Oregon Public Employees Retirement System

2015-17
Governor's Budget

Day 2: Overview of PERS – The Agency

**Agency Presentation to the
Joint Ways & Means Committee
General Government Subcommittee**

**Steven Patrick Rodeman
Executive Director**

March 17, 2015

Table of Contents

PERS
Oregon Public Employees Retirement System

Presentation Overview

Day One: Overview of PERS – The System

- The "Who, What, Where" of PERS Benefits

- System "Balance" and Roles in Funding

- Employer Contributions and Future Projections

Day Two: Overview of PERS – The Agency

- Mission, Vision, and Core Values and Operating Principles

- Key Goals and Performance Measures Driving Outcome-Based Management

- Strategic Plan Focus Areas Connected to 2015-17 Policy Option Packages

Day Three: Report on 2013-15 Legislative Priorities and Earnings Crediting

- Progress on Completing 2013-15 Policy Option Packages

- Review of Budget Notes and Reports from 2013-15

- Report on 2014 Preliminary Earnings Crediting

PERS Oregon Public Employees Retirement System

Overview of PERS – The Agency

Where Does This Leave the System?

Transaction	2012	2013	2014
Retirements*	13,765	16,354	15,966
Withdrawals	5,971	5,030	5,076
Eligibility reviews	15,966	17,256	49,646
Telephone call (incoming/outgoing)	215,568	243,443	205,379
Emails (incoming)	112,737	118,337	134,844
Written benefit estimates	10,616	11,656	10,921
Online benefit estimates**	137,057	163,412	870,470

* Including IAP

** 2014 includes all activity; new estimates, reviewing old estimates, etc.
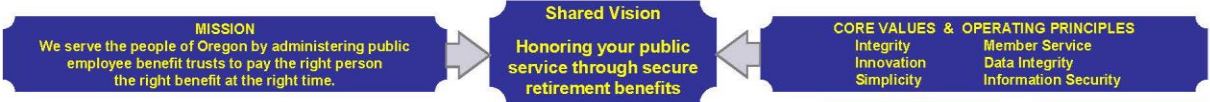
FOUNDATIONS

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

Shared Vision
Honoring your public service through secure retirement benefits

CORE VALUES & OPERATING PRINCIPLES
Integrity
Innovation
Simplicity
Member Service
Data Integrity
Information Security

KEY GOALS

- Collaborative & Transparent Leadership
- Efficient, Effective, Adaptable Organization
- Engaged & Empowered Workforce
- Engaged & Educated Stakeholders
- Timely & Accurate Service
- Trusted & Credible Agency

OPERATING PROCESSES / SUPPORTING PROCESSES

CORE PROCESSES

| OP1: Managing Client Data and Services | OP2: Collecting Contributions | OP3: Assessing Benefit Eligibility | OP4: Processing Benefit Applications | OP5: Calculating Benefits | OP6: Paying Benefits | SP1: Communicating Internally & Externally | SP2: Managing Compliance & Risk | SP3: Leveraging Technology | SP4: Managing Organizational Finances & Resources | SP5: Managing & Developing the Workforce | SP6: Strategic & Operational Planning |

SUB PROCESSES

OP1: Managing Client Data and Services
1. Receiving member data
2. Reconciling member data
3. Correcting member data
4. Maintaining member data
5. Archiving and imaging member information
6. Analyzing data and generating reports
7. Generating and responding to correspondence
8. Generating and responding to phone calls
9. Creating and making presentations

OP2: Collecting Contributions
1. Creating and maintaining employer accounts
2. Establishing an employer rate
3. Generating an employer invoice
4. Receiving employer contributions
5. Posting contributions to invoices
6. Crediting contributions to the general ledger
7. Reconciling contributions submitted to State Treasury
8. Collecting on delinquent employer invoices
9. Receiving member purchases
10. Accounting for supplemental member contributions

OP3: Assessing Benefit Eligibility
1. Determining beneficiaries for pre- and post-retirement death benefits
2. Requesting and reviewing divorce decrees
3. Determining eligibility for disability
4. Completing estimate requests
5. Completing data verification requests
6. Determining eligibility for PERS Health Insurance Program

OP4: Processing Benefit Applications
1. Receiving benefit application
2. Reviewing benefit application
3. Entering application data
4. Corresponding with applicant and Employer
5. Reviewing Membership Account for Readiness
6. Initiating the benefit calculation process

OP5: Calculating Benefits
1. Reviewing account
2. Calculating initial benefit (service, death, divorce, disability, withdrawals)
3. Recalculating benefit after an estimated benefit or when an adjusted or retro-active benefit is due
4. Validating benefit calculations

OP6: Paying Benefits
1. Ensuring cash is available to fund benefit payments
2. Creating and trans-mitting payment files
3. Processing manual checks
4. Validating payment files
5. Processing returns/cancels
6. Maintaining payee information
7. Maintaining deductions
8. Ensuring tax reporting

SP1: Communicating Internally & Externally
1. Developing communications strategy
2. Creating and maintaining publications and forms
3. Maintaining electronic & social media
4. Communicating with Legislators and interest groups
5. Responding to media requests
6. Communicating with agency staff
7. Responding to public record and discovery requests

SP2: Managing Compliance & Risk
1. Providing policy advice
2. Implementing new legal mandates
3. Resolving disputes
4. Managing legal services
5. Maintaining tax qualified status
6. Managing strategic relationships
7. Conducting enterprise risk management efforts
8. Managing audit services
9. Managing information (record & document) programs
10. Ensuring reliable, consistent and auditable data reporting

SP3: Leveraging Technology
1. Developing IT strategy and roadmap to meet agency technology needs
2. Ensuring system availability and performance
3. Delivering HelpDesk/desktop support
4. Maintaining applications and systems
5. Enhancing applications and systems
6. Implementing new applications and systems
7. Ensuring system security
8. Developing, delivering and managing Enterprise Content Management System

SP4: Managing Organizational Finances & Resources
1. Administering accounting and payroll services
2. Managing funds and investments
3. Developing and administering budget and finance operations supporting agency strategic plan
4. Developing and managing contracts and agreements
5. Maintaining and managing facilities and equipment
6. Managing actuarial services

SP5: Managing & Developing the Workforce
1. Managing the Workforce Plan
2. Acquiring Talent
3. On-Boarding
4. Managing Performance
5. Developing Employees
6. Retaining Employees

SP6: Strategic & Operational Planning
1. Nurturing the agency's mission, values and core operating principles
2. Developing/maintaining the agency's strategic plan and ensuring organizational alignment
3. Prioritizing and managing the completion of projects
4. Governing and Maintaining the PERS Outcome-Based Management System
5. Optimizing Business Processes

PROCESS MEASURES

OP1: OP1a: % reports received vs. expected; OP1b: % of returned bulk mail; OP1c: % of employer reports received are complete and accurate; OP1d: Average number of days to process member forms; OP1e: % of employer reports received within three business days of reporting cycle; OP1f: Average length of wait before caller reaches live person; OP1g: % of correspondence responded to with 10 days of receipt

OP2: OP2a: % of IAP contributions posted that are due; OP2b: % of employers that rate the employer statement as good or excellent; OP2c: % of total employers utilizing the Automated Clearing House; OP2d: # of invoices outstanding more than 30 days; OP2e: % of member purchases posted within 14 days of receipt

OP3: OP3a: % of appeals that are upheld compared to total # of eligibility, disability, and divorce appeals filed; OP3b: % of disability and divorce determinations completed within 180 and 90 days respectively; OP3c: % of estimates completed within 30 days of receipt; OP3d: % of data verification requests completed within 180 days from receipt

OP4: OP4a: % of applications completed by the eligibility team within 30 days of the effective retirement; OP4b: % of estimated payments per month; OP4c: % of applications returned or rejected back to the applicant; OP4d: % of applications with two or more requests made to an applicant or employer for information; OP4e: % of non-canceled applications completed and ready for calculation within 30 days of the effective date; OP4f: % of non-canceled applications completed and ready for calculation within 15 business days of all required documents received; OP4g: % of non-canceled applications completed and ready for calculation within 60 days of the effective date

OP5: OP5a: # of calculations completed per FTE; OP5b: % of sample calculations that are within plus or minus $5; OP5c: % of calculations completed within 15 calendar days from completed application date

OP6: OP6a: # of manual checks processed; OP6b: % of electronic payments over total payments; OP6c: Average # of days to resolve returned payments; OP6d: # of exceptions not cleared prior to pension lock; OP6e: % of tax reports completed by Federal and State deadline

SP1: SP1a: # of emails to PERS Board email box with complaints; SP1b: % who rate forms as easily understandable; SP1c: % rating satisfaction as good or excellent; SP1d: % of public records requests responded to with a cost estimate within 14 days of receipt

