

**SB 5534 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Manning Jr

**Joint Committee On Ways and Means**

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**Action Date:** 06/16/17

**Action:** Do pass with amendments. (Printed A-Eng.)

**Senate Vote**

**Yeas:** 10 - DeBoer, Devlin, Frederick, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Winters

**Nays:** 2 - Girod, Thomsen

**House Vote**

**Yeas:** 11 - Gomberg, Holvey, Huffman, McLane, Nathanson, Rayfield, Smith G, Smith Warner, Stark, Whisnant, Williamson

**Prepared By:** Linnea Wittekind, Department of Administrative Services

**Reviewed By:** John Borden, Legislative Fiscal Office

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**Public Employees Retirement System**

**2017-19**

## **Budget Summary\***

	2015-17 Legislatively Approved Budget <sup>(1)</sup>	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ 106,949,449	\$ 97,396,583	\$ 100,956,620	\$ (5,992,829)	(5.6%)
Other Funds Debt Service Limited	\$ 1,290,750	\$ -	\$ -	\$ (1,290,750)	(100.0%)
Other Funds Nonlimited	\$ 9,723,458,062	\$ 10,994,171,000	\$ 10,994,171,000	\$ 1,270,712,938	13.1%
Total	\$ 9,831,698,261	\$ 11,091,567,583	\$ 11,095,127,620	\$ 1,263,429,359	12.9%

## **Position Summary**

Authorized Positions	380	377	372	(8)
Full-time Equivalent (FTE) positions	380.00	377.00	371.37	(8.63)

<sup>(1)</sup> Includes adjustments through December 2016

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

The Public Employees Retirement System (PERS) provides administrative support to a number of programs and related retirement activities. Every program account and activity has dedicated revenue sources authorized by statute. PERS is funded solely through Other Funds, including investment earnings, which is \$14.3 billion; contributions, which is \$4.8 billion; fees from employers and public employees (members), which is \$760.2 million; and miscellaneous revenues, which is \$50,000. Primary revenue for the Standard Retiree Health Insurance Account (SHIRA) are investment earnings and insurance premiums from retirees or a spouse or dependent of a deceased retired member. PERS derives revenues to fund administrative activities for the Deferred Compensation program, primarily through a participant fee.

## **Summary of General Government Subcommittee Action**

PERS is responsible for administering retirement programs for most public employees, including state agencies, school districts, public universities and local government workers. The agency manages a number of programs, including the Tier One-Tier Two Retirement programs, the Oregon Public Service Retirement Program (OPSRP) and the Individual Account Program (IAP), three health insurance programs, Social Security Administration activities and a deferred compensation program.

The Subcommittee approved budget for PERS is \$11,095,127,620 total funds, which is an increase of 12.9 percent from the 2015-17 Legislatively Adopted Budget. The PERS budget is comprised of \$100,956,620 Other Funds expenditure limitation and 372 positions (371.37 FTE) for agency operations and \$10,994,171,000 Other Funds Nonlimited for the payment of retiree benefits.

### Tier One and Tier Two Program

The Tiers One and Two Plan programs includes account balance refunds and retirement benefit payments for two retirement plans that are closed due to PERS reform legislation passed during the 2003 legislative session. Tier One plan members are employees hired before January 1, 1996. Tier Two members are employees hired on or after January 1, 1996 and before August 28, 2003, and have a different level of benefits from Tier One members. Tier One and Two are employer funded retirement benefits. The Other Funds revenue is mainly from employer contributions to the retirement system and retirement trust fund investment earnings. Some revenue also comes from employee contributions. This program is made up entirely of Nonlimited Other Funds expenditures.

The Subcommittee approved budget for Tier One – Tier Two is \$9,083,000,000 Other Funds Nonlimited. This is a 9.9 percent increase from the 2015-17 Legislatively Approved Budget.

### Retirement Health Insurance Program

PERS serves as a group sponsor providing health insurance services to retired members and dependents. PERS works with insurance carriers to design benefit packages, determine specifications, solicit proposals, analyze carrier responses and award contracts. PERS uses a third-party administrator to provide insurance services directly to members. The PERS Health Insurance Program is comprised of three statutorily mandated programs: Retirement Health Insurance Account (RHIA), Retiree Health Insurance Premium Account (RHIPA) and the Standard Retiree Health Insurance Account (SRHIA). Revenues come from member paid insurance premiums, employer contributions, return on investments and federal sources like the Centers for Medicare and Medicaid Services.

