

Analysis  
**Public Employees Retirement System**  
Technical Debt

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**Analyst:** John Borden and Bob Cummings

**Request:** Increase Other Funds limitation by \$1,659,976 for information technology enhancements to the jClarety retirement system.

**Recommendation:** The Legislative Fiscal Office recommends a \$1,659,976 increase to the Public Employees Retirement System Other Funds expenditure limitation be included in the budget reconciliation bill during the 2016 session and that the Department of Administrative Services unschedule the entire limitation increase.

**Analysis:** The Public Employees Retirement System (PERS) is requesting an increase of \$1.7 million in Other Funds expenditure limitation to address "...architectural and design flaws, optimize data handling, and develop OPSRP [Oregon Public Service Retirement Program] functionality for jClarety – the Pension Administration System which is part of the Oregon Retirement Information Online Network (ORION)..."

In 2015 the Legislature originally deferred consideration of this request; however \$250,000 of Other Funds expenditure limitation was provided in order to develop a detailed modernization plan for the jClarety system and its related enterprise architecture. This planning effort has yet to be completed.

The Joint Legislative Committee on Information Management and Technology (JLCIMT) reviewed the agency's request and noted that much more detailed strategic enterprise modernization-related planning is required before any additional funds be made available to the agency. While the Committee recommended approval of the agency's request, it also asked that funding be unscheduled until a number of the Committee's conditions were satisfied.

The Legislative Fiscal Office recommends a \$1,659,976 increase to the Public Employees Retirement System Other Funds expenditure limitation be included in the budget reconciliation bill during the 2016 session and that the Department of Administrative Services unschedule the amount.