SP2: SP2a: % of operating budget expended for attorney and administrative hearing fees and risk management premiums; SP2b: # of Member and Employer appeals and contested case matters, employment disputes, litigation disputes, notices of dispute and risk management claims; SP2c: % of staff determinations that are reversed on appeal; SP2d: % of high risk audit findings resolved within committed time period

SP3: SP3a: # of business days in a month ORION systems are not available within the standard service window; SP3b: % of survey respondents indicating satisfaction with our technology; SP3c: # domains in the Information Security Business Risk Assessment report that meet agency goal; SP3d: # of batch incidents/abends in a month; SP3e: # of outstanding Critical and High Priority ORION Enhancement Requests (non-defect-type CRs); SP3f: # of outstanding Critical and High Severity ORION Defects (defect-type CRs and PPCRs); SP3g: % of HelpDesk Tickets resolved within the Service Level Agreement; SP3h: % of time systems are available during the service window

SP4: SP4a: % of months with no interest cost incurred due to borrowing; SP4b: % of accounts receivable dollars collected (based on total dollars of accounts receivable); SP4c: % of actuarial services milestones met (e.g., experience studies, valuations, CAFR data, employer rates updated in jClarety, economic impact report); SP4d: % of invoices with payments released for payment within 30 business days of receipt by Accounts Payable

SP5: SP5a: % of employees' annual development plans created; SP5b: % of employees receiving corrective action for violations; SP5c: % of employees completing trial service; SP5d: % of data fields entered correctly into the personnel database (PPDB); SP5e: % of employees evaluated overall performance rating "meets expectations"; SP5f: % of performance evaluations completed by due date

SP6: SP6a: % of outcome and process measures with new or current data reported for that quarter; SP6b: # of problem solving initiatives in process; SP6c: % of employees that rate mission relevance as high; SP6d: Net # of measures that improve per each quarterly target review (QTR); SP6e: # of breakthroughs on schedule

PROCESS OWNER

OP1	OP2	OP3	OP4	OP5	OP6	SP1	SP2	SP3	SP4	SP5	SP6
Yvette	Kyle	Yvette	Brian	Brian	Kyle	Steve	Steve	Jordan	Kyle	Kyle	Steve

OUTCOME MEASURES

- OM1: Clear, Concise Communication (Yvette/Steve) OM1
- OM2: Employee Engagement (Steve) OM2
- OM3: Operating Effectiveness - % Green Process Measures (Steve)
- OM4: Member to Staff Ratio (Steve)
- OM5: Total Benefit Admin Costs (Steve)
- OM6: Performance to Budget (Kyle)
- OM7: Member Service Satisfaction (Yvette/Brian)
- OM8: Effective Employer Partnerships (Yvette)
- OM9: Timely Benefit Payments (Brian/Yvette)
- OM10: Informed Retirement Decisions (Yvette)
- OM11: Accurate Benefit Calculations (Brian)

Oregon Public Employees Retirement System

Revised: 10/30/14

MassIngenuity

Agency Mission Statement, Shared Vision, and Core Values & Operating Principles

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

SHARED VISION

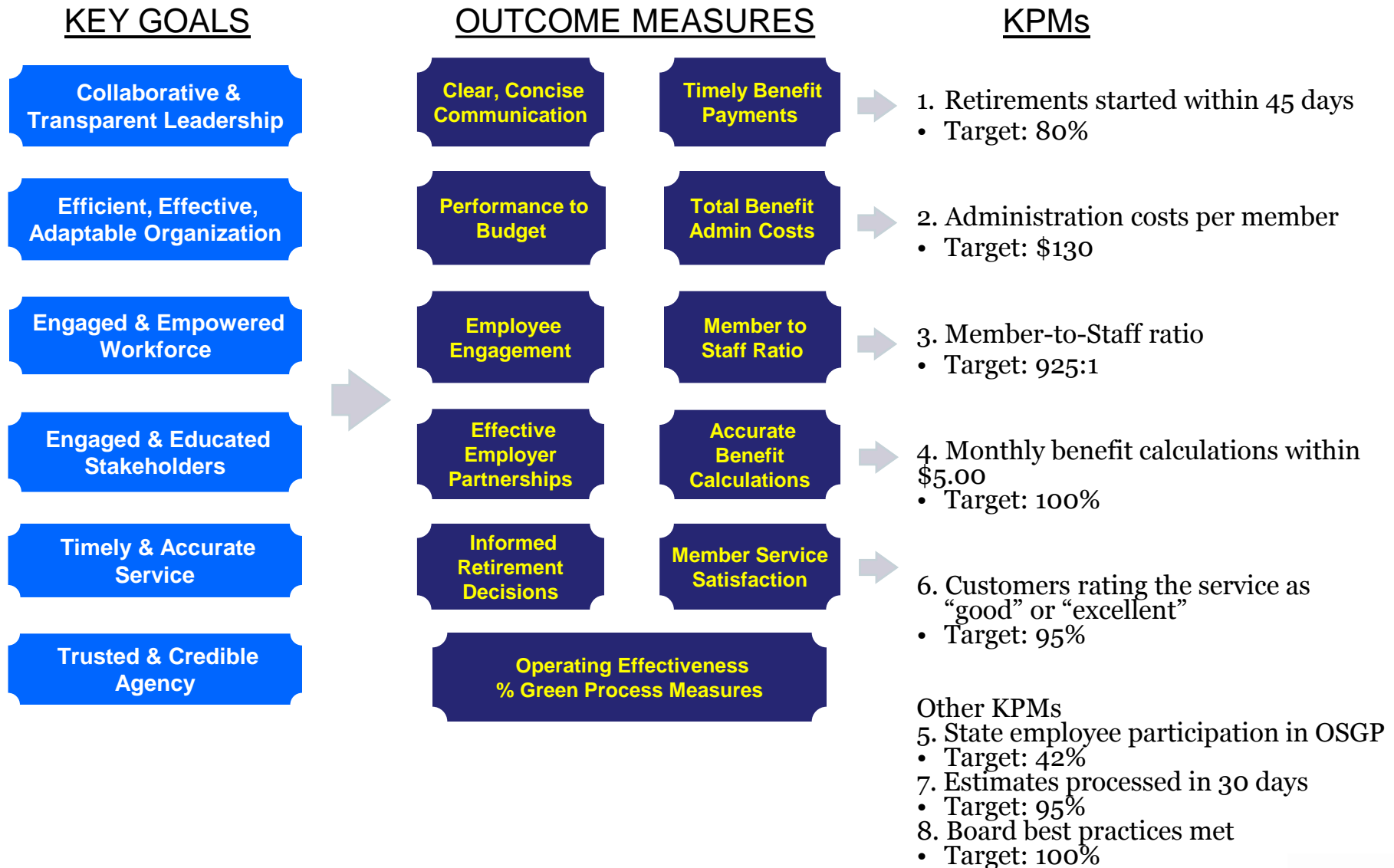Honoring your public service through secure retirement benefits

CORE VALUES & OPERATING PRINCIPLES

Integrity	Member Service
Innovation	Data Integrity
Simplicity	Information Security

Agency Overview – Fundamentals Drive Alignment

KEY GOALS

- Collaborative & Transparent Leadership
- Efficient, Effective, Adaptable Organization
- Engaged & Empowered Workforce
- Engaged & Educated Stakeholders
- Timely & Accurate Service
- Trusted & Credible Agency

OUTCOME MEASURES

- Clear, Concise Communication
- Timely Benefit Payments
- Performance to Budget
- Total Benefit Admin Costs
- Employee Engagement
- Member to Staff Ratio
- Effective Employer Partnerships
- Accurate Benefit Calculations
- Informed Retirement Decisions
- Member Service Satisfaction
- Operating Effectiveness % Green Process Measures

KPMs

1. Retirements started within 45 days
   - Target: 80%
2. Administration costs per member
   - Target: $130
3. Member-to-Staff ratio
   - Target: 925:1
4. Monthly benefit calculations within $5.00
   - Target: 100%
6. Customers rating the service as "good" or "excellent"
   - Target: 95%

Other KPMs
5. State employee participation in OSGP
   - Target: 42%
7. Estimates processed in 30 days
   - Target: 95%
8. Board best practices met
   - Target: 100%

