

**Legislative  
Fiscal Office**

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**Joint Committee on  
Ways and Means**

Sen. Betsy Johnson, Senate Co-Chair  
Sen. Elizabeth Steiner Hayward, Senate Co-Chair  
Rep. Dan Rayfield, House Co-Chair

Sen. Jackie Winters, Senate Co-Vice Chair  
Rep. David Gomberg, House Co-Vice Chair  
Rep. Greg Smith, House Co-Vice Chair

**To:** General Government Subcommittee  
**From:** John Borden, Legislative Fiscal Office  
**Date:** June 12, 2019  
**Subject:** HB 5032 – Public Employees Retirement System  
Work Session Recommendations

**Public Employee Retirement System – Agency Totals**

|                    | <b>2015-17<br/>Actual</b> | <b>2017-19<br/>Legislatively<br/>Approved</b> | <b>2019-21<br/>Current Service<br/>Level</b> | <b>2019-21<br/>LFO<br/>Recommended</b> |
|--------------------|---------------------------|---|--|--|
| Other Funds        | 101,657,012               | 101,458,179                                   | 105,912,270                                  | 163,356,188                            |
| Other Funds NL     | 10,994,171,000            | 10,994,171,000                                | 12,493,087,721                               | 12,504,627,1921                        |
| <b>Total Funds</b> | <b>11,095,828,012</b>     | <b>11,095,629,179</b>                         | <b>12,598,999,991</b>                        | <b>12,667,983,380</b>                  |
| Positions          | 379                       | 376   | 369  | 419                                    |
| FTE                | 375.18                    | 374.30  | 369.00                                       | 414.32                                 |

Attached are the recommendations from the Legislative Fiscal Office for the Public Employees Retirement System. The 2019-21 recommended budget for the agency totals \$12.7 billion, of which \$163.4 million is for operations and \$12.5 billion is for benefit payments. The recommended budget includes 419 position (414.32 FTE).

The operating budget is \$61.7 million, or 60.7%, more than the 2017-19 legislatively approved budget of \$101.5 million and \$57.4 million, or 54.2%, more than the 2019-21 current service level. The budget for benefit payments is \$1.5 billion, or 13.7%, more than the 2017-19 legislatively approved budget of \$11 billion and \$11.6 million, or 0.1% more than the 2019-21 current service level.

The budget includes:

- SB 1049 (2019) Implementation (\$40.3 million)
- Data Center Migration (\$1.7 million)
- Oregon Savings Growth Plan (\$1.6 million)
- Cybersecurity, Business Continuity, and Disaster Recovery (\$1.2 million)
- Deferred Maintenance (\$1.2 million)
- Operation and information technology staff (\$0.9 million)
- Eliminate vacant position and other reductions (-\$1.2 million)
- Financial Services Staff (\$0.4 million)

## Maximum Supervisory Ratio

The Department reported a maximum supervisory ratio of 1:10 for the 2019-21 biennium.

## Adjustments to Current Service Level

See attached "Work Session Presentation Report."

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

**Accept** LFO Recommendation:

**MOTION: I move the LFO recommendation to HB 5032. (VOTE)**

**OR**

**Change** LFO Recommendation:

**MOTION: I move the LFO recommendation to HB 5032, with modifications. (VOTE)**

## Performance Measures

See attached "Legislatively Proposed 2019-21 Key Performance Measures."

**Accept** LFO Recommendation:

**MOTION: I move the LFO recommendation on Key Performance Measures. (VOTE)**

**OR**

**Change** LFO Recommendation:

**MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)**

## Budget Notes

#1 Budget Note:

The Public Employees Retirement System (PERS) is directed to report to the Joint Committee on Information Management and Technology and the Joint Committee on Ways and Means during the Legislative session in 2020 on the implementation of SB 1049 (2019).

The Department of Administrative Services and the Office of the State Chief Information Officer are to provide oversight of the PERS SB 1049 (2019) implementation project. The project shall adhere to the Stage Gate process. The

Department of Administrative Services - Office of the State Chief Information Officer and the Department of Administrative Services - Chief Financial Officer, in their oversight roles, are to report separately to the Joint Committee on Information Management and Technology and the Joint Committee on Ways and Means during the Legislative session in 2020 on the implementation of SB 1049 (2019).

The agencies' reports to the Legislature shall include:

- Update on project scope, schedule, and budget, and total cost of ownership
- Identification of costs associated with one-time solutions versus permanent solutions
- Independent quality assurance reporting on the project
- Impact of SB 1049 (2019) information technology project on routine agency operations
- Any exceptions from administrative rules, policies or procedures, or statutes granted to PERS by the Department of Administrative Services
- Other information that helps inform the Legislature on the status of the project or issues that have arisen as the result of the project.

