit
Travel Expense Review	04/05/2004	PERS Internal Audit
Accounts Receivable and Invoicing	03/08/2004	PERS Internal Audit
Death Benefit Unit Risk Assessment	02/05/2004	PERS Internal Audit
Minimum Account Balance	01/29/2004	PERS Internal Audit
Hardship Manual Refunds Review	10/23/2003	PERS Internal Audit

Recommendations for improvement from these reviews and engagements have been or are in the process of being evaluated and implemented. Some will occur as part of the implementation of the new jClarety application.

BUDGET NARRATIVE

Affirmative Action Report

Progress made or lost since last biennium

During the 2007-09 biennium, PERS has been involved with activities to attract and retain a diverse workforce and have met or exceeded parity in some EEO categories. For people of color, there were gains in every category, except Officials/Administrators. The information in the charts below came from the Workforce Representation Reports, which are included in this Affirmative Action Plan and can be reviewed for more detailed information about the workforce representation at PERS.

There is still work required to reach parity in some EEO categories, and PERS continues to work to meet and exceed parity in all EEO categories. The plan of action for 2009-11 biennium is discussed later in this narrative.

The charts below show the changes in numbers of employees for Women, People with Disabilities, People of Color, and each subcategory for people of color between July 1, 2007, and June 30, 2008.

WORKFORCE REPRESENTATION

WOMEN

EEO-4 CATEGORY	TOTAL EE 2005-07	NUMBER WOMEN 2005-07	TOTAL EE 2007-09	NUMBER WOMEN 2007-09	% CHANGE IN # WOMEN
A. Officials/Admin	35	13	34	12	-7.69%
B. Professionals	238	137	244	152	10.95%
C. Technicians	9	6	8	5	-16.67%
F. Admin Support	69	62	70	65	4.84%
AGENCY TOTAL	351	218	356	237	8.72%
Note change in number of total agency employees:	1.42%				

2005-2007 data from December 2007 DAS statistics.

2007-2009 data from June 2008 DAS statistics.

Women:

We increased our percentage of women by 8.72 percent in the 2007-09 biennium compared to the 2005-07 biennium. The total number of employees (men and women) in the agency increased by 1.42 percent. We have experienced a decrease in our women representation in the Technicians and Officials/Administrators categories. Even though we decreased our representation of women in the Technicians category, we are still not underutilized. In our current and future recruitments, we will continue to make our managers aware of the underutilization of females in the Officials/Administrators category.

BUDGET NARRATIVE

WORKFORCE REPRESENTATION

PEOPLE WITH DISABILITIES

EEO-4 CATEGORY	TOTAL EE 2005-07	NUMBER DISABLED 05-07	TOTAL EE 2007-09	NUMBER DISABLED 07-09	% CHANGE IN # DISABLED
A. Officials/Admin	35	2	34	1	-50.00%
B. Professionals	238	10	244	11	-10.00%
C. Technicians	9	0	8	0	0.00%
F. Admin Support	69	6	70	4	-33.33%
AGENCY TOTAL	351	18	356	16	-11.11%
Note change in number of total agency employees:	1.42%				

2005-2007 data from December 2007 DAS statistics.
2007-2009 data from June 2008 DAS statistics.

People with Disabilities:

Four percent of our total employees have disabilities. We post our jobs with various vocational rehabilitation services in the area. We continue to welcome people with disabilities by providing access and reasonable accommodations under the Americans with Disabilities Act. There was a decrease in our percentage of disabled employees by 11.11 percent in the 2007-09 biennium compared to the 2005-07 biennium. The total number of employees (men and women) in the agency increased by 1.42 percent. We have experienced a decrease in our disabled persons representation in the Officials/Administrators, Professionals, and Administrative Support categories. There was no change in our Technician category. Even though we decreased our disabled representation in the Administrative Support category, we are still not underutilized. In our current and future recruitments, we will continue to make our managers aware of the underutilization of disabled persons in the Officials/Administrator and Professional categories.

BUDGET NARRATIVE

WORKFORCE REPRESENTATION

PEOPLE OF COLOR

EEO-4 CATEGORY	TOTAL EE 2005-07	NUMBER POC 2005-07	TOTAL EE 2007-09	NUMBER POC 2007-09	% CHANGE IN # POC
A. Officials/Admin	35	4	34	3	-25.00%
B. Professionals	238	27	244	29	7.41%
C. Technicians	9	0	8	0	0.00%
F. Admin Support	69	10	70	12	20.00%
AGENCY TOTAL	351	41	356	44	7.32%
Note change in number of total agency employees:	1.42%				

2005-2007 data from December 2007 DAS statistics.
2007-2009 data from June 2008 DAS statistics.

People of Color:

We increased our percentage of people of color by 7.32 percent in the 2007-09 biennium compared to the 2005-07 biennium. The total number of employees (men and women) in the agency increased by 1.42 percent. We have experienced a decrease in our people of color representation in the Officials/Administrators category. Even though we had a gain in people of color Professionals, we are still underutilized. In our current and future recruitments, we will continue to make our managers aware of the underutilization of people of color in the Officials/Administrators, Professionals, and Technicians categories.

BUDGET NARRATIVE

Breakdown of People of Color by Category:

WORKFORCE REPRESENTATION

AFRICAN AMERICANS

EEO-4 CATEGORY	TOTAL EE	NUMBER	TOTAL EE	NUMBER	% CHANGE IN # AFRICAN AM
	2005-07	AFRIC AM 05-07	2007-09	AFRIC AM 07-09	
A. Officials/Admin	35	0	34	0	0.00%
B. Professionals	238	2	244	2	0.00%
C. Technicians	9	0	8	0	0.00%
F. Admin Support	69	0	70	1	100.00%
AGENCY TOTAL	351	2	356	3	50.00%
Note change in number of total agency employees:	1.42%				

WORKFORCE REPRESENTATION

HISPANIC AMERICANS

EEO-4 CATEGORY	TOTAL EE	NUMBER	TOTAL EE	NUMBER	% CHANGE IN HISPANICE AM
	2005-07	HISP AM 05-07	2007-09	HISP AM 07-09	
A. Officials/Admin	35	1	34	1	0.00%
B. Professionals	238	4	244	4	0.00%
C. Technicians	9	0	8	0	0.00%
F. Admin Support	69	1	70	4	300.00%
AGENCY TOTAL	351	6	356	9	50.00%
Note change in number of total agency employees:	1.42%				

BUDGET NARRATIVE

WORKFORCE REPRESENTATION

ASIA/PACIFIC ISLANDER AMERICAN

EEO-4 CATEGORY	TOTAL EE 2005-07	NUMBER ASIA/PAC AM 2005-07	TOTAL EE 2007-09	NUMBER ASIA/PAC AM 2007-09	% CHANGE IN # ASIA/PAC ISL AM
A. Officials/Admin	35	3	34	2	-33.33%
B. Professionals	238	19	244	20	5.26%
C. Technicians	9	0	8	0	0.00%
F. Admin Support	69	8	70	7	-12.50%
AGENCY TOTAL	351	30	356	29	-3.33%
Note change in number of total agency employees:	1.42%				

WORKFORCE REPRESENTATION

NATIVE AMERICAN

EEO-4 CATEGORY	TOTAL EE 2005-07	NUMBER NAT AM 2005-07	TOTAL EE 2007-09	NUMBER NAT AM 2007-09	% CHANGE IN # NATIVE AM
A. Officials/Admin	35	0	34	0	0.00%
B. Professionals	238	2	244	3	50.00%
C. Technicians	9	0	8	0	0.00%
F. Admin Support	69	1	70	0	-100.00%
AGENCY TOTAL	351	3	356	3	0.00%
Note change in number of total agency employees:	1.42%				

2005-2007 data from December 2007 DAS statistics.
2007-2009 data from June 2008 DAS statistics.

BUDGET NARRATIVE

People of Color:

For African Americans, our increase was 50 percent. The gain was in the Administrative Support category. We lost ground on hiring African Americans into management, professional, and technician positions and are below our goal. We will continue to target this group with our advertisements in the Portland Observer and the Skanner newspapers and have diverse interview panels. We have been in contact with the Portland Urban League to collaborate on activities that will attract African-American candidates to PERS. 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, professional, and technical positions.

For Hispanic Americans, there was no change reported in the Professionals, Technicians, or Officials/Administrators categories. We increased our representation in the Administrative Support category by 300 percent. Although our representation in the Professional category did not change, we are underutilized. This will be an area of emphasis for the 2009-11 biennium. Although we are below the goal for Hispanic Americans, we continue to do outreach through the El Hispanic News newspaper and Portland Observer newspapers and posting our job announcements with the Hispanic Access Center/Centro Hispano. We will continue to target this group with our advertisements and have diverse interview panels. We will encourage Hispanic- American employees to be part of our presentation team for recruitment.

For Asian/Pacific Islanders, we experienced a decrease in representation in the Officials/Administrators and Administrative Support categories. Even though we lost representation in Asian/Pacific Islanders, we are not underutilized. Although we met the goals for Asian Americans, we continue to do outreach though posting jobs in the Portland 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.

For Native Americans, we experienced a decrease in Administrative Support, but increased our representation in Native American Professionals. We are still underutilized in the Native American representation. This will be an area of emphasis for the 2009-11 biennium. We will continue to do outreach activities by contacting the local Confederated Tribes of Grand Ronde to see if we can put ads or articles in their tribal newsletter and contact the Oregon Native American Chamber of Commerce to discuss partnering with them.

During the 2009-11 biennium, efforts will be focused on attracting and retaining a diverse workforce, including women, people with disabilities, and people of color. Although disclosing information about ethnicity or disability is purely voluntary in the application process, PERS will attempt to capture more accurate statistics about our workforce representation through voluntary disclosure once the employee is hired.

Although PERS met many of its Affirmative Action goals, PERS continues to work toward meeting the long-range goals for the 07-09. However, recruiting people of color continues to be a challenge for management positions. We increased the number of middle-management positions, which will develop people for future upper-management opportunities.

BUDGET NARRATIVE

PERS continues to have diverse interview panels and provides training for managers on interviewing and promoting cultural awareness. We provided harassment/discrimination training for all managers and staff in 2007 and will conduct this training again in early 2009. We need to increase the presence of women and people of color in our candidate pools and to find ways of making PERS more welcoming to diverse groups of people. In 2005, PERS hired a consultant to conduct cultural competency training for managers and executives to educate them on diversity and how to create a welcoming work environment for PERS employees with diverse backgrounds. This work will continue in 2009-11 through the Diversity Committee and cultural awareness/diversity training.

Although we are a small agency, we have expanded our presence in the Portland area through outreach programs such as the One Stop Career Center/ Workforce Network, and by putting ads on television public channels in diverse newspapers. In 2006 and 2007 we partnered with other agencies to combine efforts to afford booths at cultural job fairs as we have in the past to promote working for the state and PERS. Within our agency, Executive Managers have been attending new employee orientation to meet new employees and have a friendly face for contact. Additionally, there is a new segment in the orientation to make new employees aware of the Diversity Committee, its purpose, and to create awareness about the 14 cultural categories. We will continue to increase our diversity promotions within PERS to make women, people of color, and people with disabilities feel welcome.

PERS met some of the long-range goals for the 07-09 biennium. However, it is important to note that approximately 100 of our current 394 positions are limited duration. These will end June 30, 2009, and may create layoffs in the work force. In addition, PERS has been in a hiring freeze since February 2008. Both of these factors may affect PERS' goals of hiring diverse candidates into permanent positions, as we do not know how many layoffs will occur or what positions or categories will be effected by the layoffs. Until the freeze is lifted, PERS ability to hire diverse candidates into positions is limited.

Summary

PERS does extensive recruitment through colleges, companies facing reductions in workforce, alternative newspapers, Job Corps, the Department of Veterans Affairs Vocational Rehab and Employment, other Vocational Rehabilitation Services, and the Internet. We 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 and Craigslist. We go through organizations related to specific positions such as human resources or accounting. Through our interactions with the One Stop Recruitment Center, our ads go to all five of the employment centers around the Portland area. PERS will work on increasing diversity activities to encourage retention of women and people of color. We will write diversity articles for the Percolator, our internal newsletter, and support activities through the Diversity Committee.

BUDGET NARRATIVE

VI: 2009 –2011 AFFIRMATIVE ACTION GOALS

A. The Affirmative Action goals for the Oregon Public Employees Retirement System for the 2009-11 biennium are:

1. Educate and provide managers with strategies to hire more employees from diverse backgrounds. Increase timely annual performance evaluations that measure their responsibility to participate in and promote affirmative action activities.
2. Use creative means to advertise vacancies to people of color, people with disabilities, and women. Maintain a consistent presence in newspapers that target their relationship with people of color through advertising of positions to encourage readers to identify PERS as an employer that values diversity. Keep executives and managers abreast of our progress through quarterly affirmative action reports.
3. Continue to focus on developing a PERS' work environment that is attractive to a diverse pool of applicants, retains employees, and is accepting and respectful of employees' differences.
4. Conduct biennium training for employees and managers on the Affirmative Action Plan and on workplace harassment and discrimination.
5. Attend outreach events targeting people of color, people with disabilities, and women. Continue to use the One Stop Recruitment centers in Portland to encourage diverse people to apply at PERS.
6. Offer career development and training opportunities for employees of color, employees with disabilities, and female employees to prepare them for advancement.
7. Participate in student intern programs to encourage people of color, people with disabilities, and women to consider PERS and the state of Oregon as good career opportunities.
8. Use agencies that promote people with disabilities entering the state workforce such as St. Vincent De Paul and Galt when hiring of temporary employees. Encourage these temporary employees to train and apply for permanent positions at PERS.
9. Support the goals and activities of the PERS Diversity Committee whose purpose is to promote diversity in the workplace and develop strategies to achieve PERS' affirmative action goals.
10. Continue with community outreach activities that benefit diverse populations and use these opportunities to promote PERS as a great place to work.

BUDGET NARRATIVE

ORBITS Report

The following reports are contained in this section:

BSU003A	Summary Cross Reference Listing and Packages
BSU004A	Policy Package List by Priority
BDV103A	Budget Support - Detail Revenues and Expenditures - Requested Budget (Agency/SCR)
ANA100A	Version/Column Comparison – Detail (Base Budget by SCR)
ANA101A	Package Comparison – Detail (Essential and Policy Packages by SCR)

PICS Report

The following reports are contained in this section:

PPDPLBUDCL	Summary List by Pkg. by Summary XREF
PPDPLAGYCL	Summary List by Pkg. by Agency
PPDPLWSBUD	Detail Listing by Summary XREF Agency

BUDGET NARRATIVE

BSU003A Summary Cross Reference Listing and Packages

Public Employees Retirement System, Oregon

Summary Cross Reference Listing and Packages
2009-11 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	031	0	Standard Inflation	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	032	0	Above Standard Inflation	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	033	0	Exceptional Inflation	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	090	0	Analyst Adjustments	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	801	0	LFO Analyst Technical Changes	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	802	0	Statewide Assessment Adjustments	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	803	0	Statewide Budget Adjustments	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	804	0	Roll-Up of 2007-09 Reductions	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	805	0	Budget Reconciliation Adjustments (HB 5054)	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	806	0	Other End-of-Session Changes	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	840	0	Senate Bill 897	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	031	0	Standard Inflation	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	032	0	Above Standard Inflation	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	033	0	Exceptional Inflation	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	090	0	Analyst Adjustments	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	801	0	LFO Analyst Technical Changes	Policy Packages

08/18/09
9:00 AM

Page 1 of 3

Summary Cross Reference Listing and Packages
BSU-003A

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Summary Cross Reference Listing and Packages
2009-11 Biennium

Agency Number: 45900

BAM Analyst: McGee, Bill

Budget Coordinator: Barnett, Linda - (503)603-7570

<i>Cross Reference Number</i>	<i>Cross Reference Description</i>	<i>Package Number</i>	<i>Priority</i>	<i>Package Description</i>	<i>Package Group</i>
200-00-00-00000	Oregon Public Service Retirement Plan	802	0	Statewide Assessment Adjustments	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	803	0	Statewide Budget Adjustments	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	804	0	Roll-Up of 2007-09 Reductions	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	805	0	Budget Reconciliation Adjustments (HB 5054)	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	806	0	Other End-of-Session Changes	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	840	0	Senate Bill 897	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	031	0	Standard Inflation	Essential Packages
300-00-00-00000	Operations	032	0	Above Standard Inflation	Essential Packages
300-00-00-00000	Operations	033	0	Exceptional Inflation	Essential Packages
300-00-00-00000	Operations	090	0	Analyst Adjustments	Policy Packages
300-00-00-00000	Operations	801	0	LFO Analyst Technical Changes	Policy Packages
300-00-00-00000	Operations	802	0	Statewide Assessment Adjustments	Policy Packages
300-00-00-00000	Operations	803	0	Statewide Budget Adjustments	Policy Packages
300-00-00-00000	Operations	804	0	Roll-Up of 2007-09 Reductions	Policy Packages
300-00-00-00000	Operations	805	0	Budget Reconciliation Adjustments (HB 5054)	Policy Packages
300-00-00-00000	Operations	806	0	Other End-of-Session Changes	Policy Packages
300-00-00-00000	Operations	840	0	Senate Bill 897	Policy Packages
300-00-00-00000	Operations	101	1	Business Process Owners	Policy Packages
300-00-00-00000	Operations	102	2	Maintenance & Enhancement of Current Svc Levels	Policy Packages

