



Oregon

Kate Brown, Governor

Public Employees Retirement System

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TO: Members of the Ways and Means General Government Subcommittee
FROM: Steven Patrick Rodeman, Executive Director
SUBJECT: PERS Budget (House Bill 5034) – Day Two Responses

Thank you for the opportunity to present the PERS budget request to you. Below are responses to the questions that were raised during yesterday's presentation and information on a question from Day One regarding lump sum vacation payouts and unused sick leave accruals.

CALL CENTER VOLUME

Policy Option Package 101 converts four limited duration positions to permanent. Call Center metrics spanning the time before and after additional staff were added (March 2014) are shown below. Note that the four LD staff were added as well as five permanent positions filled and put in service at that time.

Call Center Statistics July 2013 – February 2015

Year	Month	Total Calls	Calls Handled	Abandoned (%)	Avg. Wait Time
2013	July	12,444	10,380	16.6	4:30
	Aug	14,635	10,988	24.9	6:53
	Sept	12,276	10,104	17.7	3:22
	Oct	12,991	10,782	17.0	3:27
	Nov	11,378	9,131	19.7	4:56
	Dec	15,425	9,432	38.9	12:28
2014	Jan	18,434	9,877	46.4	24:52
	Feb	13,643	7,879	42.2	23:15
	Mar	14,444	12,522	13.3	5:06
	Apr	14,383	13,185	8.3	1:26
	May	13,394	12,709	5.1	0:43
	June	11,288	10,854	3.8	0:34
	July	11,244	10,880	3.2	0:28
	Aug	11,465	10,904	4.9	0:51
	Sept	10,848	10,249	5.6	1:06
	Oct	11,209	10,647	5.1	0:55
	Nov*	11,299	10,565	6.5	1:05
	Dec	12,975	11,694	9.9	1:57
2015	Jan	12,237	11,395	6.9	1:23
	Feb	12,601	11,421	9.4	2:18

* Some staff members began rotating off phones for knowledge transfer training that will allow the phone team to answer specialized calls regarding death, divorce, and disability.

FULL TIME EQUIVALENCY COMPARISON

The table below shows the growth in Personal Services from 2003-05 to the 2015-17 Governor’s Budget (projected), along with two main components of that budget category, salaries and Other Personnel Expenses (OPE). Over that time, Personal Services overall increased 60.98%. Salaries represented a 40.69% increase, while OPE rose 107.22%. The main components of OPE include health insurance and other employee benefit costs.

Personal Services	2003-05	2005-07	2007-09	2009-11	2011-13	2013-15	2015-17*
Personal Svs to FTE	\$108,764.51	\$120,794.35	\$128,799.76	\$145,802.91	\$156,394.50	\$166,289.61	\$175,089.42
Change by Biennium		11.06%	6.63%	13.20%	7.26%	6.33%	5.29%
Salary per FTE	77,695.58	79,178.24	84,348.64	100,076.01	100,399.12	105,675.95	109,313.75
Change by Biennium		1.91%	6.53%	18.65%	0.32%	5.26%	3.44%
OPE per FTE	31,068.93	41,616.11	44,451.12	45,726.90	55,995.38	60,613.66	64,379.55
Change by Biennium		33.95%	6.81%	2.87%	22.46%	8.25%	6.21%

LUMP SUM VACATION AND UNUSED SICK LEAVE IN FINAL AVERAGE SALARY

One of the methods we use to calculate member benefits is Full Formula, an element of which is the member’s Final Average Salary (FAS). For Tier One members, any lump sum vacation payout or unused sick leave (for employers that chose to participate in that program) is used to increase the member’s FAS. Tier Two members can use unused sick leave but not the lump sum vacation payout. OPSRP members do not receive either increase.

The table below shows the number of retirements over the last three calendar years that were affected by these increases and the size of the increase.

Calendar Year	Total Tier One/Tier Two Retirements	% Calculated Under Full Formula or Formula + Annuity	Sick Leave Hours		Lump Sum Vacation Payoff			Avg Monthly Benefit Increase	Avg Monthly Gross Benefit Amount
			% Using Hours	Avg Hours Used (50% of Actual)	Avg Monthly Benefit Increase	% with Payoff	Avg Payoff		
2012	6,080	55%	85%	240	\$107	59%	\$4,352	\$43	\$2,020
2013	8,863	49%	88%	273	\$124	58%	\$4,885	\$51	\$2,257
2014	5,595	63%	88%	253.5	\$112	58%	\$4,419	\$44	\$2,104