The Subcommittee approved budget for Retirement Health Insurance is \$815,271,000 Other Funds Nonlimited. This is a 46.1 percent increase from the 2015-17 Legislatively Approved Budget. The increase is due to an increase in retirees and the rising cost of insurance premiums.

### Oregon Public Service Retirement Pension Program

The 2003 Legislature established a new Oregon Public Service Retirement Plan (OPSRP) with a different benefit structure for employees hired after August 28, 2003. The OPSRP pension is an employer funded retirement benefit. Revenue is from employer contributions and retirement trust fund investment earnings. The OPSRP program is made up entirely of Other Funds Nonlimited expenditures.

The Subcommittee approved budget for OPSRP is \$39,000,000 Other Funds Nonlimited. This is a 34.8 percent increase from the 2015-17 Legislatively Approved Budget. This increase is due to an increase in the number of members within the OPSRP program.

### Individual Account Program

The Individual Account Program (IAP) is the defined contribution component of the PERS retirement plan that was instituted as part of PERS reform legislation passed during the 2003 legislative session. The program includes member accounts for Tier One, Tier Two, and OPSRP benefit

plans. The IAP requires PERS members to contribute an amount equal to six percent of eligible salary to an IAP account. Member accounts also are credited with investment returns. The IAP program is made up entirely of Other Funds Nonlimited expenditures for benefit payments.

The Subcommittee approved budget for the Individual Account Program is \$1,056,900,000 Other Funds Nonlimited. This is a 21 percent increase from the 2015-17 Legislatively Approved Budget due to anticipated retirements.

#### Central Administration Division

Central Administration, in conjunction with the PERS Board, provides the central direction, planning, and leadership for the agency.

The Subcommittee approved budget for Central Administration is \$3,653,375 Other Funds limitation and 14 positions (14.00 FTE). This is a 4.6 percent decrease from the 2015-17 Legislatively Approved Budget.

The Subcommittee approved the following adjustments to the current service level budget:

Package 802, Reorganization. This package reduces the Central Administration Division program and moves some funding into a newly established Compliance, Audit and Risk Division, as well as the Financial and Administrative Services Division. Select positions were transferred into the division from the former Policy, Planning and Communications Division. The package is self-balancing and does not create a decrease or increase in expenditure limitation or position or full-time equivalent authority. Agency-wide the reorganization includes: a) combining the Benefits Payments and Customer Service Divisions into a single Operations Division; b) creating a new Compliance, Audit and Risk Division; and c) eliminating the Policy, Planning and Communications Division by moving these functions into the Compliance, Audit and Risk Division, the Operations Division and the Director's Office. The reorganization would create a new level of management under the Executive Director, by elevating former division directors to: a Chief Operations Officer (COO), a Chief Administration Officer (CAO), a Chief Technology Officer (CTO) and a Chief Compliance/Audit/Risk Officer (CAO). These positions would continue their roles as division administrators. Any cost associated with the reorganization will be self-funded by the agency.

The Subcommittee noted an ongoing concern that the Deputy Director position has been vacant since the departure of the former Executive Director and the reorganization does not include a Chief Financial Officer. The Subcommittee directed the agency to competitively recruit for and hire the Deputy Director position.

#### Benefit Payments Division

The Benefit Payments Division houses the Benefit Application and Intake and Processing section, as well as the Retirement Services and Specialty Services sections. The division is responsible for processing all incoming benefit applications and related documents, as well as calculating and establishing service retirement, disability and death benefits. Responsibilities also include determining eligibility for disability retirements, administering divorce decrees and validating beneficiaries.

The Subcommittee approved the following adjustments to the current service level budget:

Package 802, Reorganization. This package eliminates the Benefit Payments Division as a separate program and moves the funding into a newly established Operations Division.

Package 812, Vacant Position Elimination. This package eliminates selected positions that have been vacant for more than six months and associated Services and Supplies, reducing Other Funds limitation by \$102,134 and one position (0.79 FTE).

#### Financial and Administrative Service Division

The Financial and Administrative Services Division provides comprehensive financial and administrative services to the agency. This includes financial accounting, reporting and tax services for all PERS' Trust and agency fund activities, including the Retirement Fund, Deferred Compensation funds, and actuarial, Benefit Equalization Fund and health insurance programs.