PERS — Oregon Public Employees Retirement System

Outcome-Based Management System

Over 80 measures have been developed that gauge performance within PERS' Operating and Supporting Processes. These processes define the work we do, and the measures tell us where we need to improve on time, quality, or cost.
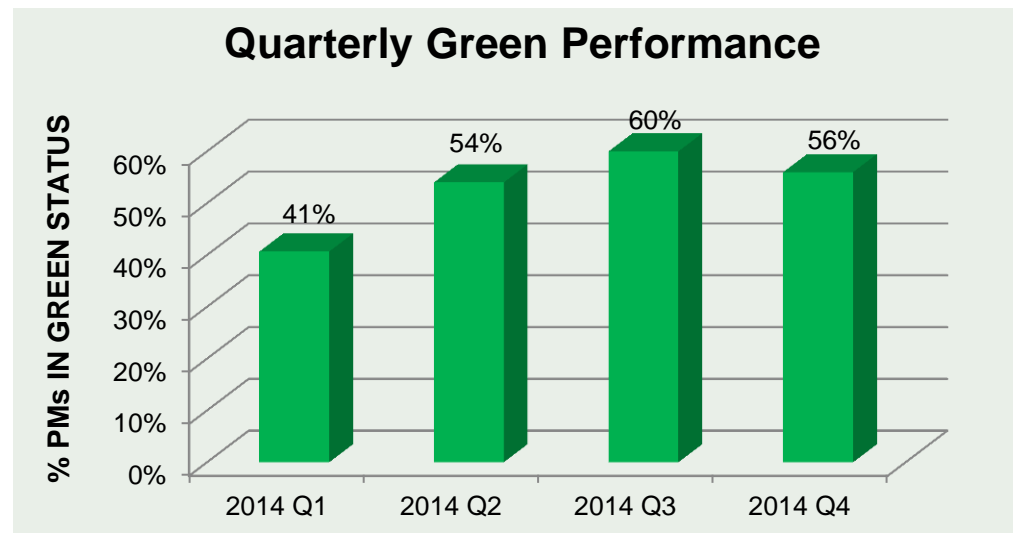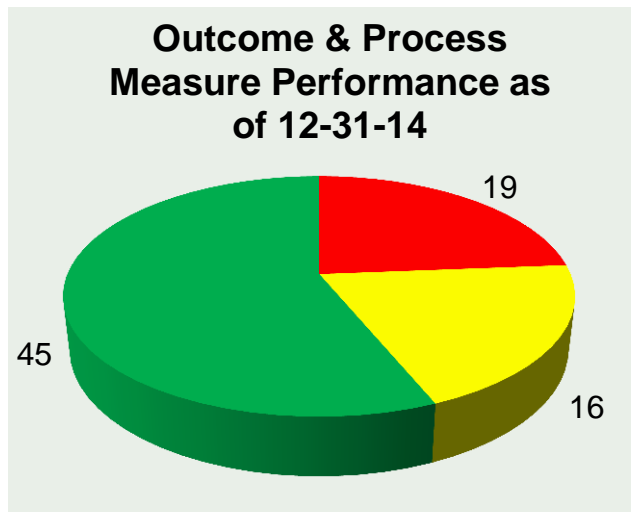
Operating Processes	Supporting Processes
Managing client data & services	Communicating internally & externally
Collecting contributions	Managing compliance & risk
Assessing benefit eligibility	Leveraging technology
Processing benefit applications	Managing organizational finances & resources
Calculating benefits	Managing & developing the workforce
Paying benefits	Strategic & operational planning

PERS Oregon Public Employees Retirement System
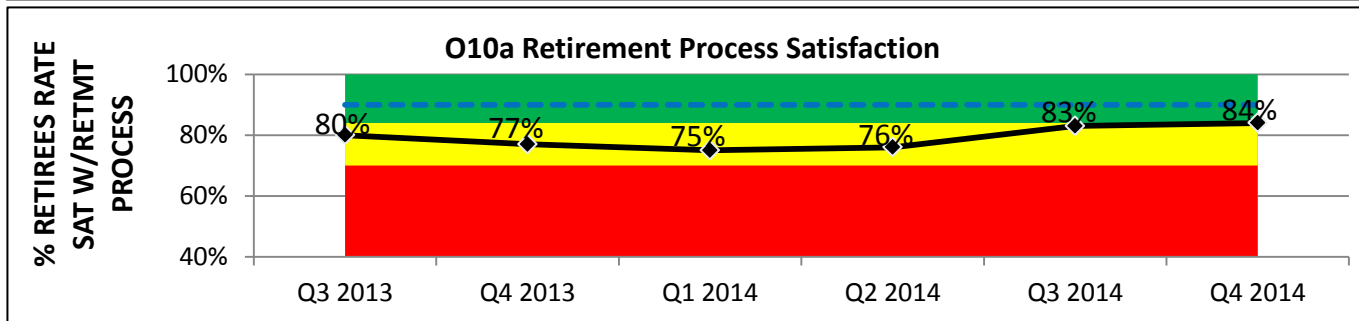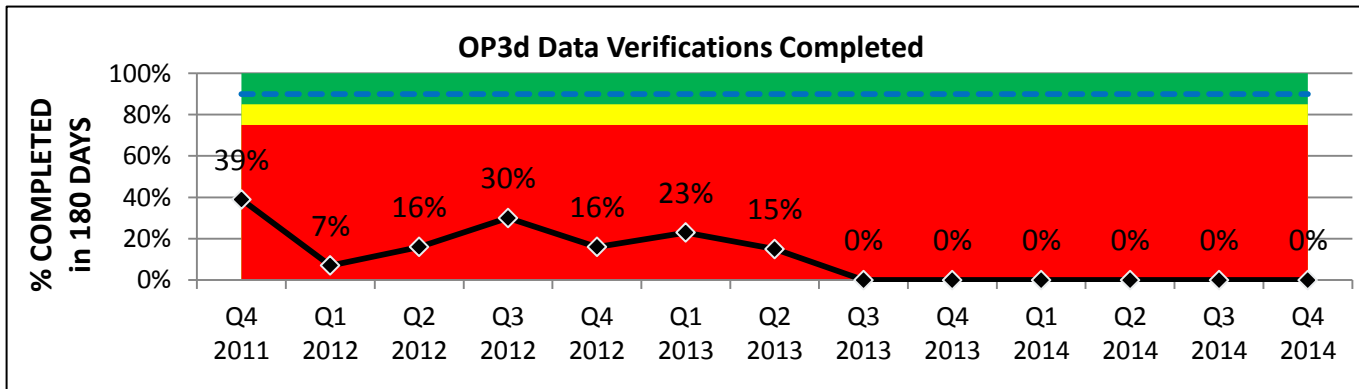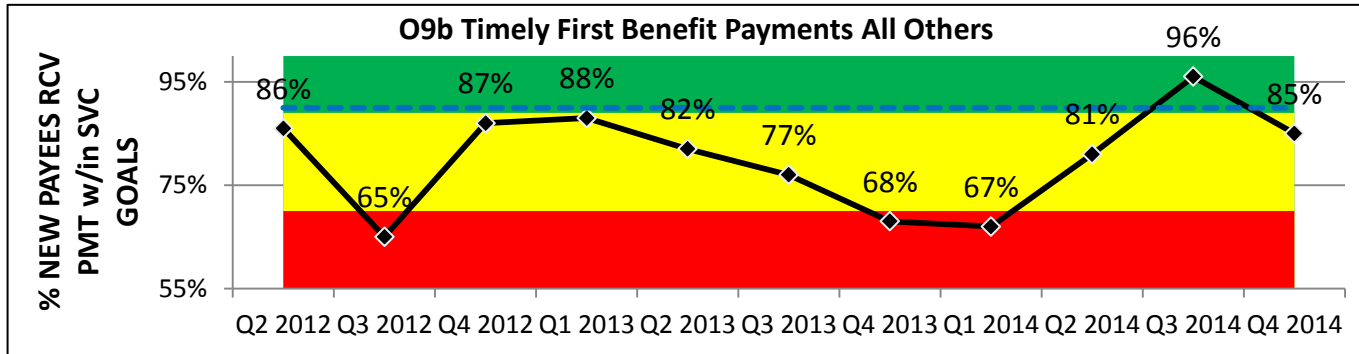
Performance and Outcome Measures

Outcome and Process Measures foster accountability and transparency. The results quantify where problems need solutions, and drive resource allocation.