08/18/09
9:00 AM

Page 2 of 3

Summary Cross Reference Listing and Packages
BSU-003A

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Summary Cross Reference Listing and Packages
2009-11 Biennium

Agency Number: 45900

BAM Analyst: McGee, Bill

Budget Coordinator: Barnett, Linda - (503)603-7570

<i>Cross Reference Number</i>	<i>Cross Reference Description</i>	<i>Package Number</i>	<i>Priority</i>	<i>Package Description</i>	<i>Package Group</i>
300-00-00-00000	Operations	103	3	Infrastructure Maintenance & Enhancement	Policy Packages
300-00-00-00000	Operations	104	4	Enterprise Applications	Policy Packages
300-00-00-00000	Operations	105	5	Standards, Training & Certification	Policy Packages
300-00-00-00000	Operations	106	6	Data Transition & Standard Tool Development	Policy Packages
300-00-00-00000	Operations	107	7	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	031	0	Standard Inflation	Essential Packages
400-00-00-00000	Debt Service	032	0	Above Standard Inflation	Essential Packages
400-00-00-00000	Debt Service	033	0	Exceptional Inflation	Essential Packages
400-00-00-00000	Debt Service	090	0	Analyst Adjustments	Policy Packages
400-00-00-00000	Debt Service	801	0	LFO Analyst Technical Changes	Policy Packages
400-00-00-00000	Debt Service	802	0	Statewide Assessment Adjustments	Policy Packages
400-00-00-00000	Debt Service	803	0	Statewide Budget Adjustments	Policy Packages
400-00-00-00000	Debt Service	804	0	Roll-Up of 2007-09 Reductions	Policy Packages
400-00-00-00000	Debt Service	805	0	Budget Reconciliation Adjustments (HB 5054)	Policy Packages
400-00-00-00000	Debt Service	806	0	Other End-of-Session Changes	Policy Packages
400-00-00-00000	Debt Service	840	0	Senate Bill 897	Policy Packages

08/18/09
9:00 AM

Page 3 of 3

Summary Cross Reference Listing and Packages
BSU-003A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 296

BUDGET NARRATIVE

BSU004A Policy Package List by Priority

Public Employees Retirement System, Oregon

Policy Package List by Priority
2009-11 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	090	Analyst Adjustments	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	801	LFO Analyst Technical Changes	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	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
	803	Statewide Budget 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
	804	Roll-Up of 2007-09 Reductions	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
	805	Budget Reconciliation Adjustments (HB 5054)	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations

08/18/09
9:00 AM

Page 1 of 2

Policy Package List by Priority
BSU-004A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 297

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Policy Package List by Priority
2009-11 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	805	Budget Reconciliation Adjustments (HB 5054)	400-00-00-00000	Debt Service			
			100-00-00-00000	Tier One and Tier Two Plan			
	806	Other End-of-Session Changes	200-00-00-00000	Oregon Public Service Retirement Plan			
			300-00-00-00000	Operations			
			400-00-00-00000	Debt Service			
			100-00-00-00000	Tier One and Tier Two Plan			
			200-00-00-00000	Oregon Public Service Retirement Plan			
			300-00-00-00000	Operations			
			400-00-00-00000	Debt Service			
			840	Senate Bill 897	100-00-00-00000	Tier One and Tier Two Plan	
1	101	Business Process Owners	200-00-00-00000	Oregon Public Service Retirement Plan			
			300-00-00-00000	Operations			
			400-00-00-00000	Debt Service			
			1	102	Maintenance & Enhancement of Current Svc l	300-00-00-00000	Operations
			2	103	Infrastructure Maintenance & Enhancement	300-00-00-00000	Operations
			3	104	Enterprise Applications	300-00-00-00000	Operations
			4	105	Standards, Training & Certification	300-00-00-00000	Operations
			5	106	Data Transition & Standard Tool Development	300-00-00-00000	Operations
			6	107	Legal Services	300-00-00-00000	Operations
			7				

08/18/09
9:00 AM

Page 2 of 2

Policy Package List by Priority
BSU-004A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 298

BUDGET NARRATIVE

BDV103A Budget Support - Detail Revenues and Expenditures (Agency wide and SCR)

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 45900-000-00-000000

2009-11 Biennium

Public Employees Retirement System, Oregon

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	49,148,616,119	63,636,981,761	67,418,206,513	75,016,771,355	75,016,771,355	75,016,771,355
3400 Other Funds Ltd	1,254,417	917,997	1,213,214	1,647,514	1,647,514	1,647,514
All Funds	49,149,870,536	63,637,899,758	67,419,419,727	75,018,418,869	75,018,418,869	75,018,418,869
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	-	-	-	(8,328,230,533)	(8,328,230,533)	(27,919,157,819)
3400 Other Funds Ltd	-	-	-	(229,159)	(229,159)	(135,869)
All Funds	-	-	-	(8,328,459,692)	(8,328,459,692)	(27,919,293,688)
BEGINNING BALANCE						
3200 Other Funds Non-Ltd	49,148,616,119	63,636,981,761	67,418,206,513	66,688,540,822	66,688,540,822	47,097,613,536
3400 Other Funds Ltd	1,254,417	917,997	1,213,214	1,418,355	1,418,355	1,511,645
TOTAL BEGINNING BALANCE	\$49,149,870,536	\$63,637,899,758	\$67,419,419,727	\$66,689,959,177	\$66,689,959,177	\$47,099,125,181
REVENUE CATEGORIES						
CHARGES FOR SERVICES						
0410 Charges for Services						
3200 Other Funds Non-Ltd	-	160,910	160,910	-	-	-
3400 Other Funds Ltd	7,152,861	7,889,041	7,889,041	7,648,000	7,648,000	7,648,000
All Funds	7,152,861	8,049,951	8,049,951	7,648,000	7,648,000	7,648,000
INTEREST EARNINGS						
0605 Interest Income						
3200 Other Funds Non-Ltd	20,657,715,427	10,465,082,009	10,465,082,009	5,945,100,000	5,945,100,000	5,945,100,000
3400 Other Funds Ltd	2,261,805	1,609,318	1,609,318	2,880,000	2,880,000	2,880,000

08/18/09
9:00 AM

Page 1 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 299

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Public Employees Retirement System, Oregon

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
3430 Other Funds Debt Svc Ltd	11,337	-	-	-	-	-
All Funds	20,659,988,569	10,466,691,327	10,466,691,327	5,947,980,000	5,947,980,000	5,947,980,000
DONATIONS AND CONTRIBUTIONS						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	3,082,055,144	3,497,161,820	3,497,161,820	3,389,600,000	3,389,600,000	3,389,600,000
OTHER						
0975 Other Revenues						
3200 Other Funds Non-Ltd	1,412,528	773,312	773,312	775,000	775,000	775,000
3400 Other Funds Ltd	900,117	230,200	230,200	526,500	526,500	526,500
3430 Other Funds Debt Svc Ltd	3,318	-	-	3,000	3,000	3,000
All Funds	2,315,963	1,003,512	1,003,512	1,304,500	1,304,500	1,304,500
TRANSFERS IN						
1010 Transfer In - Intrafund						
3400 Other Funds Ltd	70,075,110	79,998,475	79,998,475	74,074,052	76,574,052	76,574,052
3430 Other Funds Debt Svc Ltd	5,706,295	5,709,200	5,709,200	1,420,075	1,420,075	1,420,075
All Funds	75,781,405	85,707,675	85,707,675	75,494,127	77,994,127	77,994,127
REVENUE CATEGORIES						
3200 Other Funds Non-Ltd	23,741,183,099	13,963,178,051	13,963,178,051	9,335,475,000	9,335,475,000	9,335,475,000
3400 Other Funds Ltd	80,389,893	89,727,034	89,727,034	85,128,552	87,628,552	87,628,552
3430 Other Funds Debt Svc Ltd	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
TOTAL REVENUE CATEGORIES	\$23,827,293,942	\$14,058,614,285	\$14,058,614,285	\$9,422,026,627	\$9,424,526,627	\$9,424,526,627
TRANSFERS OUT						
2010 Transfer Out - Intrafund						

08/18/09
9:00 AM

Page 2 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 300

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Public Employees Retirement System, Oregon

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
3200 Other Funds Non-Ltd	(69,796,870)	(77,666,087)	(77,666,087)	(71,296,115)	(73,796,115)	(73,796,115)
3400 Other Funds Ltd	(5,984,535)	(8,041,588)	(8,041,588)	(4,198,012)	(4,198,012)	(4,198,012)
All Funds	(75,781,405)	(85,707,675)	(85,707,675)	(75,494,127)	(77,994,127)	(77,994,127)
2121 Tsfr To Governor, Office of the						
3400 Other Funds Ltd	-	-	-	-	(79,500)	(79,500)
TRANSFERS OUT						
3200 Other Funds Non-Ltd	(69,796,870)	(77,666,087)	(77,666,087)	(71,296,115)	(73,796,115)	(73,796,115)
3400 Other Funds Ltd	(5,984,535)	(8,041,588)	(8,041,588)	(4,198,012)	(4,277,512)	(4,277,512)
TOTAL TRANSFERS OUT	(\$75,781,405)	(\$85,707,675)	(\$85,707,675)	(\$75,494,127)	(\$78,073,627)	(\$78,073,627)
AVAILABLE REVENUES						
3200 Other Funds Non-Ltd	72,820,002,348	77,522,493,725	81,303,718,477	75,952,719,707	75,950,219,707	56,359,292,421
3400 Other Funds Ltd	75,659,775	82,603,443	82,898,660	82,348,895	84,769,395	84,862,685
3430 Other Funds Debt Svc Ltd	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
TOTAL AVAILABLE REVENUES	\$72,901,383,073	\$77,610,806,368	\$81,392,326,337	\$76,036,491,677	\$76,036,412,177	\$56,445,578,181
EXPENDITURES						
PERSONAL SERVICES						
SALARIES & WAGES						
3110 Class/Unclass Sal. and Per Diem						
3400 Other Funds Ltd	26,815,236	32,544,614	32,544,614	36,442,060	36,442,060	36,353,664
3160 Temporary Appointments						
3400 Other Funds Ltd	320,343	161,789	161,789	166,319	166,319	166,319
3170 Overtime Payments						
3400 Other Funds Ltd	553,834	557,257	557,257	572,860	572,860	572,860
08/18/09						
9:00 AM						
		Page 3 of 23		BDV103A - Budget Support - Detail Revenues & Expenditures		BDV103A

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Public Employees Retirement System, Oregon

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
3180 Shift Differential						
3400 Other Funds Ltd	14,823	2,039	2,039	2,096	2,096	2,096
3190 All Other Differential						
3400 Other Funds Ltd	503,421	215,841	215,841	221,885	221,885	221,885
SALARIES & WAGES						
3400 Other Funds Ltd	28,207,657	33,481,540	33,481,540	37,405,220	37,405,220	37,316,824
TOTAL SALARIES & WAGES	\$28,207,657	\$33,481,540	\$33,481,540	\$37,405,220	\$37,405,220	\$37,316,824
OTHER PAYROLL EXPENSES						
3210 Empl. Rel. Bd. Assessments						
3400 Other Funds Ltd	10,847	14,256	14,256	15,204	15,204	15,120
3220 Public Employees' Retire Cont						
3400 Other Funds Ltd	3,623,082	4,234,931	4,234,931	3,381,299	3,061,037	3,053,769
3221 Pension Bond Contribution						
3400 Other Funds Ltd	1,695,810	1,440,550	1,440,550	1,652,716	1,652,716	1,652,716
3230 Social Security Taxes						
3400 Other Funds Ltd	2,145,740	2,559,938	2,559,938	2,853,711	2,853,710	2,846,951
3240 Unemployment Assessments						
3400 Other Funds Ltd	20,654	38,550	38,550	39,629	39,629	39,629
3250 Worker's Comp. Assess. (WCD)						
3400 Other Funds Ltd	18,669	24,552	24,552	22,444	22,444	22,320
3260 Mass Transit Tax						
3400 Other Funds Ltd	169,465	201,668	201,668	224,430	224,430	224,430
3270 Flexible Benefits						

08/18/09
9:00 AM

Page 4 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 302

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Public Employees Retirement System, Oregon

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
3400 Other Funds Ltd	6,912,636	9,047,808	9,047,808	9,695,808	9,296,160	9,244,800
OTHER PAYROLL EXPENSES						
3400 Other Funds Ltd	14,596,903	17,562,253	17,562,253	17,885,241	17,165,330	17,099,735
TOTAL OTHER PAYROLL EXPENSES	\$14,596,903	\$17,562,253	\$17,562,253	\$17,885,241	\$17,165,330	\$17,099,735
P.S. BUDGET ADJUSTMENTS						
3455 Vacancy Savings						
3400 Other Funds Ltd	-	(189,052)	(189,052)	(165,147)	(165,147)	(165,147)
3465 Reconciliation Adjustment						
3400 Other Funds Ltd	-	(172,034)	(172,034)	-	(61,413)	(1,691,456)
P.S. BUDGET ADJUSTMENTS						
3400 Other Funds Ltd	-	(361,086)	(361,086)	(165,147)	(226,560)	(1,856,603)
TOTAL P.S. BUDGET ADJUSTMENTS	-	(\$361,086)	(\$361,086)	(\$165,147)	(\$226,560)	(\$1,856,603)
PERSONAL SERVICES						
3400 Other Funds Ltd	42,804,560	50,682,707	50,682,707	55,125,314	54,343,990	52,559,956
TOTAL PERSONAL SERVICES	\$42,804,560	\$50,682,707	\$50,682,707	\$55,125,314	\$54,343,990	\$52,559,956
SERVICES & SUPPLIES						
4100 Instate Travel						
3400 Other Funds Ltd	143,776	210,761	210,761	230,061	230,061	214,341
4125 Out of State Travel						
3400 Other Funds Ltd	11,479	11,472	11,472	11,793	11,793	11,793
4150 Employee Training						
3400 Other Funds Ltd	420,298	714,454	714,454	703,382	703,382	703,382
4175 Office Expenses						
08/18/09 9:00 AM						

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Public Employees Retirement System, Oregon

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
3400 Other Funds Ltd	1,786,288	2,161,910	2,161,910	2,204,399	2,204,399	2,204,399
4200 Telecommunications						
3400 Other Funds Ltd	466,472	612,136	612,136	533,647	533,647	533,647
4225 State Gov. Service Charges						
3400 Other Funds Ltd	1,852,993	1,860,862	1,860,862	2,463,265	2,429,137	2,198,294
4250 Data Processing						
3400 Other Funds Ltd	4,538,200	5,935,976	5,935,976	3,671,799	3,671,799	3,748,524
4275 Publicity and Publications						
3400 Other Funds Ltd	97,436	250,065	250,065	257,067	257,067	257,067
4300 Professional Services						
3200 Other Funds Non-Ltd	4,833,196	9,530,522	9,530,522	10,747,664	10,747,664	10,747,664
3400 Other Funds Ltd	4,004,730	2,629,520	2,629,520	3,433,877	3,433,877	3,433,877
All Funds	8,837,926	12,160,042	12,160,042	14,181,541	14,181,541	14,181,541
4315 IT Professional Services						
3400 Other Funds Ltd	10,490,145	11,417,030	11,417,030	7,011,587	9,511,587	9,511,587
4325 Attorney General						
3400 Other Funds Ltd	707,217	979,893	979,893	1,205,268	1,205,268	1,048,583
4350 Dispute Resolution Services						
3400 Other Funds Ltd	56,285	83,322	83,322	85,655	85,655	85,655
4375 Employee Recruitment and Develop						
3400 Other Funds Ltd	149,301	59,834	59,834	61,509	61,509	61,509
4400 Dues and Subscriptions						
3400 Other Funds Ltd	52,012	52,273	52,273	53,737	53,737	53,737

08/18/09
9:00 AM

Page 6 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 304

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Budget Support - Detail Revenues and Expenditures
2009-11 Biennium**

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

Public Employees Retirement System, Oregon

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
4425 Facilities Rental and Taxes						
3400 Other Funds Ltd	803,772	834,745	834,745	985,052	985,052	982,592
4450 Fuels and Utilities						
3400 Other Funds Ltd	222,911	166,056	166,056	170,706	170,706	170,706
4475 Facilities Maintenance						
3400 Other Funds Ltd	648,408	902,010	902,010	959,685	959,685	959,685
4575 Agency Program Related S and S						
3200 Other Funds Non-Ltd	4,313,026	-	-	-	-	-
4625 Other COP Costs						
3400 Other Funds Ltd	7,008	6,500	6,500	6,682	6,682	6,682
4650 Other Services and Supplies						
3400 Other Funds Ltd	22,128	2,783	2,783	2,861	2,861	2,861
4700 Expendable Prop 250 - 5000						
3400 Other Funds Ltd	221,080	84,232	84,232	87,562	87,562	87,562
4715 IT Expendable Property						
3400 Other Funds Ltd	772,747	644,904	644,904	730,601	730,601	730,601
SERVICES & SUPPLIES						
3200 Other Funds Non-Ltd	9,146,222	9,530,522	9,530,522	10,747,664	10,747,664	10,747,664
3400 Other Funds Ltd	27,474,686	29,620,738	29,620,738	24,870,195	27,336,067	27,007,084
TOTAL SERVICES & SUPPLIES	\$36,620,908	\$39,151,260	\$39,151,260	\$35,617,859	\$38,083,731	\$37,754,748
CAPITAL OUTLAY						
5100 Office Furniture and Fixtures						
3400 Other Funds Ltd	-	31,825	31,825	32,716	32,716	32,716