The Subcommittee approved budget for Financial and Administrative Services is \$23,358,866 Other Funds limitation and 61 positions (61.58 FTE). This is an 18.9 percent decrease from the 2015-17 Legislatively Approved Budget.

The Subcommittee approved the following adjustments to the current service level budget:

Package 801, LFO Analyst Adjustment. This package is a one-time technical adjustment reducing Other Funds limitation by \$17,732 to resolve a State Government Service Charges budgeting error at the current service level.

Package 802, Reorganization. This package includes an adjustment related to the agency reorganization.

Package 812, Vacant Position Elimination. This package eliminates selected positions that have been vacant for more than six months and associated Services and Supplies, reducing Other Funds limitation by \$78,524 and one position (0.42 FTE).

#### Information Services Division

The Information Services Division provides technical support to all divisions of the agency. Information Services ensures agency staff have the appropriate tools and automation necessary to perform their duties and provide customer service to members, employers and other stakeholders. The division supervises the development and operation of PERS' information technology systems and supports the many desktop computers used by staff. Help Desk support, installation and training, software development, application support, database management, network support and quality assurance all fall under Information Services responsibilities. In addition, the Imaging and Information Management unit, within the Business Information and Technology section, maintains records from numerous sources.

The Subcommittee approved budget for Information Services is \$27,637,911 Other Funds limitation and 71 positions (69.54 FTE). This is a 9.8 percent decrease from the 2015-17 Legislatively Approved Budget. The Subcommittee approved the following adjustments to the current service level budget:

Package 101, Cybersecurity Program. This package increases Other Funds limitation by \$1,616,185 for Service and Supplies. The three information security positions requested by the agency, as part of this package, are included in the Department of Administrative Services (DAS) – Office of the Chief Financial Officer (OSCIO) budget, per Executive Order 16-13 – Unifying Security in Oregon.

The Subcommittee adopted the following budget note:

**Budget Note**

*Public Employees Retirement System, under the direction of the Department of Administrative Services – Office of the State Chief Information Officer, is directed to develop and implement an industry standard Cyber Security Program, including defining the long-term maintenance, operation, and funding plans for the program. The agencies are to jointly report status to the Interim Joint Legislative Committee on Information Management and Technology during Legislative Days in September and November, and during the 2018 Legislative session. The Cyber Security Program, once completed, is to be independently assessed by a third-party vendor with the findings of that assessment being reported to the Legislature.*

Package 102, Fully Integrating IAP Administration into PERS ORION System Phase III. This package increases Other Funds limitation by \$1,387,895 and three positions (1.50 FTE). This project is in its third and final phase of development. The most recent independent quality assurance report (May 2017) places the project status in “Red” due to the projects primary information technology vendor contract not being renewed, and will therefore may require a new vendor solution.

The Subcommittee adopted the following budget note:

**Budget Note**

*Public Employees Retirement System, under the direction of the Department of Administrative Services – Office of the State Chief Information Officer, is directed to jointly report the status of the Individual Account Program to the Interim Joint Legislative Committee on Information Management and Technology during Legislative Days in September and November, and during the 2018 Legislative session.*

Package 200, Data Center Migration. This package does not provide any expenditure limitation [see Package 805 Disaster Recovery Warm Site]. In April 2016, PERS was instructed to develop, along with Department of Administrative Services - Office of the State Chief Information Officer (DAS OSCIO) Enterprise Services Division (ESD), a feasibility study on whether PERS should move to the State Data Center, which potentially could address many information security concerns, as well as disaster recovery and business continuity needs. A formal written assessment has yet-to-be completed.

The Subcommittee adopted the following budget note:

**Budget Note**

*Public Employees Retirement System and the Department of Administrative Services – Office of the State Chief Information Officer, are directed to complete a comprehensive State Data Center usage analysis as requested in April 2016. The agencies are to jointly report the feasibility study findings to the Interim Joint Legislative Committee on Information Management and Technology during Legislative Days in September of 2017. If found to be feasible, the agencies are to develop a formal migration plan, schedule, and budget for the 2017-19 biennium, and report to the Joint Committee on Ways and Means during the 2018 Legislative session.*

Package 804, Disaster Recovery. This package increases Other Funds limitation by \$500,000 for the developing and implementation of a Disaster Recovery Program. PERS lacks an industry standard disaster recovery program to protect its critical business functions in the event of a major failure or disaster. An initial amount has been approved with the understanding that PERS may request additional resources based upon the progress of developing and implementing a Disaster Recovery Program.