Targeted performance ranges are in place for each measure:
- "Green" – at or above acceptable levels
- "Yellow" – needs attention to advance into acceptable levels
- "Red" – problem area; manager reports on corrective action plan

Outcome & Process Measure Performance as of 12-31-14

19
16
45

Quarterly Green Performance

% PMs IN GREEN STATUS

2014 Q1: 41%
2014 Q2: 54%
2014 Q3: 60%
2014 Q4: 56%

"Red" Measures Drive Strategic Plan and Budget Priorities

O9b Timely First Benefit Payments All Others

% NEW PAYEES RCV PMT w/in SVC GOALS

- Q2 2012: 86%
- Q3 2012: 65%
- Q4 2012: 87%
- Q1 2013: 88%
- Q2 2013: 82%
- Q3 2013: 77%
- Q4 2013: 68%
- Q1 2014: 67%
- Q2 2014: 81%
- Q3 2014: 96%
- Q4 2014: 85%

OP3d Data Verifications Completed

% COMPLETED in 180 DAYS

- Q4 2011: 39%
- Q1 2012: 7%
- Q2 2012: 16%
- Q3 2012: 30%
- Q4 2012: 16%
- Q1 2013: 23%
- Q2 2013: 15%
- Q3 2013: 0%
- Q4 2013: 0%
- Q1 2014: 0%
- Q2 2014: 0%
- Q3 2014: 0%
- Q4 2014: 0%

O10a Retirement Process Satisfaction

% RETIREES RATE SAT W/RETMT PROCESS

- Q3 2013: 80%
- Q4 2013: 77%
- Q1 2014: 75%
- Q2 2014: 76%
- Q3 2014: 83%
- Q4 2014: 84%

2015-20 Strategic Plan

Theme			
Organizational Management & Development	**Member Services & Communication**	**Data Reliability**	**Information Technology (IT)**
Workforce Development Organizational Communication PERS Outcome-Based Management System	Quality Delivery Methods Member Relations	Member Accountability Data Constancy Agency Data Warehouse	IT Governance & Management Agile System Technology Disaster Recovery

Focus Areas

PERS Oregon Public Employees Retirement System

PERS POPs Linked to Strategic Plan

POP 101 – Current Service Metrics Staffing

Add six permanent positions:
- Four Call Center staff (transition from LD positions added in 2013-15)
- One Retirement Counselor for OPSRP calculations
  - 58% increase in OPSRP retirements from 2012-2014
- One Custodial Staff (complete transition from DAS custodians)

LINK: Member Services and Communications
- Member Relations
- Quality Delivery Methods

	Call Volume	Abandonment Rate (%)	Average Wait Time (minutes)
2012	162,726	21.03	6.52
2013	169,561	19.97	5:17
2014*	154,735	12.71	5:09

* Four additional Call Center staff began answering phones in March 2014.

PERS Oregon Public Employees Retirement System

PERS POPs Linked to Strategic Plan

POP 102 – Phase III to Fully Integrate IAP into the ORION System
Complete Phase III to transition all aspects of the Individual Account Program (IAP) to PERS' internal administration and eliminate a third-party administrator (TPA). Phase III constructs the IAP functionality in the agency's benefit administration system and migrates to the new platform.
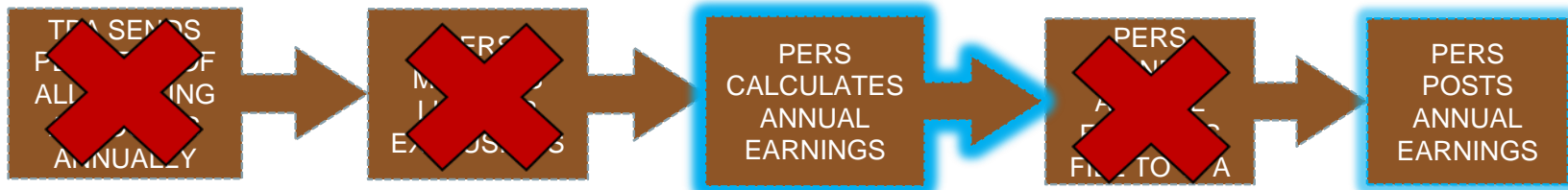
LINK: Member Services and Communications
- Member Relations
- Quality Delivery Methods

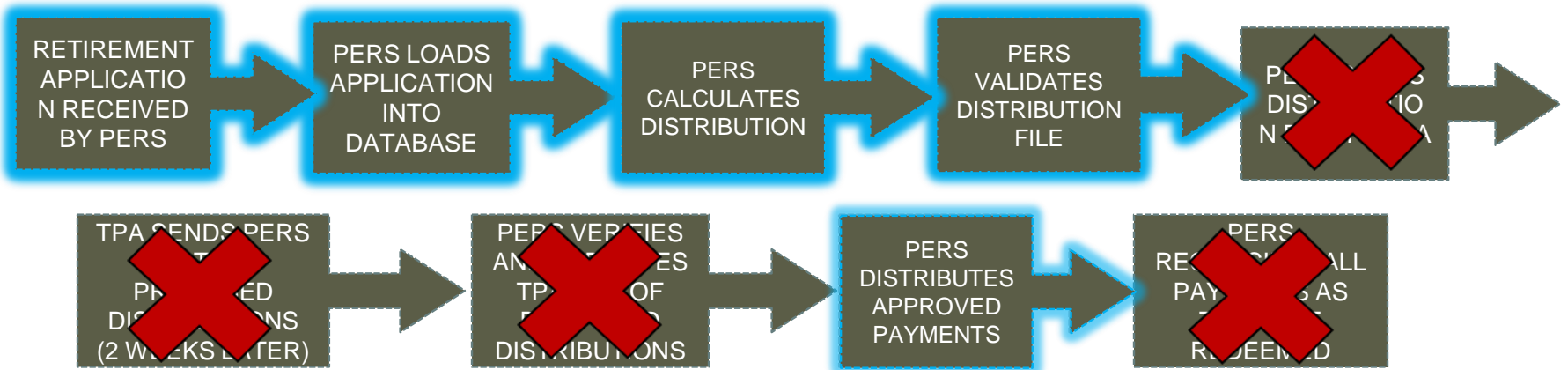# POP 102 – Phase III to Fully Integrate IAP into the ORION System

Contribution Reporting Activities - Ongoing

Earnings Activities - Annually

Distribution Activities - Daily

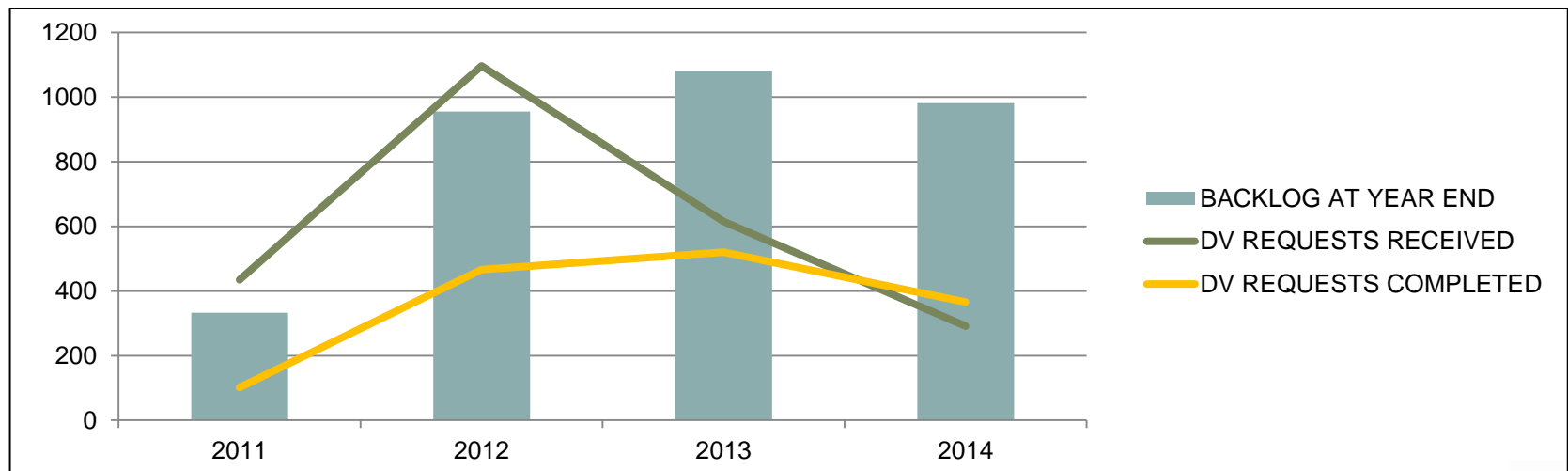# PERS POPs Linked to Strategic Plan

POP 103 – Enhanced Staffing for the Data Verification Unit
Properly staffing this program that was created in 2009 to improve the team's ability to provide verifications in a timely manner. This request proposes to properly size the work unit based on the level of demand.

Link: Data Reliability
- Member Accountability
- Data Constancy

Data Verification (DV) Requests Received, Completed, and Year-End Backlog

PERS POPs Linked to Strategic Plan

POP 104 – Technology Maintenance & Enhancements
The jClarety system architecture was designed over a decade ago, and limitations, flaws, and inefficiencies have emerged in its operation. Code and integration components need to be updated to keep the system scalable, maintainable, and meet current industry standards.

Link: Information Technology
- Agile Technology System

Member Services and Communications
- Quality Delivery Methods

PERS POPs Linked to Strategic Plan

POP 105 – Disaster Recovery Infrastructure Upgrades

The agency's infrastructure needs to be upgraded to enhance our ability to provide reliable payment services. Three areas need attention:

1. Upgrade Disaster Recovery and Business Continuity solutions to resume critical business and infrastructure services after a localized disruption.
2. Replace desktop systems with a virtual environment to improve data security and reduce life-cycle replacement costs.
3. Establish a single sign-on protocol to streamline access and improve information security.