08/18/09
9:00 AM

Page 7 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 305

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Public Employees Retirement System, Oregon

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
5150 Telecommunications Equipment						
3400 Other Funds Ltd	(1,190)	64,695	64,695	66,506	66,506	66,506
5550 Data Processing Software						
3400 Other Funds Ltd	3,717,868	184,624	184,624	110,226	110,226	110,226
5600 Data Processing Hardware						
3400 Other Funds Ltd	450,637	666,557	666,557	384,140	384,140	384,140
CAPITAL OUTLAY						
3400 Other Funds Ltd	4,167,315	947,701	947,701	593,588	593,588	593,588
TOTAL CAPITAL OUTLAY	\$4,167,315	\$947,701	\$947,701	\$593,588	\$593,588	\$593,588
SPECIAL PAYMENTS						
6030 Dist to Non-Gov Units						
3200 Other Funds Non-Ltd	227,187,721	266,916,600	266,916,600	312,538,000	312,538,000	312,538,000
6035 Dist to Individuals						
3200 Other Funds Non-Ltd	5,165,461,892	6,010,500,000	6,010,500,000	6,153,600,000	6,153,600,000	6,153,600,000
SPECIAL PAYMENTS						
3200 Other Funds Non-Ltd	5,392,649,613	6,277,416,600	6,277,416,600	6,466,138,000	6,466,138,000	6,466,138,000
TOTAL SPECIAL PAYMENTS	\$5,392,649,613	\$6,277,416,600	\$6,277,416,600	\$6,466,138,000	\$6,466,138,000	\$6,466,138,000
DEBT SERVICE						
7200 Principal - COP						
3430 Other Funds Debt Svc Ltd	4,665,000	4,960,000	4,960,000	970,000	970,000	970,000
7250 Interest - COP						
3430 Other Funds Debt Svc Ltd	1,055,950	749,200	749,200	453,075	453,075	453,075
DEBT SERVICE						

08/18/09
9:00 AM

Page 8 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 306

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Public Employees Retirement System, Oregon

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
3430 Other Funds Debt Svc Ltd.	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
TOTAL DEBT SERVICE	\$5,720,950	\$5,709,200	\$5,709,200	\$1,423,075	\$1,423,075	\$1,423,075
EXPENDITURES						
3200 Other Funds Non-Ltd	5,401,795,835	6,286,947,122	6,286,947,122	6,476,885,664	6,476,885,664	6,476,885,664
3400 Other Funds Ltd	74,446,561	81,251,146	81,251,146	80,589,097	82,273,645	80,160,628
3430 Other Funds Debt Svc Ltd	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
TOTAL EXPENDITURES	\$5,481,963,346	\$6,373,907,468	\$6,373,907,468	\$6,558,897,836	\$6,560,582,384	\$6,558,469,367
ENDING BALANCE						
3200 Other Funds Non-Ltd	67,418,206,513	71,235,546,603	75,016,771,355	69,475,834,043	69,473,334,043	49,882,406,757
3400 Other Funds Ltd	1,213,214	1,352,297	1,647,514	1,759,798	2,495,750	4,702,057
TOTAL ENDING BALANCE	\$67,419,419,727	\$71,236,898,900	\$75,018,418,869	\$69,477,593,841	\$69,475,829,793	\$49,887,108,814
AUTHORIZED POSITIONS						
8150 Class/Unclass Positions	401	396	396	362	362	360
8180 Position Reconciliation	-	5	5	-	-	2
TOTAL AUTHORIZED POSITIONS	401	401	401	362	362	362
AUTHORIZED FTE						
8250 Class/Unclass FTE Positions	386.71	395.42	395.42	361.55	361.55	360.00
8280 FTE Reconciliation	-	(0.54)	(0.54)	-	-	1.55
TOTAL AUTHORIZED FTE	386.71	394.88	394.88	361.55	361.55	361.55

08/18/09
9:00 AM

Page 9 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 307

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Tier One and Tier Two Plan

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	48,536,702,921	62,099,693,632	65,264,707,004	71,896,846,156	71,896,846,156	71,896,846,156
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	-	-	-	(7,617,582,684)	(7,617,582,684)	(27,214,150,719)
BEGINNING BALANCE						
3200 Other Funds Non-Ltd	48,536,702,921	62,099,693,632	65,264,707,004	64,279,263,472	64,279,263,472	44,682,695,437
TOTAL BEGINNING BALANCE	\$48,536,702,921	\$62,099,693,632	\$65,264,707,004	\$64,279,263,472	\$64,279,263,472	\$44,682,695,437
REVENUE CATEGORIES						
CHARGES FOR SERVICES						
0410 Charges for Services						
3200 Other Funds Non-Ltd	-	160,910	160,910	-	-	-
INTEREST EARNINGS						
0605 Interest Income						
3200 Other Funds Non-Ltd	20,071,963,704	10,413,284,889	10,413,284,889	5,540,400,000	5,540,400,000	5,540,400,000
DONATIONS AND CONTRIBUTIONS						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	2,056,846,128	2,511,305,270	2,511,305,270	2,210,100,000	2,210,100,000	2,210,100,000
OTHER						
0975 Other Revenues						
3200 Other Funds Non-Ltd	704,664	773,312	773,312	775,000	775,000	775,000
REVENUE CATEGORIES						
3200 Other Funds Non-Ltd	22,129,514,496	12,925,524,381	12,925,524,381	7,751,275,000	7,751,275,000	7,751,275,000

08/18/09
9:00 AM

Page 10 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 308

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures
2009-11 Biennium
Tier One and Tier Two Plan

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

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
TOTAL REVENUE CATEGORIES	\$22,129,514,496	\$12,925,524,381	\$12,925,524,381	\$7,751,275,000	\$7,751,275,000	\$7,751,275,000
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
3200 Other Funds Non-Ltd	(52,314,013)	(61,161,083)	(61,161,083)	(43,986,197)	(45,528,574)	(45,528,574)
AVAILABLE REVENUES						
3200 Other Funds Non-Ltd	70,613,903,404	74,964,056,930	78,129,070,302	71,986,552,275	71,985,009,898	52,388,441,863
TOTAL AVAILABLE REVENUES	\$70,613,903,404	\$74,964,056,930	\$78,129,070,302	\$71,986,552,275	\$71,985,009,898	\$52,388,441,863
EXPENDITURES						
SERVICES & SUPPLIES						
4300 Professional Services						
3200 Other Funds Non-Ltd	4,833,196	5,307,546	5,307,546	5,993,664	5,993,664	5,993,664
SPECIAL PAYMENTS						
6030 Dist to Non-Gov Units						
3200 Other Funds Non-Ltd	227,187,721	266,916,600	266,916,600	312,538,000	312,538,000	312,538,000
6035 Dist to Individuals						
3200 Other Funds Non-Ltd	5,117,175,483	5,960,000,000	5,960,000,000	5,960,000,000	5,960,000,000	5,960,000,000
SPECIAL PAYMENTS						
3200 Other Funds Non-Ltd	5,344,363,204	6,226,916,600	6,226,916,600	6,272,538,000	6,272,538,000	6,272,538,000
TOTAL SPECIAL PAYMENTS	\$5,344,363,204	\$6,226,916,600	\$6,226,916,600	\$6,272,538,000	\$6,272,538,000	\$6,272,538,000
EXPENDITURES						
3200 Other Funds Non-Ltd	5,349,196,400	6,232,224,146	6,232,224,146	6,278,531,664	6,278,531,664	6,278,531,664
TOTAL EXPENDITURES	\$5,349,196,400	\$6,232,224,146	\$6,232,224,146	\$6,278,531,664	\$6,278,531,664	\$6,278,531,664
ENDING BALANCE						
08/18/09 9:00 AM	Page 11 of 23			BDV103A - Budget Support - Detail Revenues & Expenditures BDV103A		

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Tier One and Tier Two Plan

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
3200 Other Funds Non-Ltd	65,264,707,004	68,731,832,784	71,896,846,156	65,708,020,611	65,706,478,234	46,109,910,199
TOTAL ENDING BALANCE	\$65,264,707,004	\$68,731,832,784	\$71,896,846,156	\$65,708,020,611	\$65,706,478,234	\$46,109,910,199

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures
2009-11 Biennium
Oregon Public Service Retirement Plan

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

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	611,913,198	1,537,288,129	2,153,499,509	3,119,925,199	3,119,925,199	3,119,925,199
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	-	-	-	(710,647,849)	(710,647,849)	(705,007,100)
BEGINNING BALANCE						
3200 Other Funds Non-Ltd	611,913,198	1,537,288,129	2,153,499,509	2,409,277,350	2,409,277,350	2,414,918,099
TOTAL BEGINNING BALANCE	\$611,913,198	\$1,537,288,129	\$2,153,499,509	\$2,409,277,350	\$2,409,277,350	\$2,414,918,099
REVENUE CATEGORIES						
INTEREST EARNINGS						
0605 Interest Income						
3200 Other Funds Non-Ltd	585,751,723	51,797,120	51,797,120	404,700,000	404,700,000	404,700,000
DONATIONS AND CONTRIBUTIONS						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	1,025,209,016	985,856,550	985,856,550	1,179,500,000	1,179,500,000	1,179,500,000
OTHER						
0975 Other Revenues						
3200 Other Funds Non-Ltd	707,864	-	-	-	-	-
REVENUE CATEGORIES						
3200 Other Funds Non-Ltd	1,611,668,603	1,037,653,670	1,037,653,670	1,584,200,000	1,584,200,000	1,584,200,000
TOTAL REVENUE CATEGORIES	\$1,611,668,603	\$1,037,653,670	\$1,037,653,670	\$1,584,200,000	\$1,584,200,000	\$1,584,200,000
TRANSFERS OUT						
2010 Transfer Out - Intrafund						

08/18/09
9:00 AM

Page 13 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Oregon Public Service Retirement Plan

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
3200 Other Funds Non-Ltd	(17,482,857)	(16,505,004)	(16,505,004)	(27,309,918)	(28,267,541)	(28,267,541)
AVAILABLE REVENUES						
3200 Other Funds Non-Ltd	2,206,098,944	2,558,436,795	3,174,648,175	3,966,167,432	3,965,209,809	3,970,850,558
TOTAL AVAILABLE REVENUES	\$2,206,098,944	\$2,558,436,795	\$3,174,648,175	\$3,966,167,432	\$3,965,209,809	\$3,970,850,558
EXPENDITURES						
SERVICES & SUPPLIES						
4300 Professional Services						
3200 Other Funds Non-Ltd	-	4,222,976	4,222,976	4,754,000	4,754,000	4,754,000
4575 Agency Program Related S and S						
3200 Other Funds Non-Ltd	4,313,026	-	-	-	-	-
SERVICES & SUPPLIES						
3200 Other Funds Non-Ltd	4,313,026	4,222,976	4,222,976	4,754,000	4,754,000	4,754,000
TOTAL SERVICES & SUPPLIES	\$4,313,026	\$4,222,976	\$4,222,976	\$4,754,000	\$4,754,000	\$4,754,000
SPECIAL PAYMENTS						
6035 Dist to Individuals						
3200 Other Funds Non-Ltd	48,286,409	50,500,000	50,500,000	193,600,000	193,600,000	193,600,000
EXPENDITURES						
3200 Other Funds Non-Ltd	52,599,435	54,722,976	54,722,976	198,354,000	198,354,000	198,354,000
TOTAL EXPENDITURES	\$52,599,435	\$54,722,976	\$54,722,976	\$198,354,000	\$198,354,000	\$198,354,000
ENDING BALANCE						
3200 Other Funds Non-Ltd	2,153,499,509	2,503,713,819	3,119,925,199	3,767,813,432	3,766,855,809	3,772,496,558
TOTAL ENDING BALANCE	\$2,153,499,509	\$2,503,713,819	\$3,119,925,199	\$3,767,813,432	\$3,766,855,809	\$3,772,496,558

08/18/09
9:00 AM

Page 14 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 312

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Operations

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
3400 Other Funds Ltd	1,254,417	917,997	1,213,214	1,647,514	1,647,514	1,647,514
0030 Beginning Balance Adjustment						
3400 Other Funds Ltd	-	-	-	(229,159)	(229,159)	(135,869)
BEGINNING BALANCE						
3400 Other Funds Ltd	1,254,417	917,997	1,213,214	1,418,355	1,418,355	1,511,645
TOTAL BEGINNING BALANCE	\$1,254,417	\$917,997	\$1,213,214	\$1,418,355	\$1,418,355	\$1,511,645
REVENUE CATEGORIES						
CHARGES FOR SERVICES						
0410 Charges for Services						
3400 Other Funds Ltd	7,152,861	7,889,041	7,889,041	7,648,000	7,648,000	7,648,000
INTEREST EARNINGS						
0605 Interest Income						
3400 Other Funds Ltd	2,261,805	1,609,318	1,609,318	2,880,000	2,880,000	2,880,000
OTHER						
0975 Other Revenues						
3400 Other Funds Ltd	900,117	230,200	230,200	526,500	526,500	526,500
TRANSFERS IN						
1010 Transfer In - Intrafund						
3400 Other Funds Ltd	70,075,110	79,998,475	79,998,475	74,074,052	76,574,052	76,574,052
REVENUE CATEGORIES						
3400 Other Funds Ltd	80,389,893	89,727,034	89,727,034	85,128,552	87,628,552	87,628,552

08/18/09
9:00 AM

Page 15 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 313

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Operations

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
TOTAL REVENUE CATEGORIES	\$80,389,893	\$89,727,034	\$89,727,034	\$85,128,552	\$87,628,552	\$87,628,552
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
3400 Other Funds Ltd	(5,984,535)	(8,041,588)	(8,041,588)	(4,198,012)	(4,198,012)	(4,198,012)
2121 Tsfr To Governor, Office of the						
3400 Other Funds Ltd	-	-	-	-	(79,500)	(79,500)
TRANSFERS OUT						
3400 Other Funds Ltd	(5,984,535)	(8,041,588)	(8,041,588)	(4,198,012)	(4,277,512)	(4,277,512)
TOTAL TRANSFERS OUT	(\$5,984,535)	(\$8,041,588)	(\$8,041,588)	(\$4,198,012)	(\$4,277,512)	(\$4,277,512)
AVAILABLE REVENUES						
3400 Other Funds Ltd	75,659,775	82,603,443	82,898,660	82,348,895	84,769,395	84,862,685
TOTAL AVAILABLE REVENUES	\$75,659,775	\$82,603,443	\$82,898,660	\$82,348,895	\$84,769,395	\$84,862,685
EXPENDITURES						
PERSONAL SERVICES						
SALARIES & WAGES						
3110 Class/Unclass Sal. and Per Diem						
3400 Other Funds Ltd	26,815,236	32,544,614	32,544,614	36,442,060	36,442,060	36,353,664
3160 Temporary Appointments						
3400 Other Funds Ltd	320,343	161,789	161,789	166,319	166,319	166,319
3170 Overtime Payments						
3400 Other Funds Ltd	553,834	557,257	557,257	572,860	572,860	572,860
3180 Shift Differential						
3400 Other Funds Ltd	14,823	2,039	2,039	2,096	2,096	2,096

08/18/09
9:00 AM

Page 16 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 314

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Operations

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
3190 All Other Differential						
3400 Other Funds Ltd	503,421	215,841	215,841	221,885	221,885	221,885
SALARIES & WAGES						
3400 Other Funds Ltd	28,207,657	33,481,540	33,481,540	37,405,220	37,405,220	37,316,824
TOTAL SALARIES & WAGES	\$28,207,657	\$33,481,540	\$33,481,540	\$37,405,220	\$37,405,220	\$37,316,824
OTHER PAYROLL EXPENSES						
3210 Empl. Rel. Bd. Assessments						
3400 Other Funds Ltd	10,847	14,256	14,256	15,204	15,204	15,120
3220 Public Employees' Retire Cont						
3400 Other Funds Ltd	3,623,082	4,234,931	4,234,931	3,381,299	3,061,037	3,053,769
3221 Pension Bond Contribution						
3400 Other Funds Ltd	1,695,810	1,440,550	1,440,550	1,652,716	1,652,716	1,652,716
3230 Social Security Taxes						
3400 Other Funds Ltd	2,145,740	2,559,938	2,559,938	2,853,711	2,853,710	2,846,951
3240 Unemployment Assessments						
3400 Other Funds Ltd	20,654	38,550	38,550	39,629	39,629	39,629
3250 Worker's Comp. Assess. (WCD)						
3400 Other Funds Ltd	18,669	24,552	24,552	22,444	22,444	22,320
3260 Mass Transit Tax						
3400 Other Funds Ltd	169,465	201,668	201,668	224,430	224,430	224,430
3270 Flexible Benefits						
3400 Other Funds Ltd	6,912,636	9,047,808	9,047,808	9,695,808	9,296,160	9,244,800
OTHER PAYROLL EXPENSES						
08/18/09 9:00 AM	Page 17 of 23			BDV103A - Budget Support - Detail Revenues & Expenditures BDV103A		