**Accept** LFO Recommendation:

**MOTION:** I move the LFO recommendation on Budget Notes. (VOTE)

**OR**

**Change** LFO Recommendation (any changes must be approved by the co-chairs):

**MOTION:** I move the LFO recommendation on Budget Notes, with modifications. (VOTE)

### **Recommended Changes**

LFO recommends a budget of \$163,356,188 Other Funds and \$12,504,627,192 Other Funds Nonlimited and 419 positions (414.32 FTE), which is reflected in the -2 amendment.

**MOTION:** I move adoption of the -2 amendment to HB 5032. (VOTE)

### **Final Subcommittee Action**

LFO recommends that HB 5032, as amended by the -2 amendment, to be moved to the Ways and Means Full Committee.

**MOTION:** I move HB 5032, as amended, to the Full Committee with a do pass recommendation. (VOTE)

**Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_

LFO102 - Work Session Presentation Report  
2019-21 BienniumVersion: L - 01 - LFO Analyst Recommended  
Cross Reference: 45900-000-00-00-00000  
Public Employees Retirement System, Oregon

|   | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds    | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|----------------|-----------|----------------------------|
| <b>2017-19 Agy. Leg. Adopted</b>                      | -            | -             | 98,448,004  | -             | 10,994,171,000         | -                        | 11,092,619,004 | 373       | 372.29                     |
| 2017-19 Ebds, SS & Admin Act                          | -            | -             | 3,209,008   | -             | -                      | -                        | 3,209,008      | 6         | 2.89                       |
| Ways & Means Actions                                  | -            | -             | -           | -             | -                      | -                        | -              | -         | -                          |
| <b>2017-19 Leg Approved Budget</b>                    | -            | -             | 101,657,012 | -             | 10,994,171,000         | -                        | 11,095,828,012 | 379       | 375.18                     |
| <b>2017-19 Leg Approved Budget (Base)</b>             | -            | -             | 101,458,179 | -             | 10,994,171,000         | -                        | 11,095,629,179 | 376       | 374.30                     |
| Summary of Base Adjustments                           | -            | -             | 1,541,425   | -             | 1,498,916,721          | -                        | 1,500,458,146  | (7)       | (5.30)                     |
| <b>2019-21 Base Budget</b>                            | -            | -             | 102,999,604 | -             | 12,493,087,721         | -                        | 12,596,087,325 | 369       | 369.00                     |
| 010: Non-PICS Pers Svc/Vacancy Factor                 | -            | -             | 1,399,298   | -             | -                      | -                        | 1,399,298      | -         | -                          |
| 020: Phase In / Out Pgm & One-time Cost               | -            | -             | (5,408,954) | -             | -                      | -                        | (5,408,954)    | -         | -                          |
| 030: Inflation & Price List Adjustments               | -            | -             | 6,922,322   | -             | -                      | -                        | 6,922,322      | -         | -                          |
| <b>2019-21 Current Service Level</b>                  | -            | -             | 105,912,270 | -             | 12,493,087,721         | -                        | 12,598,999,991 | 369       | 369.00                     |
| <b>Adjusted 2019-21 Current Service Level</b>         | -            | -             | 105,912,270 | -             | 12,493,087,721         | -                        | 12,598,999,991 | 369       | 369.00                     |
| <b>Total LFO Recommended Packages</b>                 | -            | -             | 57,443,918  | -             | 11,539,471             | -                        | 68,983,389     | 50        | 45.32                      |
| <b>2019-21 Legislative Actions</b>                    | -            | -             | 163,356,188 | -             | 12,504,627,192         | -                        | 12,667,983,380 | 419       | 414.32                     |
| Net change from 2017-19 Leg Approved Budget           | -            | -             | 61,699,176  | -             | 1,510,456,192          | -                        | 1,572,155,368  | 40        | 39.14                      |
| Percent change from 2017-19 Leg Approved Budget       | 0.0%         | 0.0%          | 60.7%       | 0.0%          | 13.7%                  | 0.0%                     | 14.2%          | 10.6%     | 10.4%                      |
| Net change from 2019-21 Adj Current Service Level     | -            | -             | 57,443,918  | -             | 11,539,471             | -                        | 68,983,389     | 50        | 45.32                      |
| Percent change from 2019-21 Adj Current Service Level | 0.0%         | 0.0%          | 54.2%       | 0.0%          | 0.1%                   | 0.0%                     | 0.6%           | 13.6%     | 12.3%                      |