Link: Information Technology
- Disaster Recovery

Other Strategic Plan Goals

There are other elements of the strategic plan that will be addressed through allocation of existing resources, such as:

Data Reliability – Member Accountability

Establish members as the primary quality check-point on their data of record

- 2003 PERS Reforms shifted Tier One/Tier Two retirements to "formula" calculations driven by employment data (years of service, salary, etc.); eligibility and benefit amounts can hinge on small changes to this data
- Employers have submitted reports for every work segment; members are in the best position to gauge the accuracy and completeness of those reports
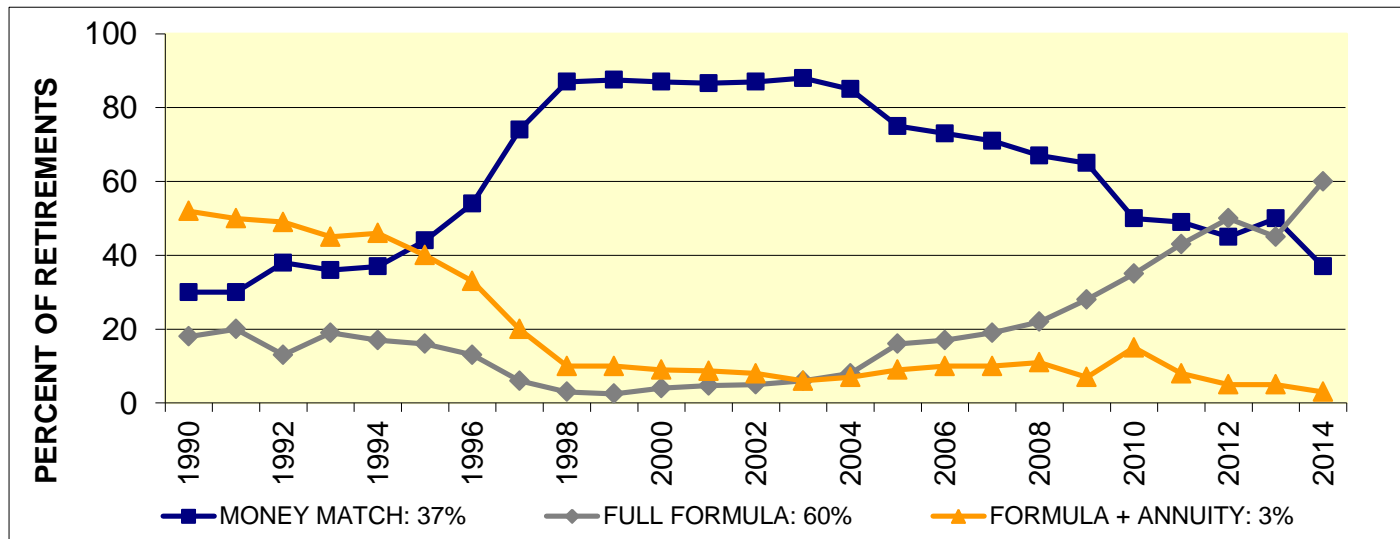
Other Strategic Plan Goals

Data Reliability – Data Constancy

Ensure data remains static after it is used in a transaction or payment

Employers can amend reports even after a member has retired or withdrawn, putting PERS in the position of collecting on overpaid benefits and disrupting financial plans of members who have moved on in their lives. To bring finality to benefit payments, PERS is pursuing two objectives:
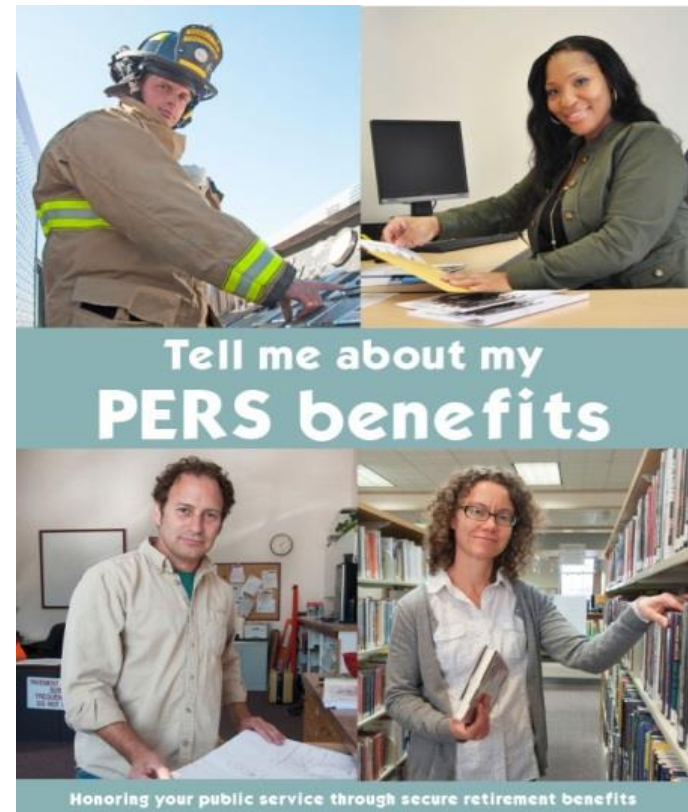
- Lock submitted data for each calendar year

- Lock previously submitted data (i.e., prior calendar years) after allowing employers to review and correct prior records

Other Strategic Plan Goals

Member Services and Communications – Member Relations

PERS members' retirement will only be successful with a solid "three-legged stool" of PERS benefits, Social Security, and personal savings; we are dedicated to giving members the education and tools so they can succeed in that life phase

- Engage members throughout their career so they are better prepared for retirement

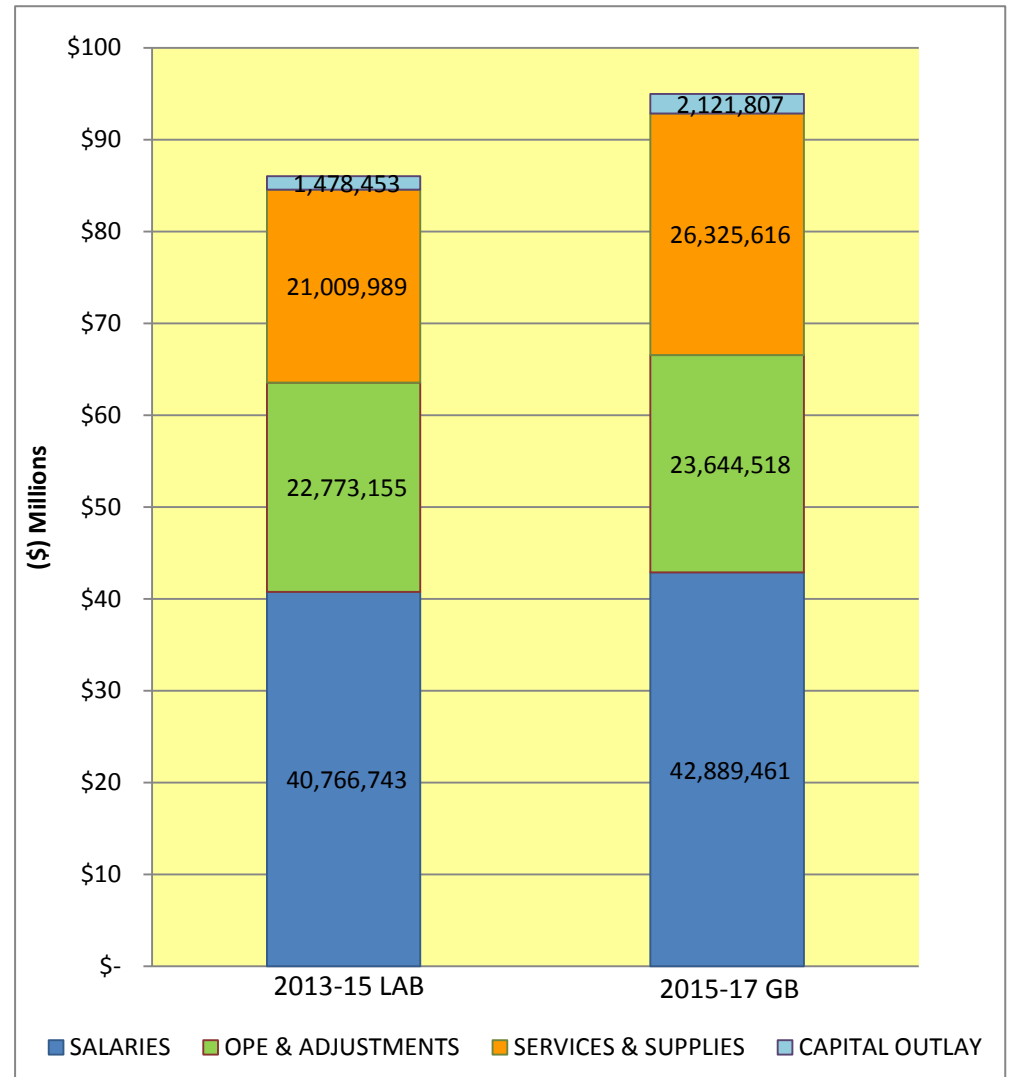- Improve members' on-line access to secure content and process status