Package 805, Disaster Recovery Warm Site. This package increases Other Funds limitation by \$1,147,634 for the development and implementation of a disaster recovery warm site. This package provides funding for PERS to develop a warm site, in a secure environment approved by DAS OSCIO and is outside the state of Oregon geographic area.

Package 812, Vacant Position Elimination. This package eliminates selected positions that have been vacant for more than six months and the associated Services and Supplies, reducing Other Funds limitation by \$381,097 and two positions (1.96 FTE).

Package 814, IT Security Positions Consolidation. This package reduces Other Funds limitation by \$496,921 and two positions (2.00 FTE), moving two existing information security positions at PERS to DAS OSCIO, due to Executive Order 16-13 – Unifying Cyber Security in Oregon.

The Subcommittee adopted the following budget note:

**Budget Note**

*The Public Employees Retirement System, under the direction of the Department of Administrative Services - Office of the State Chief Information Officer, is directed to develop and implement industry standard Disaster Recovery Program, Business Continuity Program, and disaster recovery warm site. The agencies are to jointly report status to the Interim Joint Legislative Committee on Information Management and Technology during Legislative Days in September, and November and to the Legislature in 2018.*

**Customer Services Division**

The Customer Services Division provides the window for member, employer and public interaction with PERS. Customer Services answers member queries from the Online Member Services (OMS) internet tool, an in-house phone team and in person when it conducts group and individual counseling through various retirement planning sessions. The division is also responsible for producing benefit estimates and member account statements. Additionally, it houses the Membership and Employer Relations section. This section enrolls and manages member data and accounts and handles employer reporting, training, outreach and communication including the annual reconciliation process.

The Subcommittee approved the following adjustments to the current service level budget:

Package 802, Reorganization. This package eliminates the Customer Services Division as a separate program and moves the funding into a newly established Operations Division.

Package 812, Vacant Position Elimination. This package eliminates selected positions that have been vacant for more than six months and the associated Services and Supplies, reducing Other Funds limitation by \$118,610 and one position (1.00 FTE).

**Policy, Planning & Communications Division**

The Policy, Planning and Communications Division provides services related to legislative policy, rulemaking, legal counsel coordination, legal services, agency determination review and contested case activities including compliance with state and federal statutes, rules and court decisions. This division also includes all strategic operational planning for both short and long-range goals, enterprise-wide project management and process improvement initiatives. Communication of all events and activities are provided to internal staff, PERS members, and the local media through a variety of sources.

The Subcommittee approved the following adjustments to the current service level budget:



Package 802, Reorganization. This package eliminates the Policy, Planning, and Communications Division as a separate program and moves the existing 25 positions (25.04 FTE) into other divisions within the agency.

Package 812, Vacant Position Elimination. This package eliminates selected positions that have been vacant for more than six months and the associated Services and Supplies, reducing Other Funds limitation by \$146,659 and one position (0.96 FTE).

#### Operations Division

The Operations Division is comprised primarily of the Member Information and Employer Service Centers, which directly interface with members and employers, and the Application Intake and Review and Benefit Calculation sections, which process member transaction requests such as withdrawals and retirements.

The Subcommittee approved budget for the Operations Division is \$39,391,211 Other Funds limitation and 209 positions (209.21 FTE).

The Subcommittee approved the following adjustments to the current service level budget:

Package 802, Reorganization. This package establishes the Operations Division as a separate program from transfers of the former Benefits, Customer Service and Policy, Planning and Communications Divisions.

#### Compliance, Audit, and Risk Division

The Compliance, Audit, and Risk Division handles policy and compliance functions to insure state and federal law requirements are being met through agency policy development, administrative rules, and appeals and contested cases over agency determinations. This division also is responsible for enterprise risk management and information security, internal audit services, as well as the Social Security Program.

The Subcommittee approved budget for the Operations Division is \$6,915,257 Other Funds limitation and 17 positions (17.04 FTE).

The Subcommittee approved the following adjustments to the current service level budget:

Package 802, Reorganization. This package establishes the Compliance, Audit and Risk Division as a separate program from transfers from the Central Administration and the Financial and Administrative Services Divisions.