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Operations

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
3400 Other Funds Ltd	14,596,903	17,562,253	17,562,253	17,885,241	17,165,330	17,099,735
TOTAL OTHER PAYROLL EXPENSES	\$14,596,903	\$17,562,253	\$17,562,253	\$17,885,241	\$17,165,330	\$17,099,735
P.S. BUDGET ADJUSTMENTS						
3455 Vacancy Savings						
3400 Other Funds Ltd	-	(189,052)	(189,052)	(165,147)	(165,147)	(165,147)
3465 Reconciliation Adjustment						
3400 Other Funds Ltd	-	(172,034)	(172,034)	-	(61,413)	(1,691,456)
P.S. BUDGET ADJUSTMENTS						
3400 Other Funds Ltd	-	(361,086)	(361,086)	(165,147)	(226,560)	(1,856,603)
TOTAL P.S. BUDGET ADJUSTMENTS	-	(\$361,086)	(\$361,086)	(\$165,147)	(\$226,560)	(\$1,856,603)
PERSONAL SERVICES						
3400 Other Funds Ltd	42,804,560	50,682,707	50,682,707	55,125,314	54,343,990	52,559,956
TOTAL PERSONAL SERVICES	\$42,804,560	\$50,682,707	\$50,682,707	\$55,125,314	\$54,343,990	\$52,559,956
SERVICES & SUPPLIES						
4100 Instate Travel						
3400 Other Funds Ltd	143,776	210,761	210,761	230,061	230,061	214,341
4125 Out of State Travel						
3400 Other Funds Ltd	11,479	11,472	11,472	11,793	11,793	11,793
4150 Employee Training						
3400 Other Funds Ltd	420,298	714,454	714,454	703,382	703,382	703,382
4175 Office Expenses						
3400 Other Funds Ltd	1,786,288	2,161,910	2,161,910	2,204,399	2,204,399	2,204,399
4200 Telecommunications						

08/18/09
9:00 AM

Page 18 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 316

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Budget Support - Detail Revenues and Expenditures
2009-11 Biennium**

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

Operations

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
3400 Other Funds Ltd	466,472	612,136	612,136	533,647	533,647	533,647
4225 State Gov. Service Charges						
3400 Other Funds Ltd	1,852,993	1,860,862	1,860,862	2,463,265	2,429,137	2,198,294
4250 Data Processing						
3400 Other Funds Ltd	4,538,200	5,935,976	5,935,976	3,671,799	3,671,799	3,748,524
4275 Publicity and Publications						
3400 Other Funds Ltd	97,436	250,065	250,065	257,067	257,067	257,067
4300 Professional Services						
3400 Other Funds Ltd	4,004,730	2,629,520	2,629,520	3,433,877	3,433,877	3,433,877
4315 IT Professional Services						
3400 Other Funds Ltd	10,490,145	11,417,030	11,417,030	7,011,587	9,511,587	9,511,587
4325 Attorney General						
3400 Other Funds Ltd	707,217	979,893	979,893	1,205,268	1,205,268	1,048,583
4350 Dispute Resolution Services						
3400 Other Funds Ltd	56,285	83,322	83,322	85,655	85,655	85,655
4375 Employee Recruitment and Develop						
3400 Other Funds Ltd	149,301	59,834	59,834	61,509	61,509	61,509
4400 Dues and Subscriptions						
3400 Other Funds Ltd	52,012	52,273	52,273	53,737	53,737	53,737
4425 Facilities Rental and Taxes						
3400 Other Funds Ltd	803,772	834,745	834,745	985,052	985,052	982,592
4450 Fuels and Utilities						
3400 Other Funds Ltd	222,911	166,056	166,056	170,706	170,706	170,706

08/18/09
9:00 AM

Page 19 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 317

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Operations

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
4475 Facilities Maintenance						
3400 Other Funds Ltd	648,408	902,010	902,010	959,685	959,685	959,685
4625 Other COP Costs						
3400 Other Funds Ltd	7,008	6,500	6,500	6,682	6,682	6,682
4650 Other Services and Supplies						
3400 Other Funds Ltd	22,128	2,783	2,783	2,861	2,861	2,861
4700 Expendable Prop 250 - 5000						
3400 Other Funds Ltd	221,080	84,232	84,232	87,562	87,562	87,562
4715 IT Expendable Property						
3400 Other Funds Ltd	772,747	644,904	644,904	730,601	730,601	730,601
SERVICES & SUPPLIES						
3400 Other Funds Ltd	27,474,686	29,620,738	29,620,738	24,870,195	27,336,067	27,007,084
TOTAL SERVICES & SUPPLIES	\$27,474,686	\$29,620,738	\$29,620,738	\$24,870,195	\$27,336,067	\$27,007,084
CAPITAL OUTLAY						
5100 Office Furniture and Fixtures						
3400 Other Funds Ltd	-	31,825	31,825	32,716	32,716	32,716
5150 Telecommunications Equipment						
3400 Other Funds Ltd	(1,190)	64,695	64,695	66,506	66,506	66,506
5550 Data Processing Software						
3400 Other Funds Ltd	3,717,868	184,624	184,624	110,226	110,226	110,226
5600 Data Processing Hardware						
3400 Other Funds Ltd	450,637	666,557	666,557	384,140	384,140	384,140
CAPITAL OUTLAY						

08/18/09
9:00 AM

Page 20 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 318

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

**Budget Support - Detail Revenues and Expenditures
2009-11 Biennium
Operations**

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

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
3400 Other Funds Ltd	4,167,315	947,701	947,701	593,588	593,588	593,588
TOTAL CAPITAL OUTLAY	\$4,167,315	\$947,701	\$947,701	\$593,588	\$593,588	\$593,588
EXPENDITURES						
3400 Other Funds Ltd	74,446,561	81,251,146	81,251,146	80,589,097	82,273,645	80,160,628
TOTAL EXPENDITURES	\$74,446,561	\$81,251,146	\$81,251,146	\$80,589,097	\$82,273,645	\$80,160,628
ENDING BALANCE						
3400 Other Funds Ltd	1,213,214	1,352,297	1,647,514	1,759,798	2,495,750	4,702,057
TOTAL ENDING BALANCE	\$1,213,214	\$1,352,297	\$1,647,514	\$1,759,798	\$2,495,750	\$4,702,057
AUTHORIZED POSITIONS						
8150 Class/Unclass Positions	401	396	396	362	362	360
8180 Position Reconciliation	-	5	5	-	-	2
TOTAL AUTHORIZED POSITIONS	401	401	401	362	362	362
AUTHORIZED FTE						
8250 Class/Unclass FTE Positions	386.71	395.42	395.42	361.55	361.55	360.00
8280 FTE Reconciliation	-	(0.54)	(0.54)	-	-	1.55
TOTAL AUTHORIZED FTE	386.71	394.88	394.88	361.55	361.55	361.55

08/18/09
9:00 AM

Page 21 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 319

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Debt Service

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
REVENUE CATEGORIES						
INTEREST EARNINGS						
0605 Interest Income						
3430 Other Funds Debt Svc Ltd	11,337	-	-	-	-	-
OTHER						
0975 Other Revenues						
3430 Other Funds Debt Svc Ltd	3,318	-	-	3,000	3,000	3,000
TRANSFERS IN						
1010 Transfer In - Intrafund						
3430 Other Funds Debt Svc Ltd	5,706,295	5,709,200	5,709,200	1,420,075	1,420,075	1,420,075
REVENUE CATEGORIES						
3430 Other Funds Debt Svc Ltd	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
TOTAL REVENUE CATEGORIES	\$5,720,950	\$5,709,200	\$5,709,200	\$1,423,075	\$1,423,075	\$1,423,075
AVAILABLE REVENUES						
3430 Other Funds Debt Svc Ltd	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
TOTAL AVAILABLE REVENUES	\$5,720,950	\$5,709,200	\$5,709,200	\$1,423,075	\$1,423,075	\$1,423,075
EXPENDITURES						
DEBT SERVICE						
7200 Principal - COP						
3430 Other Funds Debt Svc Ltd	4,665,000	4,960,000	4,960,000	970,000	970,000	970,000
7250 Interest - COP						
3430 Other Funds Debt Svc Ltd	1,055,950	749,200	749,200	453,075	453,075	453,075
DEBT SERVICE						
08/18/09 9:00 AM	Page 22 of 23			BDV103A - Budget Support - Detail Revenues & Expenditures BDV103A		

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Budget Support - Detail Revenues and Expenditures

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

2009-11 Biennium

Debt Service

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
3430 Other Funds Debt Svc Ltd	5,720,950	5,709,200	5,709,200	1,423,075	1,423,075	1,423,075
TOTAL DEBT SERVICE	\$5,720,950	\$5,709,200	\$5,709,200	\$1,423,075	\$1,423,075	\$1,423,075

08/18/09
9:00 AM

Page 23 of 23

BDV103A - Budget Support - Detail Revenues & Expenditures
BDV103A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 321

BUDGET NARRATIVE

ANA100A Version/Column Comparison – Detail (Base Budget by SCR)

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail
2009-11 Biennium
Tier One and Tier Two Plan

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

Description	Governor's Rec. Budget (Y-01) 2009-11 Base Budget	Leg. Adopted Budget (Z-01) 2009-11 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
BEGINNING BALANCE				
0025 Beginning Balance				
3200 Other Funds Non-Ltd	71,896,846,156	71,896,846,156	0	-
0030 Beginning Balance Adjustment				
3200 Other Funds Non-Ltd	(7,817,582,684)	(27,214,150,719)	(19,596,568,035)	-257.25%
TOTAL BEGINNING BALANCE				
3200 Other Funds Non-Ltd	64,279,263,472	44,682,695,437	(19,596,568,035)	-30.49%
REVENUE CATEGORIES				
INTEREST EARNINGS				
0605 Interest Income				
3200 Other Funds Non-Ltd	5,540,400,000	5,540,400,000	0	-
DONATIONS AND CONTRIBUTIONS				
0915 Retirement System Contribution				
3200 Other Funds Non-Ltd	2,210,100,000	2,210,100,000	0	-
OTHER				
0975 Other Revenues				
3200 Other Funds Non-Ltd	775,000	775,000	0	-
TOTAL REVENUES				
3200 Other Funds Non-Ltd	7,751,275,000	7,751,275,000	0	-
TRANSFERS OUT				
2010 Transfer Out - Intrafund.				
3200 Other Funds Non-Ltd	(45,528,574)	(45,528,574)	0	-
AVAILABLE REVENUES				
3200 Other Funds Non-Ltd	71,985,009,898	52,388,441,863	(19,596,568,035)	-27.22%

08/18/09
9:00 AM

Page 1 of 11

ANA100A - Version / Column Comparison Report - Detail
ANA100A

____ Agency Request ____ Governor's Recommended X Legislatively Adopted

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

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

2009-11 Biennium

Tier One and Tier Two Plan

Description	Governor's Rec. Budget (Y-01) 2009-11 Base Budget	Leg. Adopted Budget (Z-01) 2009-11 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3200 Other Funds Non-Ltd	5,993,664	5,993,664	0	-
SPECIAL PAYMENTS				
6030 Dist to Non-Gov Units				
3200 Other Funds Non-Ltd	312,538,000	312,538,000	0	-
6035 Dist to Individuals				
3200 Other Funds Non-Ltd	5,960,000,000	5,960,000,000	0	-
TOTAL SPECIAL PAYMENTS				
3200 Other Funds Non-Ltd	6,272,538,000	6,272,538,000	0	-
TOTAL EXPENDITURES				
3200 Other Funds Non-Ltd	6,278,531,664	6,278,531,664	0	-
ENDING BALANCE				
3200 Other Funds Non-Ltd	65,706,478,234	46,109,910,199	(19,596,568,035)	-29.82%

08/18/09

Page 2 of 11

ANA100A - Version / Column Comparison Report - Detail

9:00 AM

ANA100A

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 323

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

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

2009-11 Biennium

Oregon Public Service Retirement Plan

Description	Governor's Rec. Budget (Y-01) 2009-11 Base Budget	Leg. Adopted Budget (Z-01) 2009-11 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
BEGINNING BALANCE				
0025 Beginning Balance				
3200 Other Funds Non-Ltd	3,119,925,199	3,119,925,199	0	-
0030 Beginning Balance Adjustment				
3200 Other Funds Non-Ltd	(710,647,849)	(705,007,100)	5,640,749	0.79%
TOTAL BEGINNING BALANCE				
3200 Other Funds Non-Ltd	2,409,277,350	2,414,918,099	5,640,749	0.23%
REVENUE CATEGORIES				
INTEREST EARNINGS				
0605 Interest Income				
3200 Other Funds Non-Ltd	404,700,000	404,700,000	0	-
DONATIONS AND CONTRIBUTIONS				
0915 Retirement System Contribution				
3200 Other Funds Non-Ltd	1,179,500,000	1,179,500,000	0	-
TOTAL REVENUES				
3200 Other Funds Non-Ltd	1,584,200,000	1,584,200,000	0	-
TRANSFERS OUT				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	(28,267,541)	(28,267,541)	0	-
AVAILABLE REVENUES				
3200 Other Funds Non-Ltd	3,965,209,809	3,970,850,558	5,640,749	0.14%
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				

08/18/09
9:00 AM

Page 3 of 11

ANA100A - Version / Column Comparison Report - Detail
ANA100A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 324

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

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

2009-11 Biennium

Oregon Public Service Retirement Plan

Description	Governor's Rec. Budget (Y-01) 2009-11 Base Budget	Leg. Adopted Budget (Z-01) 2009-11 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3200 Other Funds Non-Ltd	4,754,000	4,754,000	0	-
SPECIAL PAYMENTS				
6035 Dist to Individuals				
3200 Other Funds Non-Ltd	193,600,000	193,600,000	0	-
TOTAL EXPENDITURES				
3200 Other Funds Non-Ltd	198,354,000	198,354,000	0	-
ENDING BALANCE				
3200 Other Funds Non-Ltd	3,766,855,809	3,772,496,558	5,640,749	0.15%

08/18/09
9:00 AM

Page 4 of 11

ANA100A - Version / Column Comparison Report - Detail
ANA100A

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 325

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

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

2009-11 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2009-11 Base Budget	Leg. Adopted Budget (Z-01) 2009-11 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
BEGINNING BALANCE				
0025 Beginning Balance				
3400 Other Funds Ltd	1,647,514	1,647,514	0	-
0030 Beginning Balance Adjustment				
3400 Other Funds Ltd	(229,159)	(135,869)	93,290	40.71%
TOTAL BEGINNING BALANCE				
3400 Other Funds Ltd	1,418,355	1,511,645	93,290	6.58%
REVENUE CATEGORIES				
CHARGES FOR SERVICES				
0410 Charges for Services				
3400 Other Funds Ltd	7,648,000	7,648,000	0	-
INTEREST EARNINGS				
0605 Interest Income				
3400 Other Funds Ltd	2,880,000	2,880,000	0	-
OTHER				
0975 Other Revenues				
3400 Other Funds Ltd	526,500	526,500	0	-
TRANSFERS IN				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	53,521,634	53,521,634	0	-
TOTAL REVENUES				
3400 Other Funds Ltd	64,576,134	64,576,134	0	-
TRANSFERS OUT				
2010 Transfer Out - Intrafund				

08/18/09
9:00 AM

Page 5 of 11

ANA100A - Version / Column Comparison Report - Detail
ANA100A

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 326

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

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

2009-11 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2009-11 Base Budget	Leg. Adopted Budget (Z-01) 2009-11 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(4,198,012)	(4,198,012)	0	-
2121 Tsfr To Governor, Office of the				
3400 Other Funds Ltd	(79,500)	(79,500)	0	-
TOTAL TRANSFERS OUT				
3400 Other Funds Ltd	(4,277,512)	(4,277,512)	0	-
AVAILABLE REVENUES				
3400 Other Funds Ltd	61,716,977	61,810,267	93,290	0.15%
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	30,321,280	30,232,884	(88,396)	-0.29%
3160 Temporary Appointments				
3400 Other Funds Ltd	161,789	161,789	0	-
3170 Overtime Payments				
3400 Other Funds Ltd	557,257	557,257	0	-
3180 Shift Differential				
3400 Other Funds Ltd	2,039	2,039	0	-
3190 All Other Differential				
3400 Other Funds Ltd	215,841	215,841	0	-
TOTAL SALARIES & WAGES				
3400 Other Funds Ltd	31,258,206	31,169,810	(88,396)	-0.28%
OTHER PAYROLL EXPENSES				
3210 Empl. Rel. Bd. Assessments				

08/18/09
9:00 AM

Page 6 of 11

ANA100A - Version / Column Comparison Report - Detail
ANA100A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 327

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

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

2009-11 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2009-11 Base Budget	Leg. Adopted Budget (Z-01) 2009-11 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	12,411	12,327	(84)	-0.68%
3220 Public Employees' Retire Cont				
3400 Other Funds Ltd	2,556,127	2,548,859	(7,268)	-0.28%
3221 Pension Bond Contribution				
3400 Other Funds Ltd	1,440,550	1,440,550	0	-
3230 Social Security Taxes				
3400 Other Funds Ltd	2,383,467	2,376,708	(6,759)	-0.28%
3240 Unemployment Assessments				
3400 Other Funds Ltd	38,550	38,550	0	-
3250 Worker's Comp. Assess. (WCD)				
3400 Other Funds Ltd	18,321	18,197	(124)	-0.68%
3260 Mass Transit Tax				
3400 Other Funds Ltd	201,668	201,668	0	-
3270 Flexible Benefits				
3400 Other Funds Ltd	7,588,440	7,537,080	(51,360)	-0.68%
TOTAL OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	14,239,534	14,173,939	(65,595)	-0.46%
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				
3400 Other Funds Ltd	(189,052)	(189,052)	0	-
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	189	154,180	153,991	81,476.72%
TOTAL P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	(188,863)	(34,872)	153,991	81.54%