Tell me about my
PERS benefits

Honoring your public service through secure retirement benefits

PERS Oregon Public Employees Retirement System

PERS Legislatively Approved Budget Historical Comparison

	2003-05	2005-07	2007-09	2009-11	2011-13	2013-15	2015-17 GB
Limited:							
Other Funds- Personal Srvcs	39,846,965	46,953,972	50,682,707	52,751,494	56,744,618	64,362,688	66,533,979
Other Funds - Srvcs/Supplies	36,471,820	30,384,327	29,620,738	29,916,870	21,660,024	21,009,989	26,325,616
Other Funds - Capital Outlay	8,972,339	1,033,494	947,701	593,588	927,588	1,478,453	2,121,807
Other Funds	85,291,124	78,371,793	81,251,146	83,261,952	79,332,230	86,851,130	94,981,402
Other Funds Debt Srvc	3,629,282	5,720,950	5,709,200	1,423,075	1,418,600	1,302,850	1,290,750
Total	**88,920,406**	**84,092,743**	**86,960,346**	**84,685,027**	**80,750,830**	**88,153,980**	**96,272,152**
Permanent Positions	269	264	294	327	332	362	374
Limited Positions	151	137	100	41	33	5	6
Total Positions	420	401	394	368	365	367	380
Non-Limited:							
Other Funds	5,709,547,757	5,646,765,074	6,286,947,122	6,781,885,664	7,434,035,699	9,277,875,000	9,553,923,062
Other Funds Debt Srvc					3,140,326		
Total	**5,709,547,757**	**5,646,765,074**	**6,286,947,122**	**6,781,885,664**	**7,437,176,025**	**9,277,875,000**	**9,553,923,062**
Total Expenditures	**5,798,468,163**	**5,730,857,817**	**6,373,907,468**	**6,866,570,691**	**7,517,926,855**	**9,366,028,980**	**9,650,195,214**
% Limited Budget	**1.53%**	**1.47%**	**1.36%**	**1.23%**	**1.07%**	**0.94%**	**1.00%**

PERS
Oregon Public Employees Retirement System

Budget Comparison: 2013-15 to 2015-17

PERS' 2015-17 budget increases:

- Other Personnel Expenses (OPE) and Adjustments: $871,363
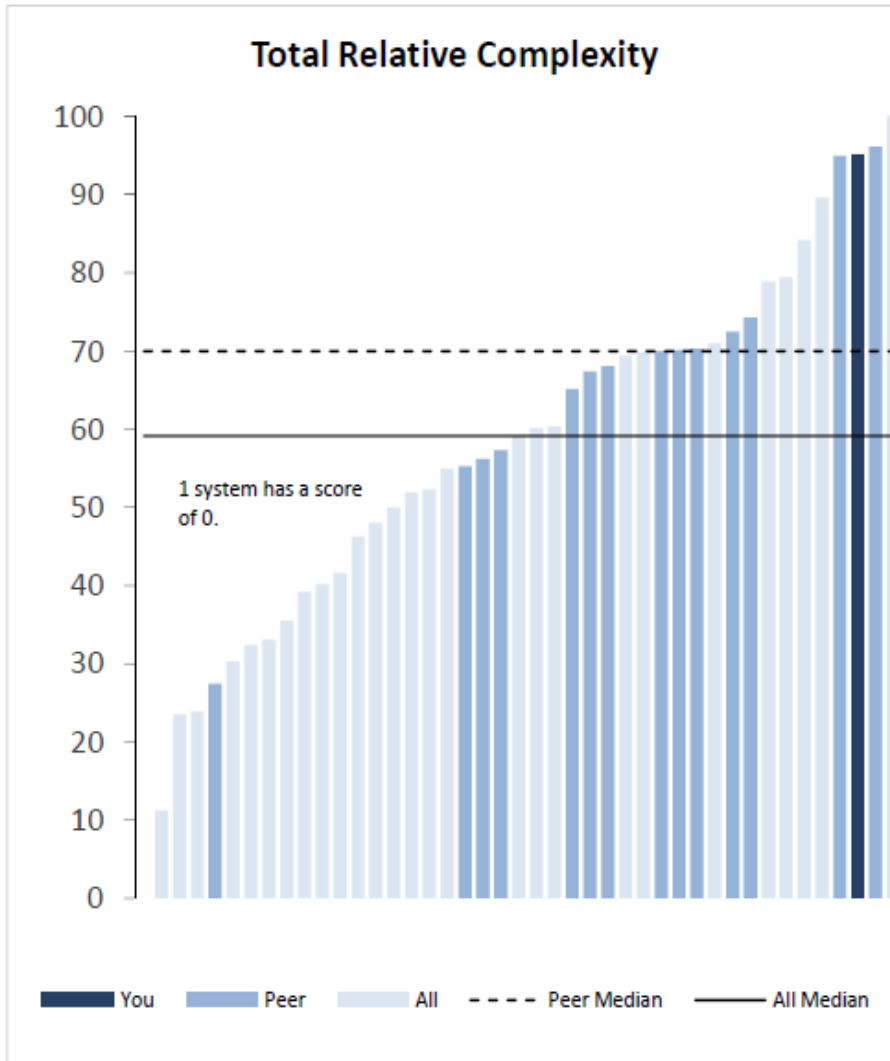- Salaries: $2,122,718
- Capital Outlay: $643,354

Stacked bar chart — ($) Millions vertical axis ($- to $100)

	2013-15 LAB	2015-17 GB
CAPITAL OUTLAY	1,478,453	2,121,807
SERVICES & SUPPLIES	21,009,989	26,325,616
OPE & ADJUSTMENTS	22,773,155	23,644,518
SALARIES	40,766,743	42,889,461

Legend: SALARIES, OPE & ADJUSTMENTS, SERVICES & SUPPLIES, CAPITAL OUTLAY

PERS — Oregon Public Employees Retirement System

Major Cost Drivers – PERS Compared to Peers*

Reason	Impact
1. Economies of scale advantage	-$1.91
2. Higher transactions per member (workloads)[1]	$3.03
3. Lower transactions per FTE (productivity)[1]	$20.76
4. Lower costs per FTE for: salaries and benefits, building and utilities, HR and IT desktop	-$12.45
5. Lower third-party and other costs in front-office activities	-$3.92
6. Paying more/-less for back-office activities:	
- Governance and Financial Control	$1.20
- Major Projects	$4.79
- IT Strategy, Database, Applications (excl. major projects)	$11.66
- Actuarial, Legal, Audit, Other Support Services	$6.45
Total	$29.60

[1] PERS administers four programs (Tier One, Tier Two, OPSRP Pension Program, IAP); we process two retirements per member and use up to three calculation methods to determine the benefit amount

* Data from CEM, Inc.

PERS Oregon Public Employees Retirement System

PERS' Total Relative Complexity*

Total Relative Complexity

1 system has a score of 0.

Legend: You | Peer | All | – – – Peer Median | —— All Median

	Averages	
Parameter	**PERS**	**Peers**
Pension payment options	61	53
Customization choices	22	18
Multiple plan types & overlays	100	50
Multiple benefit formulas	80	55
External reciprocity	0	29
COLA rules	57	33
Contribution rates	75	54
Variable compensation	100	81
Service credit rules	61	57
Divorce rules	100	63
Purchase rules	80	65
Refund rules	27	46
Disability rules	100	82
Translation	20	8
Defined contribution plan rules	100	67
Total relative complexity	**95**	**69**

* Data from CEM, Inc.