Package 803, Business Continuity Program. This package increases Other Funds limitation by \$250,000 for the development and implementation of a Business Continuity Program. PERS lacks an industry standard business continuity program to protect its critical business functions in the event of a minor or major failure or disaster. Key elements of a standard business continuity program are not in place, have not been fully tested, have not been integrated with PERS's disaster recovery planning efforts, nor have they been integrated with key elements of PERS's

security plan. An initial amount has been approved with the understanding that PERS may request additional resources based upon the progress of developing and implementing a Business Continuity Program. Also, please refer to an associated budget noted under the Information Services Division.

**Summary of Performance Measure Action**

See attached Legislatively Adopted 2017-19 Key Performance Measures form.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

### Public Employees Retirement System Linnea Wittekind -- (503) 378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2015-17 Legislatively Approved Budget at Dec 2016 *	\$ -	\$ -	\$ 108,240,199	\$ 9,723,458,062	\$ -	\$ -	9,831,698,261	380	380.00
2017-19 Current Service Level (CSL)*	\$ -	\$ -	\$ 97,396,583	\$ 10,994,171,000	\$ -	\$ -	11,091,567,583	377	377.00
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>SCR 45900-500-01 - Central Administration</b>									
Package 802: Agency Reorganization									
Personal Services	\$ -	\$ -	\$ 717,692	\$ -	\$ -	\$ -	717,692	4	4.00
Services and Supplies	\$ -	\$ -	\$ (1,042,218)	\$ -	\$ -	\$ -	(1,042,218)		
<b>SCR 45900-500-02 - Benefit Payment Division</b>									
Package 802: Agency Reorganization									
Personal Services	\$ -	\$ -	\$ (14,305,584)	\$ -	\$ -	\$ -	(14,305,584)	(79)	(79.21)
Services and Supplies	\$ -	\$ -	\$ (779,736)	\$ -	\$ -	\$ -	(779,736)		
Package 812: Vacant Position Elimination									
Personal Services	\$ -	\$ -	\$ (96,079)	\$ -	\$ -	\$ -	(96,079)	(1)	(0.79)
Services and Supplies	\$ -	\$ -	\$ (6,055)	\$ -	\$ -	\$ -	(6,055)		
<b>SCR 45900-500-03 - Financial &amp; Admin Services Divison</b>									
Package 801: LFO Adjustments									
Services and Supplies	\$ -	\$ -	\$ (17,732)	\$ -	\$ -	\$ -	(17,732)		
Package 802: Reorganization									
Personal Services	\$ -	\$ -	\$ (5,804)	\$ -	\$ -	\$ -	(5,804)	0	0.00
Services and Supplies	\$ -	\$ -	\$ 150	\$ -	\$ -	\$ -	150		
Package 812: Vacant Position Elimination									
Personal Services	\$ -	\$ -	\$ (72,469)	\$ -	\$ -	\$ -	(72,469)	(1)	(0.42)
Services and Supplies	\$ -	\$ -	\$ (6,055)	\$ -	\$ -	\$ -	(6,055)		
<b>SCR 45900-500-04 -Information Services Divison</b>									
Package 101: Cybersecurity Program									
Services and Supplies	\$ -	\$ -	\$ 939,685	\$ -	\$ -	\$ -	939,685		
Capital Outlay	\$ -	\$ -	\$ 676,500	\$ -	\$ -	\$ -	676,500		
Package 102: Fully Integrate IAP into ORION Phase III									
Personal Services	\$ -	\$ -	\$ 279,700	\$ -	\$ -	\$ -	279,700	3	1.50
Services and Supplies	\$ -	\$ -	\$ 1,108,195	\$ -	\$ -	\$ -	1,108,195		
Package 804: Disaster Recovery									
Services and Supplies	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	500,000		
Package 805: Disaster Recovery Warm Site									
Services and Supplies	\$ -	\$ -	\$ 1,147,634	\$ -	\$ -	\$ -	1,147,634		
Package 812: Vacant Position Elimination									
Personal Services	\$ -	\$ -	\$ (368,987)	\$ -	\$ -	\$ -	(368,987)	(2)	(1.96)
Services and Supplies	\$ -	\$ -	\$ (12,110)	\$ -	\$ -	\$ -	(12,110)		
Package 814: IT Security Position Consolidation									
Personal Services	\$ -	\$ -	\$ (475,791)	\$ -	\$ -	\$ -	(475,791)	(2)	(2.00)
Services and Supplies	\$ -	\$ -	\$ (21,130)	\$ -	\$ -	\$ -	(21,130)		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>SCR 45900-500-05 -Customer Services Division</b>									
Package 802: Agency Reorganization									
Personal Services	\$ -	\$ -	\$ (22,496,935)	\$ -	\$ -	\$ -	(22,496,935)	(126)	(126.00)
Services and Supplies	\$ -	\$ -	\$ (775,602)	\$ -	\$ -	\$ -	(775,602)		
Package 812: Vacant Position Elimination									
Personal Services	\$ -	\$ -	\$ (112,555)	\$ -	\$ -	\$ -	(112,555)	(1)	(1.00)
Services and Supplies	\$ -	\$ -	\$ (6,055)	\$ -	\$ -	\$ -	(6,055)		
<b>SCR 45900-500-07 - Policy, Planning &amp; Communication Division</b>									
Package 802: Reorganization									
Personal Services	\$ -	\$ -	\$ (5,455,485)	\$ -	\$ -	\$ -	(5,455,485)	(25)	(25.04)
Services and Supplies	\$ -	\$ -	\$ (1,912,946)	\$ -	\$ -	\$ -	(1,912,946)		
Package 812: Vacant Position Elimination									
Personal Services	\$ -	\$ -	\$ (140,604)	\$ -	\$ -	\$ -	(140,604)	(1)	(0.96)
Services and Supplies	\$ -	\$ -	\$ (6,055)	\$ -	\$ -	\$ -	(6,055)		
<b>SCR 45900-500-08 - Operations Division</b>									
Package 802: Reorganization									
Personal Services	\$ -	\$ -	\$ 37,582,683	\$ -	\$ -	\$ -	37,582,683	209	209.21
Services and Supplies	\$ -	\$ -	\$ 1,808,528	\$ -	\$ -	\$ -	1,808,528		
<b>SCR 45900-500-09 - Compliance, Audit, and Risk Division</b>									
Package 802: Agency Reorganization									
Personal Services	\$ -	\$ -	\$ 3,963,433	\$ -	\$ -	\$ -	3,963,433	17	17.04
Services and Supplies	\$ -	\$ -	\$ 2,701,824	\$ -	\$ -	\$ -	2,701,824		
Package 803: Business Continuity Program									
Services and Supplies	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	250,000		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 3,560,037	\$ -	\$ -	\$ -	3,560,037	(5)	(5.63)
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 100,956,620	\$ 10,994,171,000	\$ -	\$ -	11,095,127,620	372	371.37
% Change from 2015-17 Leg Approved Budget	0.0%	0.0%	(6.7%)	13.1%	0.0%	0.0%	12.9%	(2.1%)	(2.3%)
% Change from 2017-19 Current Service Level	0.0%	0.0%	3.7%	0.0%	0.0%	0.0%	0.0%	(1.3%)	(1.5%)