08/18/09
9:00 AM

Page 7 of 11

ANA100A - Version / Column Comparison Report - Detail
ANA100A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 328

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

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

2009-11 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2009-11 Base Budget	Leg. Adopted Budget (Z-01) 2009-11 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL PERSONAL SERVICES				
3400 Other Funds Ltd	45,308,877	45,308,877	0	-
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	210,761	210,761	0	-
4125 Out of State Travel				
3400 Other Funds Ltd	11,472	11,472	0	-
4150 Employee Training				
3400 Other Funds Ltd	714,454	714,454	0	-
4175 Office Expenses				
3400 Other Funds Ltd	2,161,910	2,161,910	0	-
4200 Telecommunications				
3400 Other Funds Ltd	612,136	612,136	0	-
4225 State Gov. Service Charges				
3400 Other Funds Ltd	1,860,862	1,860,862	0	-
4250 Data Processing				
3400 Other Funds Ltd	5,935,976	5,935,976	0	-
4275 Publicity and Publications				
3400 Other Funds Ltd	250,065	250,065	0	-
4300 Professional Services				
3400 Other Funds Ltd	2,629,520	2,629,520	0	-
4315 IT Professional Services				
3400 Other Funds Ltd	11,417,030	11,417,030	0	-
4325 Attorney General				

08/18/09
9:00 AM

Page 8 of 11

ANA100A - Version / Column Comparison Report - Detail
ANA100A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 329

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

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

2009-11 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2009-11 Base Budget	Leg. Adopted Budget (Z-01) 2009-11 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	979,893	979,893	0	-
4350 Dispute Resolution Services				
3400 Other Funds Ltd	83,322	83,322	0	-
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	59,834	59,834	0	-
4400 Dues and Subscriptions				
3400 Other Funds Ltd	52,273	52,273	0	-
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	834,745	834,745	0	-
4450 Fuels and Utilities				
3400 Other Funds Ltd	166,056	166,056	0	-
4475 Facilities Maintenance				
3400 Other Funds Ltd	902,010	902,010	0	-
4625 Other COP Costs				
3400 Other Funds Ltd	6,500	6,500	0	-
4650 Other Services and Supplies				
3400 Other Funds Ltd	2,783	2,783	0	-
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	84,232	84,232	0	-
4715 IT Expendable Property				
3400 Other Funds Ltd	644,904	644,904	0	-
TOTAL SERVICES & SUPPLIES				
3400 Other Funds Ltd	29,620,738	29,620,738	0	-

CAPITAL OUTLAY

08/18/09
9:00 AM

Page 9 of 11

ANA100A - Version / Column Comparison Report - Detail
ANA100A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 330

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

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

2009-11 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2009-11 Base Budget	Leg. Adopted Budget (Z-01) 2009-11 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
5100 Office Furniture and Fixtures				
3400 Other Funds Ltd	31,825	31,825	0	-
5150 Telecommunications Equipment				
3400 Other Funds Ltd	64,695	64,695	0	-
5550 Data Processing Software				
3400 Other Funds Ltd	184,624	184,624	0	-
5600 Data Processing Hardware				
3400 Other Funds Ltd	666,557	666,557	0	-
TOTAL CAPITAL OUTLAY				
3400 Other Funds Ltd	947,701	947,701	0	-
TOTAL EXPENDITURES				
3400 Other Funds Ltd	75,877,316	75,877,316	0	-
ENDING BALANCE				
3400 Other Funds Ltd	(14,160,339)	(14,067,049)	93,290	0.66%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	296	294	(2)	-0.68%
8180 Position Reconciliation	-	2	2	100.00%
TOTAL AUTHORIZED POSITIONS	296	296	0	-
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	295.05	293.50	(1.55)	-0.53%
8280 FTE Reconciliation	-	1.55	1.55	100.00%
TOTAL AUTHORIZED FTE	295.05	295.05	0	-

08/18/09
9:00 AM

Page 10 of 11

ANA100A - Version / Column Comparison Report - Detail
ANA100A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 331

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Version / Column Comparison Report - Detail

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

2009-11 Biennium

Debt Service

Description	Governor's Rec. Budget (Y-01) 2009-11 Base Budget	Leg. Adopted Budget (Z-01) 2009-11 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
REVENUE CATEGORIES				
OTHER				
0975 Other Revenues				
3430 Other Funds Debt Svc Ltd	3,000	3,000	0	-
TRANSFERS IN				
1010 Transfer In - Intrafund				
3430 Other Funds Debt Svc Ltd	1,420,075	1,420,075	0	-
TOTAL REVENUES				
3430 Other Funds Debt Svc Ltd	1,423,075	1,423,075	0	-
AVAILABLE REVENUES				
3430 Other Funds Debt Svc Ltd	1,423,075	1,423,075	0	-
EXPENDITURES				
DEBT SERVICE				
7200 Principal - COP				
3430 Other Funds Debt Svc Ltd	970,000	970,000	0	-
7250 Interest - COP				
3430 Other Funds Debt Svc Ltd	453,075	453,075	0	-
TOTAL DEBT SERVICE				
3430 Other Funds Debt Svc Ltd	1,423,075	1,423,075	0	-

08/18/09
9:00 AM

Page 11 of 11

ANA100A - Version / Column Comparison Report - Detail
ANA100A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 332

BUDGET NARRATIVE

ANA101A Package Comparison – Detail (Essential and Policy Packages by SCR)

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 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	4,530	4,530	0	0.00%
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3170 Overtime Payments

3400 Other Funds Ltd	15,603	15,603	0	0.00%
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3180 Shift Differential

3400 Other Funds Ltd	57	57	0	0.00%
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3190 All Other Differential

3400 Other Funds Ltd	6,044	6,044	0	0.00%
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SALARIES & WAGES

3400 Other Funds Ltd	26,234	26,234	0	0.00%
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TOTAL SALARIES & WAGES

	\$26,234	\$26,234	\$0	0.00%
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OTHER PAYROLL EXPENSES

3220 Public Employees Retire Cont

3400 Other Funds Ltd	1,783	1,783	0	0.00%
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3221 Pension Bond Contribution

3400 Other Funds Ltd	212,166	212,166	0	0.00%
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08/18/09

Page 1 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 333

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 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		
3230 Social Security Taxes				
3400 Other Funds Ltd	2,005	2,005	0	0.00%
3240 Unemployment Assessments				
3400 Other Funds Ltd	1,079	1,079	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	(13,961)	(13,961)	0	0.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	203,072	203,072	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	\$203,072	\$203,072	\$0	0.00%
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				
3400 Other Funds Ltd	23,905	23,905	0	0.00%
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	2	2	0	0.00%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	23,907	23,907	0	0.00%
TOTAL P.S. BUDGET ADJUSTMENTS	\$23,907	\$23,907	\$0	0.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	253,213	253,213	0	0.00%

08/18/09

Page 2 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 334

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 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		
TOTAL PERSONAL SERVICES	\$253,213	\$253,213	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	253,213	253,213	0	0.00%
TOTAL EXPENDITURES	\$253,213	\$253,213	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(253,213)	(253,213)	0	0.00%
TOTAL ENDING BALANCE	(\$253,213)	(\$253,213)	\$0	0.00%

08/18/09

Page 3 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 335

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Phase-out Pgm & One-time Costs

Operations

Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

EXPENDITURES

SERVICES & SUPPLIES

4150 Employee Training				
3400 Other Funds Ltd	(100,525)	(100,525)	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	(460,000)	(460,000)	0	0.00%
4200 Telecommunications				
3400 Other Funds Ltd	(93,024)	(93,024)	0	0.00%
4250 Data Processing				
3400 Other Funds Ltd	(1,557,200)	(1,557,200)	0	0.00%
4300 Professional Services				
3400 Other Funds Ltd	(1,000,000)	(1,000,000)	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	(10,904,050)	(10,904,050)	0	0.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	(667,060)	(667,060)	0	0.00%
4475 Facilities Maintenance				
3400 Other Funds Ltd	(198,413)	(198,413)	0	0.00%
4700 Expendable Prop 250 - 5000				

08/18/09

Page 4 of 38

ANA101A - Package Comparison Report - Detail

9:00 AM

ANA101A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 336

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 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		
3400 Other Funds Ltd	(1,000)	(1,000)	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	(111,100)	(111,100)	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	(15,092,372)	(15,092,372)	0	0.00%
TOTAL SERVICES & SUPPLIES	(\$15,092,372)	(\$15,092,372)	\$0	0.00%
CAPITAL OUTLAY				
5550 Data Processing Software				
3400 Other Funds Ltd	(77,400)	(77,400)	0	0.00%
5600 Data Processing Hardware				
3400 Other Funds Ltd	(515,000)	(515,000)	0	0.00%
CAPITAL OUTLAY				
3400 Other Funds Ltd	(592,400)	(592,400)	0	0.00%
TOTAL CAPITAL OUTLAY	(\$592,400)	(\$592,400)	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	(15,684,772)	(15,684,772)	0	0.00%
TOTAL EXPENDITURES	(\$15,684,772)	(\$15,684,772)	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	15,684,772	15,684,772	0	0.00%

08/18/09

Page 5 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 337

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Phase-out Pgm & One-time Costs

Operations

Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL ENDING BALANCE	\$15,684,772	\$15,684,772	\$0	0.00%

08/18/09

Page 6 of 38

ANA101A - Package Comparison Report - Detail

ANA101A

9:00 AM

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 338

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Standard Inflation
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's 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

SERVICES & SUPPLIES

4100 Instate Travel				
3400 Other Funds Ltd	3,248	3,248	0	0.00%
4125 Out of State Travel				
3400 Other Funds Ltd	321	321	0	0.00%
4150 Employee Training				
3400 Other Funds Ltd	17,190	17,190	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	47,653	47,653	0	0.00%
4200 Telecommunications				
3400 Other Funds Ltd	14,535	14,535	0	0.00%
4225 State Gov. Service Charges				
3400 Other Funds Ltd	552,141	552,141	0	0.00%
4250 Data Processing				
3400 Other Funds Ltd	29,400	29,400	0	0.00%
4275 Publicity and Publications				
3400 Other Funds Ltd	7,002	7,002	0	0.00%
4300 Professional Services				

08/18/09

Page 7 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 339

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Standard Inflation

Operations

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

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	45,627	45,627	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	14,363	14,363	0	0.00%
4325 Attorney General				
3400 Other Funds Ltd	225,375	225,375	0	0.00%
4350 Dispute Resolution Services				
3400 Other Funds Ltd	2,333	2,333	0	0.00%
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	1,675	1,675	0	0.00%
4400 Dues and Subscriptions				
3400 Other Funds Ltd	1,464	1,464	0	0.00%
4450 Fuels and Utilities				
3400 Other Funds Ltd	4,650	4,650	0	0.00%
4475 Facilities Maintenance				
3400 Other Funds Ltd	3,360	3,360	0	0.00%
4625 Other COP Costs				
3400 Other Funds Ltd	182	182	0	0.00%
4650 Other Services and Supplies				
3400 Other Funds Ltd	78	78	0	0.00%

08/18/09

Page 8 of 38

ANA101A - Package Comparison Report - Detail

9:00 AM

ANA101A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 340

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Standard Inflation

Operations

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

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		
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	2,330	2,330	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	14,947	14,947	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	987,874	987,874	0	0.00%
TOTAL SERVICES & SUPPLIES	\$987,874	\$987,874	\$0	0.00%
CAPITAL OUTLAY				
5100 Office Furniture and Fixtures				
3400 Other Funds Ltd	891	891	0	0.00%
5150 Telecommunications Equipment				
3400 Other Funds Ltd	1,811	1,811	0	0.00%
5550 Data Processing Software				
3400 Other Funds Ltd	3,002	3,002	0	0.00%
5600 Data Processing Hardware				
3400 Other Funds Ltd	4,244	4,244	0	0.00%
CAPITAL OUTLAY				
3400 Other Funds Ltd	9,948	9,948	0	0.00%
TOTAL CAPITAL OUTLAY	\$9,948	\$9,948	\$0	0.00%

08/18/09

Page 9 of 38

ANA101A - Package Comparison Report - Detail

ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 341

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Standard Inflation

Operations

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

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				
3400 Other Funds Ltd	997,822	997,822	0	0.00%
TOTAL EXPENDITURES	\$997,822	\$997,822	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(997,822)	(997,822)	0	0.00%
TOTAL ENDING BALANCE	(\$997,822)	(\$997,822)	\$0	0.00%

08/18/09

Page 10 of 38

ANA101A - Package Comparison Report - Detail

ANA101A

9:00 AM

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 342

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Above Standard Inflation
Pkg Group: ESS Pkg Type: 030 Pkg Number: 032

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

SERVICES & SUPPLIES

4100 Instate Travel

3400 Other Funds Ltd	16,052	16,052	0	0.00%
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4225 State Gov. Service Charges

3400 Other Funds Ltd	16,134	16,134	0	0.00%
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4250 Data Processing

3400 Other Funds Ltd	(2,365,701)	(2,365,701)	0	0.00%
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4300 Professional Services

3400 Other Funds Ltd	3,730	3,730	0	0.00%
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4425 Facilities Rental and Taxes

3400 Other Funds Ltd	42,367	42,367	0	0.00%
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4475 Facilities Maintenance

3400 Other Funds Ltd	252,728	252,728	0	0.00%
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SERVICES & SUPPLIES

3400 Other Funds Ltd	(2,034,690)	(2,034,690)	0	0.00%
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TOTAL SERVICES & SUPPLIES	(\$2,034,690)	(\$2,034,690)	\$0	0.00%
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EXPENDITURES

3400 Other Funds Ltd	(2,034,690)	(2,034,690)	0	0.00%
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08/18/09

Page 11 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 343

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Above Standard Inflation

Operations

Pkg Group: ESS Pkg Type: 030 Pkg Number: 032

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		
TOTAL EXPENDITURES	(\$2,034,690)	(\$2,034,690)	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	2,034,690	2,034,690	0	0.00%
TOTAL ENDING BALANCE	\$2,034,690	\$2,034,690	\$0	0.00%

08/18/09

Page 12 of 38

ANA101A - Package Comparison Report - Detail

9:00 AM

ANA101A

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 344

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Business Process Owners
Pkg Group: POL Pkg Type: POL Pkg Number: 101

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	860,180	860,180	0	0.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	860,180	860,180	0	0.00%
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TOTAL AVAILABLE REVENUES	\$860,180	\$860,180	\$0	0.00%
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EXPENDITURES

PERSONAL SERVICES

SALARIES & WAGES

3110 Class/Unclass Sal. and Per Diem

3400 Other Funds Ltd	588,720	588,720	0	0.00%
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SALARIES & WAGES

3400 Other Funds Ltd	588,720	588,720	0	0.00%
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TOTAL SALARIES & WAGES	\$588,720	\$588,720	\$0	0.00%
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OTHER PAYROLL EXPENSES

3210 Empl. Rel. Bd. Assessments

3400 Other Funds Ltd	210	210	0	0.00%
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3220 Public Employees Retire Cont.