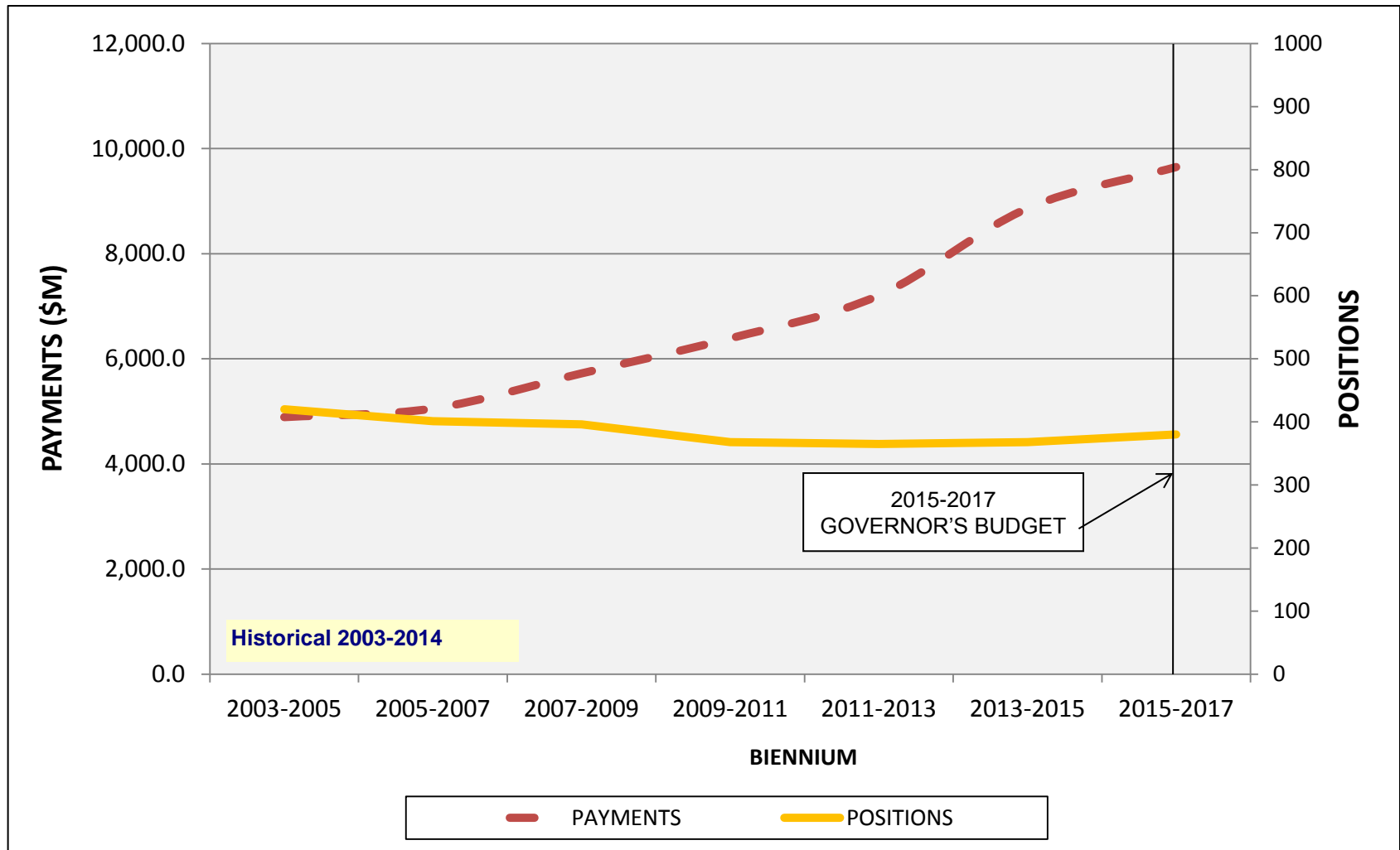PERS Oregon Public Employees Retirement System

PERS Positions and Total Membership
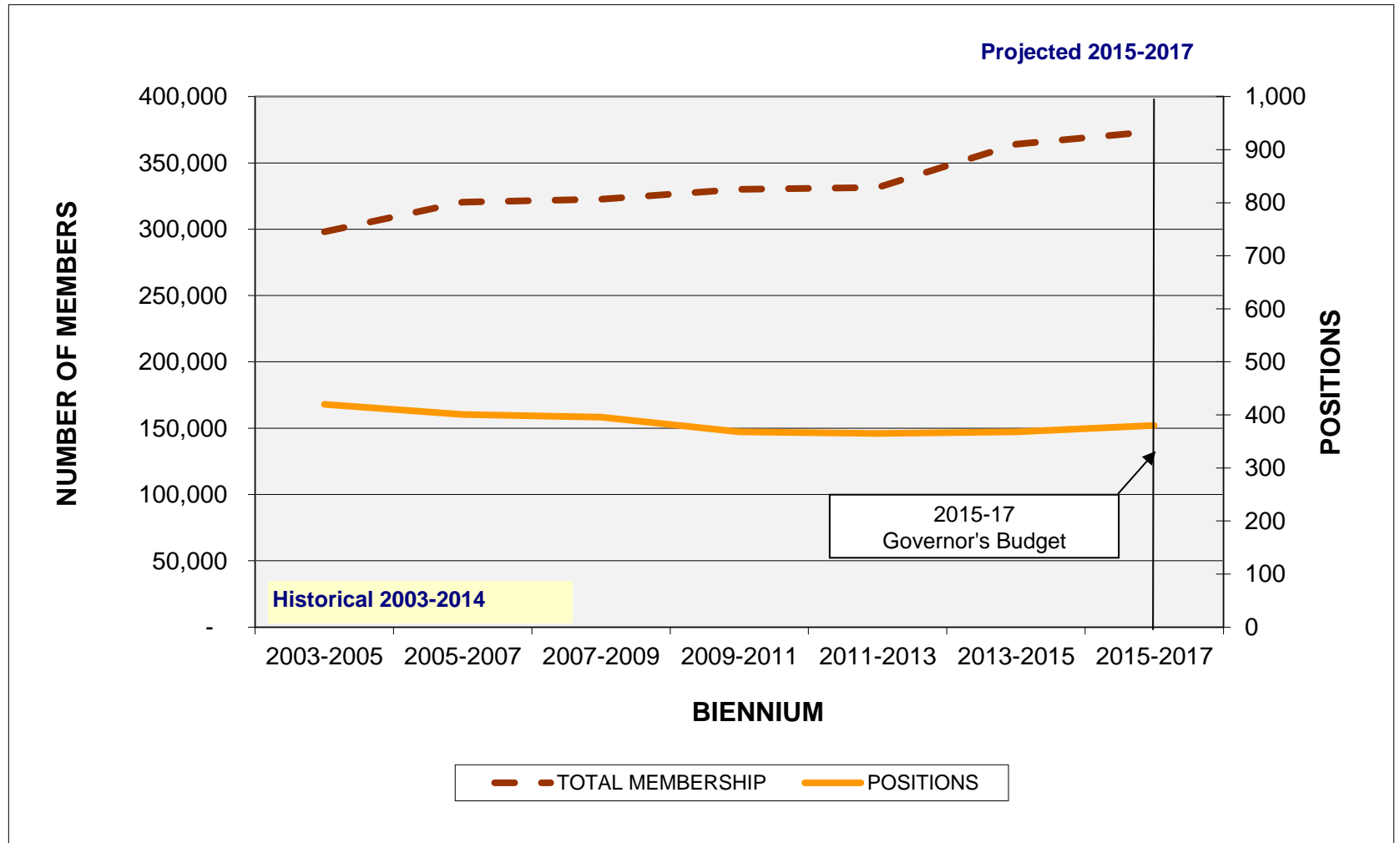
PERS Positions and Retirees
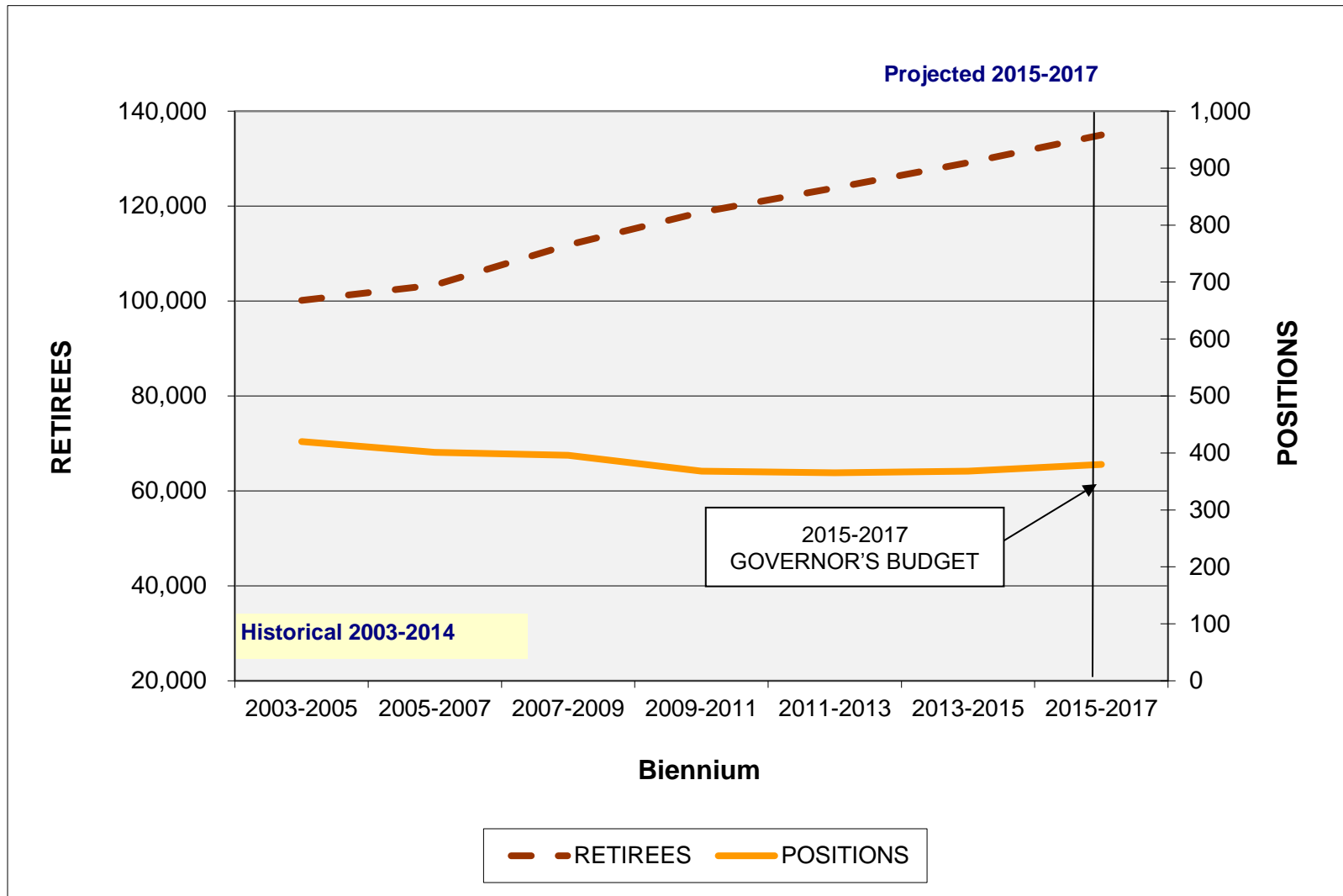
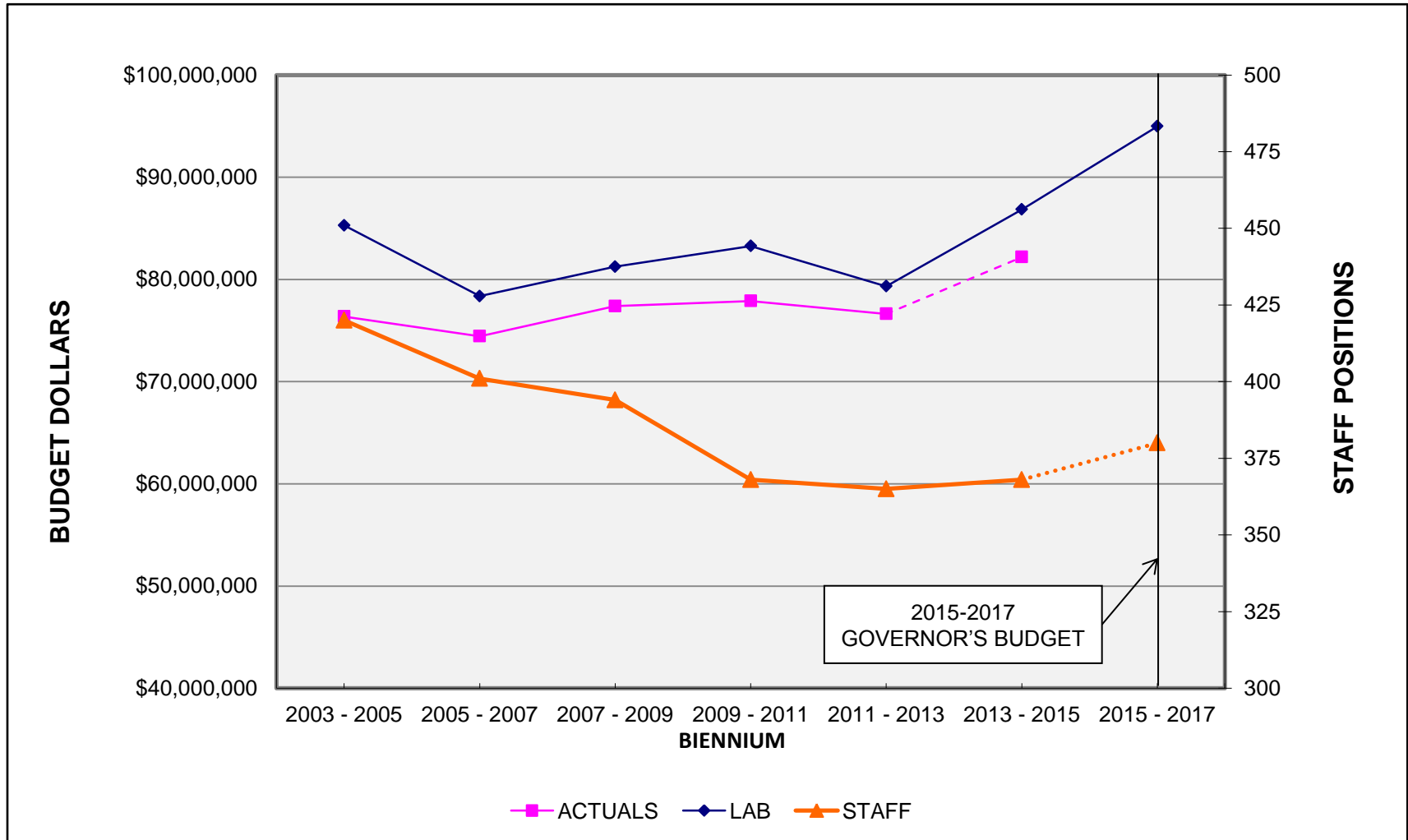# PERS Positions and Benefit Payments