\*Excludes Capital Construction Expenditures

# Legislatively Approved 2017 - 2019 Key Performance Measures

Published: 6/14/2017 12:38:44 PM

**Agency:** Public Employees Retirement System, Oregon

**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.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
1. TIMELY RETIREMENT PAYMENTS - Percent of initial service retirements paid within 45 days from retirement date.		Approved	60%	80%	80%
2. TOTAL BENEFIT ADMIN COSTS - Total benefit administration costs per member.		Approved	\$150.00	\$145.00	\$145.00
3. MEMBER TO STAFF RATIO - Ratio of members to FTE staff.		Approved	977	977	977
4. ACCURATE BENEFIT CALCULATIONS - Percent of service retirement monthly benefits accurately calculated to within \$5 per month.		Approved	95%	100%	100%
5. LEVEL OF PARTICIPATION - Percent of state employees participating in the deferred compensation program.		Approved	39%	50%	50%
6. CUSTOMER SERVICE - Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved	92%	98%	98%
	Overall		92%	98%	98%
	Availability of Information		90%	98%	98%
	Timeliness		92%	98%	98%
	Accuracy		91%	98%	98%
	Expertise		93%	98%	98%
7. TIMELY BENEFIT ESTIMATES - Percent of benefit estimates processed within 30 days.		Approved	56%	95%	95%
8. BOARD OF DIRECTORS BEST PRACTICES - Percent of total best practices criteria met by the PERS board.		Approved	100%	100%	100%

**LFO Recommendation:**

The Legislative Fiscal Office recommends approval of the Key Performance Measures and updated targets.

**SubCommittee Action:**

The Subcommittee adopted the Legislative Fiscal Office recommendations.