08/18/09

Page 13 of 38

ANA101A - Package Comparison Report - Detail

9:00 AM

ANA101A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 345

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Business Process Owners

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 101

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	48,390	48,390	0	0.00%
3230 Social Security Taxes				
3400 Other Funds Ltd	45,035	45,035	0	0.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	310	310	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	3,530	3,530	0	0.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	128,400	128,400	0	0.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	225,875	225,875	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	\$225,875	\$225,875	\$0	0.00%
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	5	5	0	0.00%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	5	5	0	0.00%
TOTAL P.S. BUDGET ADJUSTMENTS	\$5	\$5	\$0	0.00%

PERSONAL SERVICES

08/18/09

Page 14 of 38

ANA101A - Package Comparison Report - Detail

9:00 AM

ANA101A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 346

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Business Process Owners
Pkg Group: POL Pkg Type: POL Pkg Number: 101

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	814,600	814,600	0	0.00%
TOTAL PERSONAL SERVICES	\$814,600	\$814,600	\$0	0.00%
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	10,000	10,000	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	25,000	25,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	35,000	35,000	0	0.00%
TOTAL SERVICES & SUPPLIES	\$35,000	\$35,000	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	849,600	849,600	0	0.00%
TOTAL EXPENDITURES	\$849,600	\$849,600	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	10,580	10,580	0	0.00%
TOTAL ENDING BALANCE	\$10,580	\$10,580	\$0	0.00%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	5	5	0	0.00%

08/18/09

Page 15 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 347

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Business Process Owners

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 101

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		

AUTHORIZED FTE

8250 Class/Unclass FTE Positions	5.00	5.00	0.00	0.00%
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08/18/09

Page 16 of 38

ANA101A - Package Comparison Report - Detail

9:00 AM

ANA101A

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 348

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Maintenance & Enhancement of Current Svc Levels
Pkg Group: POL Pkg Type: POL Pkg Number: 102

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	5,961,797	5,961,797	0	0.00%
AVAILABLE REVENUES				
3400 Other Funds Ltd	5,961,797	5,961,797	0	0.00%
TOTAL AVAILABLE REVENUES	\$5,961,797	\$5,961,797	\$0	0.00%

EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	3,833,052	3,833,052	0	0.00%
SALARIES & WAGES				
3400 Other Funds Ltd	3,833,052	3,833,052	0	0.00%
TOTAL SALARIES & WAGES	\$3,833,052	\$3,833,052	\$0	0.00%
OTHER PAYROLL EXPENSES				
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	1,869	1,869	0	0.00%
3220 Public Employees Retire Cont				

08/18/09

Page 17 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 349

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Maintenance & Enhancement of Current Svc Levels
Pkg Group: POL Pkg Type: POL Pkg Number: 102

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	315,076	315,076	0	0.00%
3230 Social Security Taxes				
3400 Other Funds Ltd	293,227	293,227	0	0.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	2,759	2,759	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	22,998	22,998	0	0.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	1,142,760	1,142,760	0	0.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	1,778,689	1,778,689	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	\$1,778,689	\$1,778,689	\$0	0.00%
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	28	28	0	0.00%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	28	28	0	0.00%
TOTAL P.S. BUDGET ADJUSTMENTS	\$28	\$28	\$0	0.00%
PERSONAL SERVICES				

08/18/09

Page 18 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 350

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
 2009-11 Biennium
 Operations

Cross Reference Number: 45900-300-00-00-00000
 Package: Maintenance & Enhancement of Current Svc Levels
 Pkg Group: POL Pkg Type: POL Pkg Number: 102

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	5,611,769	5,611,769	0	0.00%
TOTAL PERSONAL SERVICES	\$5,611,769	\$5,611,769	\$0	0.00%
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	45,463	45,463	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	222,500	222,500	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	267,963	267,963	0	0.00%
TOTAL SERVICES & SUPPLIES	\$267,963	\$267,963	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	5,879,732	5,879,732	0	0.00%
TOTAL EXPENDITURES	\$5,879,732	\$5,879,732	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	82,065	82,065	0	0.00%
TOTAL ENDING BALANCE	\$82,065	\$82,065	\$0	0.00%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	44	44	0	0.00%

08/18/09

Page 19 of 38

ANA101A - Package Comparison Report - Detail
 ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 351

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Maintenance & Enhancement of Current Svc Levels

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 102

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		

AUTHORIZED FTE

8250 Class/Unclass FTE Positions	44.50	44.50	0.00	0.00%
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08/18/09

Page 20 of 38

ANA101A - Package Comparison Report - Detail

9:00 AM

ANA101A

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 352

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Infrastructure Maintenance & Enhancement
Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Governor's 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	3,142,871	3,142,871	0	0.00%
AVAILABLE REVENUES				
3400 Other Funds Ltd	3,142,871	3,142,871	0	0.00%
TOTAL AVAILABLE REVENUES	\$3,142,871	\$3,142,871	\$0	0.00%

EXPENDITURES

PERSONAL SERVICES

SALARIES & WAGES

 3110 Class/Unclass Sal. and Per Diem

3400 Other Funds Ltd	159,024	159,024	0	0.00%
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SALARIES & WAGES

3400 Other Funds Ltd	159,024	159,024	0	0.00%
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TOTAL SALARIES & WAGES	\$159,024	\$159,024	\$0	0.00%
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OTHER PAYROLL EXPENSES

 3210 Empl. Rel. Bd. Assessments

3400 Other Funds Ltd	126	126	0	0.00%
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 3220 Public Employees Retire Cont

08/18/09

Page 21 of 38

ANA101A - Package Comparison Report - Detail

ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

 X Legislatively Adopted

Budget Page 353

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Infrastructure Maintenance & Enhancement

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 103

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	13,072	13,072	0	0.00%
3230 Social Security Taxes				
3400 Other Funds Ltd	12,166	12,166	0	0.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	186	186	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	954	954	0	0.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	77,040	77,040	0	0.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	103,544	103,544	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	\$103,544	\$103,544	\$0	0.00%
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	1	1	0	0.00%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	1	1	0	0.00%
TOTAL P.S. BUDGET ADJUSTMENTS	\$1	\$1	\$0	0.00%
PERSONAL SERVICES				

08/18/09

Page 22 of 38

ANA101A - Package Comparison Report - Detail

9:00 AM

ANA101A

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 354

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Infrastructure Maintenance & Enhancement
Pkg Group: POL Pkg Type: POL Pkg Number: 103

Description	Governor's 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	262,569	262,569	0	0.00%
TOTAL PERSONAL SERVICES	\$262,569	\$262,569	\$0	0.00%
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	2,775	2,775	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	137,336	137,336	0	0.00%
4250 Data Processing				
3400 Other Funds Ltd	1,629,324	1,629,324	0	0.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	775,000	775,000	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	102,850	102,850	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	2,647,285	2,647,285	0	0.00%
TOTAL SERVICES & SUPPLIES	\$2,647,285	\$2,647,285	\$0	0.00%
CAPITAL OUTLAY				
5600 Data Processing Hardware				
3400 Other Funds Ltd	228,339	228,339	0	0.00%

08/18/09

Page 23 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 355

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Infrastructure Maintenance & Enhancement

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 103

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		
CAPITAL OUTLAY				
3400 Other Funds Ltd	228,339	228,339	0	0.00%
TOTAL CAPITAL OUTLAY	\$228,339	\$228,339	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	3,138,193	3,138,193	0	0.00%
TOTAL EXPENDITURES	\$3,138,193	\$3,138,193	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	4,678	4,678	0	0.00%
TOTAL ENDING BALANCE	\$4,678	\$4,678	\$0	0.00%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	3	3	0	0.00%
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	3.00	3.00	0.00	0.00%

08/18/09

Page 24 of 38

ANA101A - Package Comparison Report - Detail

9:00 AM

ANA101A

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 356

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Enterprise Applications
Pkg Group: POL Pkg Type: POL Pkg Number: 104

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	9,723,186	9,723,186	0	0.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	9,723,186	9,723,186	0	0.00%
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TOTAL AVAILABLE REVENUES	\$9,723,186	\$9,723,186	\$0	0.00%
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EXPENDITURES

PERSONAL SERVICES

SALARIES & WAGES

3110 Class/Unclass Sal. and Per Diem

3400 Other Funds Ltd	448,896	448,896	0	0.00%
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SALARIES & WAGES

3400 Other Funds Ltd	448,896	448,896	0	0.00%
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TOTAL SALARIES & WAGES	\$448,896	\$448,896	\$0	0.00%
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OTHER PAYROLL EXPENSES

3210 Empl. Rel. Bd. Assessments

3400 Other Funds Ltd	168	168	0	0.00%
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3220 Public Employees Retire Cont

08/18/09

Page 25 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 357

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Enterprise Applications

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 104

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	36,900	36,900	0	0.00%
3230 Social Security Taxes				
3400 Other Funds Ltd	34,340	34,340	0	0.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	248	248	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	2,694	2,694	0	0.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	102,720	102,720	0	0.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	177,070	177,070	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	\$177,070	\$177,070	\$0	0.00%
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	2	2	0	0.00%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	2	2	0	0.00%
TOTAL P.S. BUDGET ADJUSTMENTS	\$2	\$2	\$0	0.00%
PERSONAL SERVICES				

08/18/09

Page 26 of 38

ANA101A - Package Comparison Report - Detail

9:00 AM

ANA101A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 358

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Enterprise Applications

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 104

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	625,968	625,968	0	0.00%
TOTAL PERSONAL SERVICES	\$625,968	\$625,968	\$0	0.00%
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	3,700	3,700	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	20,000	20,000	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	8,984,244	8,984,244	0	0.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	2,000	2,000	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	79,000	79,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	9,088,944	9,088,944	0	0.00%
TOTAL SERVICES & SUPPLIES	\$9,088,944	\$9,088,944	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	9,714,912	9,714,912	0	0.00%
TOTAL EXPENDITURES	\$9,714,912	\$9,714,912	\$0	0.00%

08/18/09

Page 27 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 359

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Enterprise Applications

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 104

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		
ENDING BALANCE				
3400 Other Funds Ltd	8,274	8,274	0	0.00%
TOTAL ENDING BALANCE	\$8,274	\$8,274	\$0	0.00%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	4	4	0	0.00%
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	4.00	4.00	0.00	0.00%

08/18/09

Page 28 of 38

ANA101A - Package Comparison Report - Detail

9:00 AM

ANA101A

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 360

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Standards, Training & Certification
Pkg Group: POL Pkg Type: POL Pkg Number: 105

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	755,000	755,000	0	0.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	755,000	755,000	0	0.00%
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TOTAL AVAILABLE REVENUES	\$755,000	\$755,000	\$0	0.00%
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EXPENDITURES

SERVICES & SUPPLIES

4300 Professional Services

3400 Other Funds Ltd	755,000	755,000	0	0.00%
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SERVICES & SUPPLIES

3400 Other Funds Ltd	755,000	755,000	0	0.00%
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TOTAL SERVICES & SUPPLIES	\$755,000	\$755,000	\$0	0.00%
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EXPENDITURES

3400 Other Funds Ltd	755,000	755,000	0	0.00%
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TOTAL EXPENDITURES	\$755,000	\$755,000	\$0	0.00%
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ENDING BALANCE

3400 Other Funds Ltd	-	-	0	0.00%
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08/18/09

Page 29 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 361

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Standards, Training & Certification

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 105

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		
TOTAL ENDING BALANCE	-	-	\$0	0.00%

08/18/09

Page 30 of 38

ANA101A - Package Comparison Report - Detail

9:00 AM

ANA101A

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 362

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Data Transition & Standard Tool Development
Pkg Group: POL Pkg Type: POL Pkg Number: 106

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	1,609,384	1,609,384	0	0.00%
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AVAILABLE REVENUES

3400 Other Funds Ltd	1,609,384	1,609,384	0	0.00%
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TOTAL AVAILABLE REVENUES	\$1,609,384	\$1,609,384	\$0	0.00%
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EXPENDITURES

PERSONAL SERVICES

SALARIES & WAGES

3110 Class/Unclass Sal. and Per Diem

3400 Other Funds Ltd	1,091,088	1,091,088	0	0.00%
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SALARIES & WAGES

3400 Other Funds Ltd	1,091,088	1,091,088	0	0.00%
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TOTAL SALARIES & WAGES	\$1,091,088	\$1,091,088	\$0	0.00%
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OTHER PAYROLL EXPENSES

3210 Empl. Rel. Bd. Assessments

3400 Other Funds Ltd	420	420	0	0.00%
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3220 Public Employees Retire Cont

08/18/09

Page 31 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 363

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Data Transition & Standard Tool Development
Pkg Group: POL Pkg Type: POL Pkg Number: 106

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	89,689	89,689	0	0.00%
3230 Social Security Taxes				
3400 Other Funds Ltd	83,470	83,470	0	0.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	620	620	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	6,547	6,547	0	0.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	256,800	256,800	0	0.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	437,546	437,546	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	\$437,546	\$437,546	\$0	0.00%
P.S. BUDGET ADJUSTMENTS				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	(61,640)	(61,640)	0	0.00%
P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	(61,640)	(61,640)	0	0.00%
TOTAL P.S. BUDGET ADJUSTMENTS	(\$61,640)	(\$61,640)	\$0	0.00%

PERSONAL SERVICES

08/18/09

Page 32 of 38

ANA101A - Package Comparison Report - Detail

9:00 AM

ANA101A

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Data Transition & Standard Tool Development
Pkg Group: POL Pkg Type: POL Pkg Number: 106

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	1,466,994	1,466,994	0	0.00%
TOTAL PERSONAL SERVICES	\$1,466,994	\$1,466,994	\$0	0.00%
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	10,325	10,325	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	50,000	50,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	60,325	60,325	0	0.00%
TOTAL SERVICES & SUPPLIES	\$60,325	\$60,325	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	1,527,319	1,527,319	0	0.00%
TOTAL EXPENDITURES	\$1,527,319	\$1,527,319	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	82,065	82,065	0	0.00%
TOTAL ENDING BALANCE	\$82,065	\$82,065	\$0	0.00%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	10	10	0	0.00%

08/18/09

Page 33 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 365

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
 2009-11 Biennium
 Operations

Cross Reference Number: 45900-300-00-00-00000
 Package: Data Transition & Standard Tool Development
 Pkg Group: POL Pkg Type: POL Pkg Number: 106

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		

AUTHORIZED FTE

8250 Class/Unclass FTE Positions	10.00	10.00	0.00	0.00%
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BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Legal Services
Pkg Group: POL Pkg Type: POL Pkg Number: 107

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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TOTAL AVAILABLE REVENUES	\$1,000,000	\$1,000,000	\$0	0.00%
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EXPENDITURES

SERVICES & SUPPLIES

4300 Professional Services

3400 Other Funds Ltd	1,000,000	1,000,000	0	0.00%
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SERVICES & SUPPLIES

3400 Other Funds Ltd	1,000,000	1,000,000	0	0.00%
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TOTAL SERVICES & SUPPLIES	\$1,000,000	\$1,000,000	\$0	0.00%
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EXPENDITURES

3400 Other Funds Ltd	1,000,000	1,000,000	0	0.00%
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TOTAL EXPENDITURES	\$1,000,000	\$1,000,000	\$0	0.00%
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ENDING BALANCE

3400 Other Funds Ltd	-	-	0	0.00%
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08/18/09

Page 35 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 367

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Legal Services

Operations

Pkg Group: POL Pkg Type: POL Pkg Number: 107

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		
TOTAL ENDING BALANCE	-	-	\$0	0.00%

08/18/09

Page 36 of 38

ANA101A - Package Comparison Report - Detail

9:00 AM

ANA101A

Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 368

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail
2009-11 Biennium
Operations

Cross Reference Number: 45900-300-00-00-00000
Package: Budget Reconciliation Adjustments (HB 5054)
Pkg Group: POL Pkg Type: LFO Pkg Number: 805

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

P.S. BUDGET ADJUSTMENTS

3465 Reconciliation Adjustment

3400 Other Funds Ltd	-	(1,784,034)	(1,784,034)	100.00%
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P.S. BUDGET ADJUSTMENTS

3400 Other Funds Ltd	-	(1,784,034)	(1,784,034)	100.00%
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TOTAL P.S. BUDGET ADJUSTMENTS	-	(\$1,784,034)	(\$1,784,034)	100.00%
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PERSONAL SERVICES

3400 Other Funds Ltd	-	(1,784,034)	(1,784,034)	100.00%
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TOTAL PERSONAL SERVICES	-	(\$1,784,034)	(\$1,784,034)	100.00%
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SERVICES & SUPPLIES

4100 Instate Travel

3400 Other Funds Ltd	-	(15,720)	(15,720)	100.00%
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4225 State Gov. Service Charges

3400 Other Funds Ltd	-	(230,843)	(230,843)	100.00%
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4250 Data Processing

3400 Other Funds Ltd	-	76,725	76,725	100.00%
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4325 Attorney General

08/18/09

Page 37 of 38

ANA101A - Package Comparison Report - Detail
ANA101A

9:00 AM

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 369

BUDGET NARRATIVE

Public Employees Retirement System, Oregon

Agency Number: 45900

Package Comparison Report - Detail

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

2009-11 Biennium

Package: Budget Reconciliation Adjustments (HB 5054)

Operations

Pkg Group: POL Pkg Type: LFO Pkg Number: 805

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	-	(156,685)	(156,685)	100.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	-	(2,460)	(2,460)	100.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	-	(328,983)	(328,983)	100.00%
TOTAL SERVICES & SUPPLIES	-	(\$328,983)	(\$328,983)	100.00%
EXPENDITURES				
3400 Other Funds Ltd	-	(2,113,017)	(2,113,017)	100.00%
TOTAL EXPENDITURES	-	(\$2,113,017)	(\$2,113,017)	100.00%
ENDING BALANCE				
3400 Other Funds Ltd	-	2,113,017	2,113,017	100.00%
TOTAL ENDING BALANCE	-	\$2,113,017	\$2,113,017	100.00%