12-Year Operating Budget, Expenditure, and Staffing Trends

Policy Packages Summary

Policy Package 090: - **Analyst Adjustment -** PERS received a total reduction of $1,150,521 in operating expenditures. $665,582 Other Funds from Personal Services and an additional $484,939 in Services and Supplies. The Governor's budget requires increased efficiency in the operation of state government, calls for additional savings in administrative expenditures, and allows for the reinvestment of some of the savings realized through efficiencies into agency programs or to other initiatives that will further improve the administrative operations of state government.

Policy Package 101: – Current Service Metrics Staffing Request - PERS requests $644,083 Other Funds, the establishment of one full-time permanent position (1.00 FTE), the transfer of one permanent position (1.00 FTE) from DAS, and converting 4 limited duration staff from the current biennium to four full-time permanent positions (4.00 FTE) to enhance our service delivery in three key areas. The three necessary components in this package are: Call center staff, Benefit calculation staff, and Custodial staff.

Policy Package 102: - Fully Integrating IAP Administration into the PERS ORION System (Phase III) – PERS requests $1,914,399 Other Funds limitation and the establishment of three new full-time limited duration positions (3.00 FTE) in the Information Services Division. This proposal completes the transfer to PERS of all aspects of the Individual Account Program (IAP) administration by January 1, 2017, and eliminates over $2.2 million in annual costs for an outside third-party administrator (TPA).

Policy Packages Summary (continued)

Policy Package 103: – Enhanced Staffing for the Data Verification Unit - PERS requests $956,875 Other Funds limitation, the establishment of seven full-time permanent positions (7.00 FTE) in the Customer Services Division to expand the Data Verification Unit from the current five staff with an additional seven permanent staff. The permanent staff will allow us to keep up with new data verification requests as they are received monthly.

Policy Package 104: - Technology Maintenance and Enhancements (M&E) -

PERS requests $3,281,250 Other Funds limitation in the Information Services Division to address necessary system enhancements to existing jClarety architecture. PERS has been administering its benefit programs on the jClarety platform, a system architecture that was designed and developed over a decade ago. Over time, technologies have changed, requirements for data volume and transactions have increased, and the jClarety limitations, flaws, and inefficiencies have emerged in its operation. This proposal is to create a team of existing staff and contractors to analyze and implement architectural updates to the jClarety system. Technical debt and system enhancements are the two areas addressed in this package.

Policy Packages Summary (continued)

Policy Package 105: – Disaster Recovery Infrastructure Upgrades - PERS requests $1,581,200 Other Funds limitation in the Information Services Division to further develop the agency's Disaster Recovery (DR) and Business Continuity (BC) technology infrastructure in support of the Oregon Retirement Information Online Network (ORION). Once implemented, the DR and BC solutions will allow the resumption of critical business and infrastructure services within 48 hours of a localized catastrophic event. Through this initiative, the agency's Business Continuity Plan (BCP) will be updated to reflect current technology systems and business expectations. Infrastructure changes to a Virtual Desktop Environment and Single Sign-On capabilities will facilitate more robust and efficient recovery and resumption activities. The Virtual Desktop replaces the approximately 400 desktop and laptop systems currently distributed throughout the agency with a virtual desktop hosted in a data center which can be accessed remotely. This new environment will also improve data security, reduce life-cycle replacement and other maintenance costs, and provide more efficient and flexible deployments of software upgrades agency-wide. A Single Sign-On infrastructure provides enhanced end-user and application access security, which will be more important in a DR or BC scenario.