



# Oregon

Kate Brown, Governor

## Public Employees Retirement System

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January 22, 2016

The Honorable Senator Richard Devlin, Co-Chair  
The Honorable Representative Peter Buckley, Co-Chair  
Joint Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048

Dear Co-Chairpersons:

### **Nature of the Request**

The Public Employees Retirement System (PERS) is requesting an increase in the agency's Other Funds limitation by \$1,255,601 due to a re-evaluation of the total estimated work to complete the transfer of all aspects of Individual Account Program (IAP) administration to PERS.

### **Agency Action**

A \$1,914,399 expenditure limitation and establishment of three new full-time limited duration positions (3.00 FTE) was approved in the agency's 2015-17 Legislatively Adopted Budget Other Funds limitation (Policy Package 102). These funds were unscheduled pending joint approval of the Office of the State Chief Information Officer, Chief Financial Office, and the Legislative Fiscal Office (LFO).

On August 28, 2015, \$400,000 was rescheduled to address any remaining shortfalls and deficiencies in foundational project management documentation, address 15 conditions identified by LFO, and to contract for external Quality Assurance review of the project documentation.

On December 29, 2015, PERS requested that the remaining \$1,514,399 expenditure limitation be rescheduled in January 2016 so the project could move forward with Construction (Project Phase III). An amount of \$430,000 was rescheduled to support project activities through the first quarter of 2016, with the balance withheld pending consideration of this supplemental request.

### **Action Requested**

PERS requests an increase in the agency's Other Funds expenditure limitation from \$93,871,154 to \$95,126,755 for the 2015-17 biennium. This increase would be allocated as IT Professional Services in Services and Supplies.

### **Legislation Affected**

If approved, the additional Other Funds budget limitation would increase the amount of expenses allocated to this agency by Section 1(1) of Chapter 595 (2015 Laws).