08/18/09

Page 38 of 38

ANA101A - Package Comparison Report - Detail

9:00 AM

ANA101A

___ Agency Request

___ Governor's Recommended

X Legislatively Adopted

Budget Page 370

BUDGET NARRATIVE

PPDPLBUDCL Summary List by Pkg. by Summary XREF

8/19/09 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
 2009-11
 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	B	Y7500	AE BOARD AND COMMISSION MEMBER		.00	.00	0.00					
000	MEAHZ7014	HA	PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	24.00	12,304.00		295,296			295,296
000	MENNZ0118	AA	EXECUTIVE SUPPORT SPECIALIST 1	1	1.00	24.00	2,882.00		69,168			69,168
000	MESNZ0119	AA	EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	4,039.00		96,936			96,936
000	MESNZ7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	4	4.00	96.00	7,517.50		721,680			721,680
000	MESNZ7010	IA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	10,156.00		243,744			243,744
000	MESNZ7012	AA	PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	6,889.00		165,336			165,336
000	MMN X0871	AA	OPERATIONS & POLICY ANALYST 2	3	3.00	72.00	5,175.00		372,600			372,600
000	MMN X0872	AA	OPERATIONS & POLICY ANALYST 3	3	3.00	72.00	5,900.33		424,824			424,824
000	MMN X1319	AA	HUMAN RESOURCE ASSISTANT	2	2.00	48.00	3,855.00		185,040			185,040
000	MMN X1320	AA	HUMAN RESOURCE ANALYST 1	1	1.00	24.00	4,238.00		101,712			101,712
000	MMN X1321	AA	HUMAN RESOURCE ANALYST 2	1	1.00	24.00	4,906.00		117,744			117,744
000	MMN X1338	AA	TRAINING & DEVELOPMENT SPEC 1	1	1.00	24.00	4,906.00		117,744			117,744
000	MMN X5617	AA	INTERNAL AUDITOR 2	1	1.00	24.00	5,151.00		123,624			123,624
000	MMN X5618	AA	INTERNAL AUDITOR 3	1	1.00	24.00	5,957.00		142,968			142,968
000	MMS X0112	AA	SUPPORT SERVICES SUPERVISOR 1	1	1.00	24.00	3,672.00		88,128			88,128
000	MMS X0855	AA	PROJECT MANAGER 2	1	1.00	24.00	5,151.00		123,624			123,624
000	MMS X0863	AA	PROGRAM ANALYST 4	1	1.00	24.00	5,671.00		136,104			136,104
000	MMS X0872	AA	OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	6,889.00		165,336			165,336
000	MMS X1339	AA	TRAINING & DEVELOPMENT SPEC 2	1	1.00	24.00	5,957.00		142,968			142,968
000	MMS X7000	AA	PRINCIPAL EXECUTIVE/MANAGER A	1	1.00	24.00	3,487.00		83,688			83,688
000	MMS X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	7	7.00	168.00	5,078.00		853,104			853,104
000	MMS X7004	AA	PRINCIPAL EXECUTIVE/MANAGER C	1	1.00	24.00	4,670.00		112,080			112,080
000	MMS X7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	9	9.00	216.00	6,350.44		1,371,696			1,371,696
000	MMS X7008	AA	PRINCIPAL EXECUTIVE/MANAGER E	3	3.00	72.00	7,969.00		573,768			573,768

____ Agency Request

____ Governor's Recommended

 X Legislatively Adopted

Budget Page 371

BUDGET NARRATIVE

8/19/09 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

2009-11
 PICS SYSTEM: BUDGET PREPARATION

PAGE 2
 PROD FILE

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	2	2.00	48.00	8,774.00		421,152			421,152
000	MMS	X7010	AA PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	8,774.00		210,576			210,576
000	OA	C0102	AA OFFICE ASSISTANT 2	12	12.00	288.00	2,015.58		580,488			580,488
000	OA	C0103	AA OFFICE SPECIALIST 1	6	6.00	144.00	2,398.33		345,360			345,360
000	OA	C0104	AA OFFICE SPECIALIST 2	12	12.00	288.00	2,573.33		741,120			741,120
000	OA	C0107	AA ADMINISTRATIVE SPECIALIST 1	5	5.00	120.00	2,950.40		354,048			354,048
000	OA	C0108	AA ADMINISTRATIVE SPECIALIST 2	5	5.00	120.00	3,386.20		406,344			406,344
000	OA	C0118	AA EXECUTIVE SUPPORT SPECIALIST 1	2	2.00	48.00	2,755.50		132,264			132,264
000	OA	C0211	AA ACCOUNTING TECHNICIAN 2	1	1.00	24.00	3,383.00		81,192			81,192
000	OA	C0212	AA ACCOUNTING TECHNICIAN 3	3	3.00	72.00	3,209.66		231,096			231,096
000	OA	C0323	AA PUBLIC SERVICE REP 3	5	5.00	120.00	2,643.20		317,184			317,184
000	OA	C0405	AA MAIL SERVICES ASSISTANT	1	1.00	24.00	2,380.00		57,120			57,120
000	OA	C0435	AA PROCUREMENT AND CONTRACT ASST	1	1.00	24.00	3,727.00		89,448			89,448
000	OA	C0436	AA PROCUREMENT & CONTRACT SPEC 1	1	1.00	24.00	3,547.00		85,128			85,128
000	OA	C0438	AA PROCUREMENT & CONTRACT SPEC 3	1	1.00	24.00	4,286.00		102,864			102,864
000	OA	C0501	AA DATA ENTRY OPERATOR	2	2.00	48.00	2,216.00		106,368			106,368
000	OA	C0841	AA RETIREMENT COUNSELOR 1	48	48.00	1152.00	3,214.95		3,703,632			3,703,632
000	OA	C0842	AA RETIREMENT COUNSELOR 2	23	23.00	552.00	3,839.21		2,119,248			2,119,248
000	OA	C0854	AA PROJECT MANAGER 1	1	1.00	24.00	5,187.00		124,488			124,488
000	OA	C0855	AA PROJECT MANAGER 2	5	5.00	120.00	5,536.60		664,392			664,392
000	OA	C0860	AA PROGRAM ANALYST 1	1	1.00	24.00	4,495.00		107,880			107,880
000	OA	C0861	AA PROGRAM ANALYST 2	2	2.00	48.00	5,069.00		243,312			243,312
000	OA	C0870	AA OPERATIONS & POLICY ANALYST 1	15	15.00	360.00	3,793.53		1,365,672			1,365,672
000	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	18	18.00	432.00	4,694.94		2,028,216			2,028,216
000	OA	C1117	AA RESEARCH ANALYST 3	1	1.00	24.00	4,951.00		118,824			118,824

BUDGET NARRATIVE

8/19/09 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

2009-11
 PICS SYSTEM: BUDGET PREPARATION

PAGE
 PROD FILE 3

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	3,507.00		252,504			252,504
000	OA	C1216	AA ACCOUNTANT 2	5	5.00	120.00	4,083.00		489,960			489,960
000	OA	C1217	AA ACCOUNTANT 3	5	5.00	120.00	5,171.40		620,568			620,568
000	OA	C1218	AA ACCOUNTANT 4	1	1.00	24.00	6,277.00		150,648			150,648
000	OA	C1244	AA FISCAL ANALYST 2	1	1.00	24.00	5,187.00		124,488			124,488
000	OA	C1245	AA FISCAL ANALYST 3	1	1.00	24.00	6,277.00		150,648			150,648
000	OA	C1338	AA TRAINING & DEVELOPMENT SPEC 1	3	3.00	72.00	3,989.00		287,208			287,208
000	OA	C1482	IA INFO SYSTEMS SPECIALIST 2	4	4.00	96.00	3,886.75		373,128			373,128
000	OA	C1484	IA INFO SYSTEMS SPECIALIST 4	14	14.00	336.00	4,795.42		1,611,264			1,611,264
000	OA	C1485	IA INFO SYSTEMS SPECIALIST 5	9	9.00	216.00	4,799.44		1,036,680			1,036,680
000	OA	C1486	IA INFO SYSTEMS SPECIALIST 6	5	5.00	120.00	5,945.00		713,400			713,400
000	OA	C1487	IA INFO SYSTEMS SPECIALIST 7	8	8.00	192.00	6,160.62		1,182,840			1,182,840
000	OA	C1488	IA INFO SYSTEMS SPECIALIST 8	7	7.00	168.00	7,046.57		1,183,824			1,183,824
000	OA	C2510	AA ELECTRONIC PUB DESIGN SPEC 1	3	3.00	72.00	3,194.00		229,968			229,968
000	OA	C2511	AA ELECTRONIC PUB DESIGN SPEC 2	1	1.00	24.00	3,383.00		81,192			81,192
000	OA	C5247	AA COMPLIANCE SPECIALIST 2	2	1.50	36.00	4,951.00		178,236			178,236
000				294	293.50	7044.00	4,221.33		30,232,884			30,232,884

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDPLBUDCL
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 101 Operations

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

PICS SYSTEM: 2009-11 BUDGET PREPARATION
 PAGE 4
 PROD FILE

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
101	MMN	X0872	AA OPERATIONS & POLICY ANALYST 3	5	5.00	120.00	4,906.00		588,720			588,720
101				5	5.00	120.00	4,906.00		588,720			588,720

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDPLBUDCL
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 102 Operations

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

PAGE 5
 PROD FILE
 2009-11
 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
102	MMN	X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	4,906.00		117,744			117,744
102	MMS	X1322	AA HUMAN RESOURCE ANALYST 3	1	1.00	24.00	6,565.00		157,560			157,560
102	MMS	X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	2	2.00	48.00	4,238.00		203,424			203,424
102	OA	C0103	AA OFFICE SPECIALIST 1		.00	.00	2,052.00					
102	OA	C0104	AA OFFICE SPECIALIST 2	7	7.00	168.00	2,607.23		419,400			419,400
102	OA	C0437	AA PROCUREMENT & CONTRACT SPEC 2	1	1.00	24.00	4,495.00		107,880			107,880
102	OA	C0841	AA RETIREMENT COUNSELOR 1	13	13.00	312.00	3,343.46		1,043,160			1,043,160
102	OA	C0842	AA RETIREMENT COUNSELOR 2	13	13.00	312.00	3,650.15		1,138,848			1,138,848
102	OA	C0870	AA OPERATIONS & POLICY ANALYST 1	3	3.00	72.00	3,913.33		281,760			281,760
102	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	2	2.00	48.00	4,286.00		205,728			205,728
102	OA	C1484	IA INFO SYSTEMS SPECIALIST 4		.00	.00	4,056.00					
102	OA	C5246	AA COMPLIANCE SPECIALIST 1	1	1.00	24.00	4,089.00		98,136			98,136
102	OA	C5247	AA COMPLIANCE SPECIALIST 2		.50	12.00	4,951.00		59,412			59,412
102				44	44.50	1068.00	3,411.01		3,833,052			3,833,052

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDPLBUDCL
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 103 Operations

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

PICS SYSTEM: 2009-11
 BUDGET PREPARATION

PAGE
 PROD FILE 6

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
103	OA	C0102	AA OFFICE ASSISTANT 2	2	2.00	48.00	2,171.00		104,208			104,208
103	OA	C0405	AA MAIL SERVICES ASSISTANT	1	1.00	24.00	2,284.00		54,816			54,816
103				3	3.00	72.00	2,208.66		159,024			159,024

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDPLBUDCL
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 104 Operations

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

PAGE 7
 PROD FILE
 PICS SYSTEM: 2009-11 BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
104	OA	C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	3,727.00		89,448			89,448
104	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	5,187.00		124,488			124,488
104	OA	C1487	IA INFO SYSTEMS SPECIALIST 7	2	2.00	48.00	4,895.00		234,960			234,960
104				4	4.00	96.00	4,676.00		448,896			448,896

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDPLBUDCL
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 106 Operations

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

PICS SYSTEM: 2009-11
 BUDGET PREPARATION

PAGE 8
 PROD FILE

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
106	MMS	X7006 AA	PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	6,249.00		149,976			149,976
106	OA	C0854 AA	PROJECT MANAGER 1	1	1.00	24.00	4,495.00		107,880			107,880
106	OA	C0870 AA	OPERATIONS & POLICY ANALYST 1	2	2.00	48.00	3,235.00		155,280			155,280
106	OA	C0871 AA	OPERATIONS & POLICY ANALYST 2	4	4.00	96.00	4,731.75		454,248			454,248
106	OA	C1484 IA	INFO SYSTEMS SPECIALIST 4	2	2.00	48.00	4,660.50		223,704			223,704
106				10	10.00	240.00	4,546.20		1,091,088			1,091,088
				360	360.00	8640.00	4,101.97		36,353,664			36,353,664
				360	360.00	8640.00	4,101.97		36,353,664			36,353,664

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDPLBUDCL
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF:300-00-00 106 Operations

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

2009-11
 PICS SYSTEM: BUDGET PREPARATION
 PAGE 9
 PROD FILE

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
				360	360.00	8640.00	4,101.97		36,353,664			36,353,664

BUDGET NARRATIVE

PPDPLAGYCL Summary List by Pkg. by Agency

8/19/09 REPORT NO.: PPDPLAGYCL
 REPORT: SUMMARY LIST BY PKG BY AGENCY
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM

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

PAGE 1
 PROD FILE
 2009-11
 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	B	Y7500	AE BOARD AND COMMISSION MEMBER		.00	.00	0.00					
000	MEAHZ7014	HA	PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	24.00	12,304.00		295,296			295,296
000	MENNZ0118	AA	EXECUTIVE SUPPORT SPECIALIST 1	1	1.00	24.00	2,882.00		69,168			69,168
000	MESNZ0119	AA	EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	4,039.00		96,936			96,936
000	MESNZ7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	4	4.00	96.00	7,517.50		721,680			721,680
000	MESNZ7010	IA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	10,156.00		243,744			243,744
000	MESNZ7012	AA	PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	6,889.00		165,336			165,336
000	MMN X0871	AA	OPERATIONS & POLICY ANALYST 2	3	3.00	72.00	5,175.00		372,600			372,600
101	MMN X0872	AA	OPERATIONS & POLICY ANALYST 3	9	9.00	216.00	5,237.44		1,131,288			1,131,288
000	MMN X1319	AA	HUMAN RESOURCE ASSISTANT	2	2.00	48.00	3,855.00		185,040			185,040
000	MMN X1320	AA	HUMAN RESOURCE ANALYST 1	1	1.00	24.00	4,238.00		101,712			101,712
000	MMN X1321	AA	HUMAN RESOURCE ANALYST 2	1	1.00	24.00	4,906.00		117,744			117,744
000	MMN X1338	AA	TRAINING & DEVELOPMENT SPEC 1	1	1.00	24.00	4,906.00		117,744			117,744
000	MMN X5617	AA	INTERNAL AUDITOR 2	1	1.00	24.00	5,151.00		123,624			123,624
000	MMN X5618	AA	INTERNAL AUDITOR 3	1	1.00	24.00	5,957.00		142,968			142,968
000	MMS X0112	AA	SUPPORT SERVICES SUPERVISOR 1	1	1.00	24.00	3,672.00		88,128			88,128
000	MMS X0855	AA	PROJECT MANAGER 2	1	1.00	24.00	5,151.00		123,624			123,624
000	MMS X0863	AA	PROGRAM ANALYST 4	1	1.00	24.00	5,671.00		136,104			136,104
000	MMS X0872	AA	OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	6,889.00		165,336			165,336
102	MMS X1322	AA	HUMAN RESOURCE ANALYST 3	1	1.00	24.00	6,565.00		157,560			157,560
000	MMS X1339	AA	TRAINING & DEVELOPMENT SPEC 2	1	1.00	24.00	5,957.00		142,968			142,968
000	MMS X7000	AA	PRINCIPAL EXECUTIVE/MANAGER A	1	1.00	24.00	3,487.00		83,688			83,688
102	MMS X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	9	9.00	216.00	4,891.33		1,056,528			1,056,528
000	MMS X7004	AA	PRINCIPAL EXECUTIVE/MANAGER C	1	1.00	24.00	4,670.00		112,080			112,080
106	MMS X7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	10	10.00	240.00	6,340.30		1,521,672			1,521,672

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDPLAGYCL
 REPORT: SUMMARY LIST BY PKG BY AGENCY
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM

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

PAGE 2
 PROD FILE
 PICS SYSTEM: 2009-11 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	AA PRINCIPAL EXECUTIVE/MANAGER E	3	3.00	72.00	7,969.00		573,768			573,768
000	MMS	X7008	IA PRINCIPAL EXECUTIVE/MANAGER E	2	2.00	48.00	8,774.00		421,152			421,152
000	MMS	X7010	AA PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	8,774.00		210,576			210,576
103	OA	C0102	AA OFFICE ASSISTANT 2	14	14.00	336.00	2,037.78		684,696			684,696
000	OA	C0103	AA OFFICE SPECIALIST 1	6	6.00	144.00	2,311.75		345,360			345,360
102	OA	C0104	AA OFFICE SPECIALIST 2	19	19.00	456.00	2,593.20		1,160,520			1,160,520
000	OA	C0107	AA ADMINISTRATIVE SPECIALIST 1	5	5.00	120.00	2,950.40		354,048			354,048
000	OA	C0108	AA ADMINISTRATIVE SPECIALIST 2	5	5.00	120.00	3,386.20		406,344			406,344
000	OA	C0118	AA EXECUTIVE SUPPORT SPECIALIST 1	2	2.00	48.00	2,755.50		132,264			132,264
000	OA	C0211	AA ACCOUNTING TECHNICIAN 2	1	1.00	24.00	3,383.00		81,192			81,192
000	OA	C0212	AA ACCOUNTING TECHNICIAN 3	3	3.00	72.00	3,209.66		231,096			231,096
000	OA	C0323	AA PUBLIC SERVICE REP 3	5	5.00	120.00	2,643.20		317,184			317,184
103	OA	C0405	AA MAIL SERVICES ASSISTANT	2	2.00	48.00	2,332.00		111,936			111,936
000	OA	C0435	AA PROCUREMENT AND CONTRACT ASST	1	1.00	24.00	3,727.00		89,448			89,448
000	OA	C0436	AA PROCUREMENT & CONTRACT SPEC 1	1	1.00	24.00	3,547.00		85,128			85,128
102	OA	C0437	AA PROCUREMENT & CONTRACT SPEC 2	1	1.00	24.00	4,495.00		107,880			107,880
000	OA	C0438	AA PROCUREMENT & CONTRACT SPEC 3	1	1.00	24.00	4,286.00		102,864			102,864
000	OA	C0501	AA DATA ENTRY OPERATOR	2	2.00	48.00	2,216.00		106,368			106,368
102	OA	C0841	AA RETIREMENT COUNSELOR 1	61	61.00	1464.00	3,242.34		4,746,792			4,746,792
104	OA	C0842	AA RETIREMENT COUNSELOR 2	37	37.00	888.00	3,769.75		3,347,544			3,347,544
106	OA	C0854	AA PROJECT MANAGER 1	2	2.00	48.00	4,841.00		232,368			232,368
000	OA	C0855	AA PROJECT MANAGER 2	5	5.00	120.00	5,536.60		664,392			664,392
000	OA	C0860	AA PROGRAM ANALYST 1	1	1.00	24.00	4,495.00		107,880			107,880
000	OA	C0861	AA PROGRAM ANALYST 2	2	2.00	48.00	5,069.00		243,312			243,312
106	OA	C0870	AA OPERATIONS & POLICY ANALYST 1	20	20.00	480.00	3,755.65		1,802,712			1,802,712

