

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 268**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Matt Stayner
Reviewed by: Doug Wilson, John Borden, Paul Siebert
Date: 2/26/13**Measure Description:**

Allows amounts contributed for employee by State Board of Higher Education or Oregon Health and Science University Board of Directors for supplemental retirement benefits to be transferred to Public Employees Retirement Fund to offset liabilities for employer contributions of board if employee separates from service of board before certain period elapses.

Government Unit(s) Affected:

Oregon Health Sciences University (OHSU), Oregon University System (OUS), Public Employees Retirement System (PERS)

Summary of Expenditure Impact:

	2013-15 Biennium	2015-17 Biennium
OUS		
General Fund	\$ (300,194)	0
Other Funds (NL)	(2,247,606)	0
Subtotal OUS All Fund Types	\$ (2,547,800)	0
OHSU		
General Fund	\$ (474,644)	0
Other Funds (NL)	0	0
Subtotal OHSU All Fund Types	\$ (474,644)	0
Total General Fund	\$ (774,838)	\$ 0
Total Other Funds	\$ (2,247,606)	\$ 0
Total All Fund Types	\$ (3,022,444)	\$ 0

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure allows for a transfer of funds that were set aside by the Oregon University System (OUS) and the Oregon Health Sciences University (OHSU) to provide matching funding for supplemental retirement plans of employees, but was not used for that purpose due to those employees separating from employment with OUS or OHSU prior to becoming vested. The funds are held in a separate segregated account by the Public Employees Retirement System (PERS). If the employee had become vested (employed for five years) these funds would have been transferred to a private retirement fund company and credited to the employee's account. The measure allows OUS and OHSU to transfer these funds out of the separate account and use these forfeited employer contributions to offset future PERS contributions, thus producing the expenditure savings detailed in the table above.