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDPLAGYCL
 REPORT: SUMMARY LIST BY PKG BY AGENCY
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM

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

PAGE 3
 PROD FILE
 PICS SYSTEM: 2009-11 BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
104	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	25	25.00	600.00	4,687.80		2,812,680			2,812,680
000	OA	C1117	AA RESEARCH ANALYST 3	1	1.00	24.00	4,951.00		118,824			118,824
000	OA	C1215	AA ACCOUNTANT 1	3	3.00	72.00	3,507.00		252,504			252,504
000	OA	C1216	AA ACCOUNTANT 2	5	5.00	120.00	4,083.00		489,960			489,960
000	OA	C1217	AA ACCOUNTANT 3	5	5.00	120.00	5,171.40		620,568			620,568
000	OA	C1218	AA ACCOUNTANT 4	1	1.00	24.00	6,277.00		150,648			150,648
000	OA	C1244	AA FISCAL ANALYST 2	1	1.00	24.00	5,187.00		124,488			124,488
000	OA	C1245	AA FISCAL ANALYST 3	1	1.00	24.00	6,277.00		150,648			150,648
000	OA	C1338	AA TRAINING & DEVELOPMENT SPEC 1	3	3.00	72.00	3,989.00		287,208			287,208
000	OA	C1482	IA INFO SYSTEMS SPECIALIST 2	4	4.00	96.00	3,886.75		373,128			373,128
106	OA	C1484	IA INFO SYSTEMS SPECIALIST 4	16	16.00	384.00	4,698.27		1,834,968			1,834,968
000	OA	C1485	IA INFO SYSTEMS SPECIALIST 5	9	9.00	216.00	4,799.44		1,036,680			1,036,680
000	OA	C1486	IA INFO SYSTEMS SPECIALIST 6	5	5.00	120.00	5,945.00		713,400			713,400
104	OA	C1487	IA INFO SYSTEMS SPECIALIST 7	10	10.00	240.00	5,907.50		1,417,800			1,417,800
000	OA	C1488	IA INFO SYSTEMS SPECIALIST 8	7	7.00	168.00	7,046.57		1,183,824			1,183,824
000	OA	C2510	AA ELECTRONIC PUB DESIGN SPEC 1	3	3.00	72.00	3,194.00		229,968			229,968
000	OA	C2511	AA ELECTRONIC PUB DESIGN SPEC 2	1	1.00	24.00	3,383.00		81,192			81,192
102	OA	C5246	AA COMPLIANCE SPECIALIST 1	1	1.00	24.00	4,089.00		98,136			98,136
102	OA	C5247	AA COMPLIANCE SPECIALIST 2	2	2.00	48.00	4,951.00		237,648			237,648
				360	360.00	8640.00	4,101.97		36,353,664			36,353,664

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDPLAGYCL
 REPORT: SUMMARY LIST BY PKG BY AGENCY
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM

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

PAGE 4
 PROD FILE
 PICS SYSTEM: 2009-11 BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
				360	360.00	8640.00	4,101.97		36,353,664			36,353,664

BUDGET NARRATIVE

PPDPLWSBUD Detail Listing by Summary XREF Agency

8/19/09 REPORT NO.: PPDPLWSBUD
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF: 300-00-00 101 Operations

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

PAGE 1
 PROD FILE
 PICS SYSTEM: 2009-11 BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	PKG Y TYP	F POS CLASS COMP	RNG P	S T P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
1110101	001041070	300-02-09-00000	101 0 LF	MMN X0872 AA	30 02		1	1.00	4,906.00	24.00		117,744			
		EST DATE: 2009/07/01 EXP DATE: 2011/06/30													
1110102	001041080	300-05-09-00000	101 0 LF	MMN X0872 AA	30 02		1	1.00	4,906.00	24.00		117,744			
		EST DATE: 2009/07/01 EXP DATE: 2011/06/30													
1110103	001041090	300-03-09-00000	101 0 LF	MMN X0872 AA	30 02		1	1.00	4,906.00	24.00		117,744			
		EST DATE: 2009/07/01 EXP DATE: 2011/06/30													
1110104	001041100	300-04-09-00000	101 0 LF	MMN X0872 AA	30 02		1	1.00	4,906.00	24.00		117,744			
		EST DATE: 2009/07/01 EXP DATE: 2011/06/30													
1110105	001041110	300-06-00-00000	101 0 LF	MMN X0872 AA	30 02		1	1.00	4,906.00	24.00		117,744			
		EST DATE: 2009/07/01 EXP DATE: 2011/06/30													
			101				5	5.00		120.00		588,720			

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDPLWSBUD
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF: 300-00-00 102 Operations

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

PAGE 2
 PROD FILE
 PICS SYSTEM: 2009-11 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
0137070	000231710	300-02-02-00000	102 0 PF	OA C0104 AA	15 06		1-	1.00-	2,695.00	24.00-		64,680-			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
0137070	000231710	300-02-04-00000	102 0 PF	OA C0104 AA	15 06		1	1.00	2,695.00	24.00		64,680			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
0137480	000232120	300-02-02-00000	102 0 PF	OA C0104 AA	15 05		1-	1.00-	2,585.00	24.00-		62,040-			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
0137480	000232120	300-02-04-00000	102 0 PF	OA C0104 AA	15 05		1	1.00	2,585.00	24.00		62,040			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
0301052	000822740	300-06-00-00000	102 0 PF	OA C5247 AA	25 09			.50	4,951.00	12.00		59,412			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
0501119	000926700	300-02-03-00000	102 0 PF	OA C1484 IA	25 04		1-	1.00-	4,056.00	24.00-		97,344-			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
0501119	000926700	300-02-04-00000	102 0 PF	OA C1484 IA	25 04		1	1.00	4,056.00	24.00		97,344			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
0510531	000883050	300-02-02-00000	102 0 PF	OA C0104 AA	15 05		1-	1.00-	2,585.00	24.00-		62,040-			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
0510531	000883050	300-02-04-00000	102 0 PF	OA C0104 AA	15 05		1	1.00	2,585.00	24.00		62,040			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110201	001038630	300-02-02-00000	102 0 PF	OA C0841 AA	20 06		1	1.00	3,383.00	24.00		81,192			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110202	001038730	300-02-02-00000	102 0 PF	OA C0841 AA	20 05		1	1.00	3,235.00	24.00		77,640			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110203	001038740	300-05-01-00000	102 0 PF	OA C0841 AA	20 07		1	1.00	3,547.00	24.00		85,128			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110204	001038750	300-05-01-00000	102 0 PF	OA C0841 AA	20 04		1	1.00	3,086.00	24.00		74,064			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110205	001038770	300-02-02-00000	102 0 PF	OA C0842 AA	22 09		1	1.00	4,286.00	24.00		102,864			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110206	001038790	300-02-02-00000	102 0 PF	OA C0842 AA	22 05		1	1.00	3,547.00	24.00		85,128			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110207	001038830	300-02-04-00000	102 0 LF	OA C0104 AA	15 04		1	1.00	2,473.00	24.00		59,352			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30															

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDPLWSBUD
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF: 300-00-00 102 Operations

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

PICS SYSTEM: 2009-11 BUDGET PREPARATION

PAGE 4
 PROD FILE

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
1110224	001039310	300-02-02-00000	102 0 PF OA	C0871 AA	27	04	1	1.00	4,286.00	24.00		102,864			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110225	001039320	300-06-00-00000	102 0 LF OA	C0870 AA	23	08	1	1.00	4,286.00	24.00		102,864			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110226	001039330	300-06-00-00000	102 0 LF OA	C0870 AA	23	05	1	1.00	3,727.00	24.00		89,448			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110227	001039340	300-05-01-00000	102 0 LF OA	C0104 AA	15	02	1	1.00	2,284.00	24.00		54,816			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110228	001039350	300-05-01-00000	102 0 LF OA	C0841 AA	20	06	1	1.00	3,383.00	24.00		81,192			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110229	001039360	300-05-01-00000	102 0 LF OA	C0841 AA	20	06	1	1.00	3,383.00	24.00		81,192			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110230	001039670	300-05-01-00000	102 0 LF OA	C0841 AA	20	06	1	1.00	3,383.00	24.00		81,192			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110231	001039680	300-05-01-00000	102 0 LF OA	C0842 AA	22	05	1	1.00	3,547.00	24.00		85,128			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110232	001039690	300-05-01-00000	102 0 LF OA	C0842 AA	22	05	1	1.00	3,547.00	24.00		85,128			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110233	001039710	300-05-01-00000	102 0 LF OA	C0842 AA	22	05	1	1.00	3,547.00	24.00		85,128			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110234	001039740	300-05-01-00000	102 0 LF OA	C0842 AA	22	07	1	1.00	3,903.00	24.00		93,672			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110235	001039760	300-05-01-00000	102 0 LF MMS	X7002 AA	26X	04	1	1.00	4,238.00	24.00		101,712			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110236	001039790	300-05-01-00000	102 0 LF OA	C0841 AA	20	07	1	1.00	3,547.00	24.00		85,128			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110237	001039800	300-05-01-00000	102 0 LF OA	C0842 AA	22	06	1	1.00	3,727.00	24.00		89,448			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110238	001039810	300-05-01-00000	102 0 LF OA	C0842 AA	22	06	1	1.00	3,727.00	24.00		89,448			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110239	001039820	300-05-06-00000	102 0 PF OA	C0842 AA	22	08	1	1.00	4,089.00	24.00		98,136			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDPLWSBUD
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF: 300-00-00 102 Operations

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

PAGE 5
 PROD FILE
 PICS SYSTEM: 2009-11 BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	PKG	F POS Y TYP	CLASS COMP	RNG	S T P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K	
1110240	001039830	300-05-06-00000	102	0 PF	OA C0841 AA	20	08	1	1.00	3,727.00	24.00		89,448				
EST DATE: 2009/07/01 EXP DATE: 9999/01/01																	
1110241	001039840	300-03-07-00000	102	0 LF	OA C0437 AA	27	05	1	1.00	4,495.00	24.00		107,880				
EST DATE: 2009/07/01 EXP DATE: 2011/06/30																	
1110242	001039850	300-06-00-00000	102	0 PF	OA C5246 AA	21	09	1	1.00	4,089.00	24.00		98,136				
EST DATE: 2009/07/01 EXP DATE: 9999/01/01																	
1110243	001039860	300-06-00-00000	102	0 PF	MMN X0872 AA	30	02	1	1.00	4,906.00	24.00		117,744				
EST DATE: 2009/07/01 EXP DATE: 9999/01/01																	
1110244	001039870	300-01-03-00000	102	0 PF	MMS X1322 AA	29	09	1	1.00	6,565.00	24.00		157,560				
EST DATE: 2009/07/01 EXP DATE: 9999/01/01																	
8900204	000232580	300-02-02-00000	102	0 PF	OA C0104 AA	15	09	1-	1.00-	3,086.00	24.00-		74,064-				
EST DATE: 2009/07/01 EXP DATE: 9999/01/01																	
8900204	000232580	300-02-04-00000	102	0 PF	OA C0104 AA	15	09	1	1.00	3,086.00	24.00		74,064				
EST DATE: 2009/07/01 EXP DATE: 9999/01/01																	
9500160	000578320	300-02-03-00000	102	0 PF	OA C0103 AA	12	02	1-	1.00-	2,052.00	24.00-		49,248-				
EST DATE: 2009/07/01 EXP DATE: 9999/01/01																	
9500160	000578320	300-02-04-00000	102	0 PF	OA C0103 AA	12	02	1	1.00	2,052.00	24.00		49,248				
EST DATE: 2009/07/01 EXP DATE: 9999/01/01																	
9900320	000721460	300-02-02-00000	102	0 PF	OA C0104 AA	15	04	1-	1.00-	2,473.00	24.00-		59,352-				
EST DATE: 2009/07/01 EXP DATE: 9999/01/01																	
9900320	000721460	300-02-04-00000	102	0 PF	OA C0104 AA	15	04	1	1.00	2,473.00	24.00		59,352				
EST DATE: 2009/07/01 EXP DATE: 9999/01/01																	
								44	44.50		1068.00		3,833,052				

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDPLWSBUD
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF: 300-00-00 103 Operations

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

PICS SYSTEM: 2009-11 BUDGET PREPARATION
 PAGE 6
 PROD FILE

POSITION NUMBER	AUTH NO	ORG STRUC	PKG Y	F POS TYP	CLASS COMP	RNG	S T P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
1110301	001041120	300-04-02-00000	103 0	LF	OA C0102 AA	09	04	1	1.00	2,128.00	24.00		51,072			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30																
1110302	001041130	300-04-02-00000	103 0	LF	OA C0102 AA	09	05	1	1.00	2,214.00	24.00		53,136			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30																
1110303	001041140	300-03-04-00000	103 0	LF	OA C0405 AA	10	06	1	1.00	2,284.00	24.00		54,816			
EST DATE: 2009/07/01 EXP DATE: 2011/06/30																
								103	3	3.00	72.00		159,024			

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDPLWSBUD
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF: 300-00-00 104 Operations

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

PAGE 7
 PROD FILE
 PICS SYSTEM: 2009-11 BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	PKG	F POS Y TYP	CLASS	COMP	RNG	S T P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K	
1110401	001041290	300-05-02-00000	104	0 LF	OA	C0842 AA	22	06	1	1.00	3,727.00	24.00		89,448				
			EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110402	001041330	300-05-02-00000	104	0 LF	OA	C0871 AA	27	08	1	1.00	5,187.00	24.00		124,488				
			EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110403	001041340	300-04-07-00000	104	0 LF	OA	C1487 IA	31	02	1	1.00	4,895.00	24.00		117,480				
			EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
1110404	001041350	300-04-07-00000	104	0 LF	OA	C1487 IA	31	02	1	1.00	4,895.00	24.00		117,480				
			EST DATE: 2009/07/01 EXP DATE: 2011/06/30															
			104						4	4.00		96.00		448,896				

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDPLWSBUD
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF: 300-00-00 106 Operations

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

PICS SYSTEM: 2009-11 BUDGET PREPARATION
 PAGE 8
 PROD FILE

POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	RNG P	S T P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
1110601	001039910	300-05-02-00000	106 0 PF	OA C0871 AA	27 05		1	1.00	4,495.00	24.00		107,880			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110602	001039930	300-05-09-00000	106 0 PF	OA C0871 AA	27 05		1	1.00	4,495.00	24.00		107,880			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110603	001039960	300-05-02-00000	106 0 PF	OA C1484 IA	25 06		1	1.00	4,446.00	24.00		106,704			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110604	001039970	300-05-02-00000	106 0 PF	OA C1484 IA	25 08		1	1.00	4,875.00	24.00		117,000			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110605	001040110	300-02-04-00000	106 0 PF	OA C0854 AA	26 06		1	1.00	4,495.00	24.00		107,880			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110606	001040130	300-02-04-00000	106 0 PF	OA C0870 AA	23 02		1	1.00	3,235.00	24.00		77,640			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110607	001040150	300-02-04-00000	106 0 PF	OA C0870 AA	23 02		1	1.00	3,235.00	24.00		77,640			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110608	001040170	300-02-04-00000	106 0 PF	OA C0871 AA	27 05		1	1.00	4,495.00	24.00		107,880			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110609	001040200	300-02-04-00000	106 0 PF	OA C0871 AA	27 09		1	1.00	5,442.00	24.00		130,608			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
1110610	001040220	300-02-04-00000	106 0 PF	MMS X7006 AA	31X 07		1	1.00	6,249.00	24.00		149,976			
EST DATE: 2009/07/01 EXP DATE: 9999/01/01															
106							10	10.00		240.00		1,091,088			
							66	66.50		1596.00		6,120,780			
							66	66.50		1596.00		6,120,780			

BUDGET NARRATIVE

8/19/09 REPORT NO.: PPDLWSBUD
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM
 SUMMARY XREF: 300-00-00 106 Operations

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

PICS SYSTEM: 2009-11 BUDGET PREPARATION

PAGE
 PROD FILE 9

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
						66	66.50		1596.00		6,120,780			

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Agency Request

Governor's Recommended

Legislatively Adopted

Budget Page 391