|   | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds    | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|----------------|-----------|----------------------------|
| <b>2017-19 Agy. Leg. Adopted</b>                      | -            | -             | -           | -             | 9,083,000,000          | -                        | 9,083,000,000  | -         | -                          |
| 2017-19 Ebds, SS & Admin Act                          | -            | -             | -           | -             | -                      | -                        | -              | -         | -                          |
| Ways & Means Actions                                  | -            | -             | -           | -             | -                      | -                        | -              | -         | -                          |
| <b>2017-19 Leg Approved Budget</b>                    | -            | -             | -           | -             | 9,083,000,000          | -                        | 9,083,000,000  | -         | -                          |
| <b>2017-19 Leg Approved Budget (Base)</b>             | -            | -             | -           | -             | 9,083,000,000          | -                        | 9,083,000,000  | -         | -                          |
| Summary of Base Adjustments                           | -            | -             | -           | -             | 1,178,052,242          | -                        | 1,178,052,242  | -         | -                          |
| <b>2019-21 Base Budget</b>                            | -            | -             | -           | -             | 10,261,052,242         | -                        | 10,261,052,242 | -         | -                          |
| <b>2019-21 Current Service Level</b>                  | -            | -             | -           | -             | 10,261,052,242         | -                        | 10,261,052,242 | -         | -                          |
| <b>Adjusted 2019-21 Current Service Level</b>         | -            | -             | -           | -             | 10,261,052,242         | -                        | 10,261,052,242 | -         | -                          |
| <b>Total LFO Recommended Packages</b>                 | -            | -             | -           | -             | 11,539,471             | -                        | 11,539,471     | -         | -                          |
| <b>2019-21 Legislative Actions</b>                    | -            | -             | -           | -             | 10,272,591,713         | -                        | 10,272,591,713 | -         | -                          |
| Net change from 2017-19 Leg Approved Budget           | -            | -             | -           | -             | 1,189,591,713          | -                        | 1,189,591,713  | -         | -                          |
| Percent change from 2017-19 Leg Approved Budget       | 0.0%         | 0.0%          | 0.0%        | 0.0%          | 13.1%                  | 0.0%                     | 13.1%          | 0.0%      | 0.0%                       |
| Net change from 2019-21 Adj Current Service Level     | -            | -             | -           | -             | 11,539,471             | -                        | 11,539,471     | -         | -                          |
| Percent change from 2019-21 Adj Current Service Level | 0.0%         | 0.0%          | 0.0%        | 0.0%          | 0.1%                   | 0.0%                     | 0.1%           | 0.0%      | 0.0%                       |

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 801 LFO Analyst Adjustments**

Package Description Increase Nonlimited Other Funds expenditure limitation by \$11,539,471 for SB 1566 (2018).

LFO Recommendation Approve the package.

LFO Analyst Notes HB 5032 (2019); SB 1566 (2019)

|                 |   |   |   |   |            |   |            |   |   |
|-----------------|---|---|---|---|------------|---|------------|---|---|
| LFO Recommended | - | - | - | - | 11,539,471 | - | 11,539,471 | - | - |
|-----------------|---|---|---|---|------------|---|------------|---|---|

|   | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds  | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|--------------|-----------|----------------------------|
| <b>2017-19 Agy. Leg. Adopted</b>                      | -            | -             | -           | -             | 815,271,000            | -                        | 815,271,000  | -         | -                          |
| 2017-19 Ebds, SS & Admin Act                          | -            | -             | -           | -             | -                      | -                        | -            | -         | -                          |
| Ways & Means Actions                                  | -            | -             | -           | -             | -                      | -                        | -            | -         | -                          |
| <b>2017-19 Leg Approved Budget</b>                    | -            | -             | -           | -             | 815,271,000            | -                        | 815,271,000  | -         | -                          |
| <b>2017-19 Leg Approved Budget (Base)</b>             | -            | -             | -           | -             | 815,271,000            | -                        | 815,271,000  | -         | -                          |
| Summary of Base Adjustments                           | -            | -             | -           | -             | (81,789,648)           | -                        | (81,789,648) | -         | -                          |
| <b>2019-21 Base Budget</b>                            | -            | -             | -           | -             | 733,481,352            | -                        | 733,481,352  | -         | -                          |
| <b>2019-21 Current Service Level</b>                  | -            | -             | -           | -             | 733,481,352            | -                        | 733,481,352  | -         | -                          |
| <b>Adjusted 2019-21 Current Service Level</b>         | -            | -             | -           | -             | 733,481,352            | -                        | 733,481,352  | -         | -                          |
| <b>2019-21 Legislative Actions</b>                    | -            | -             | -           | -             | 733,481,352            | -                        | 733,481,352  | -         | -                          |
| Net change from 2017-19 Leg Approved Budget           | -            | -             | -           | -             | (81,789,648)           | -                        | (81,789,648) | -         | -                          |
| Percent change from 2017-19 Leg Approved Budget       | 0.0%         | 0.0%          | 0.0%        | 0.0%          | (10.0%)                | 0.0%                     | (10.0%)      | 0.0%      | 0.0%                       |
| Net change from 2019-21 Adj Current Service Level     | -            | -             | -           | -             | -                      | -                        | -            | -         | -                          |
| Percent change from 2019-21 Adj Current Service Level | 0.0%         | 0.0%          | 0.0%        | 0.0%          | 0.0%                   | 0.0%                     | 0.0%         | 0.0%      | 0.0%                       |



|   | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
| <b>2017-19 Agy. Leg. Adopted</b>                      | -            | -             | -           | -             | 39,000,000             | -                        | 39,000,000  | -         | -                          |
| 2017-19 Ebds, SS & Admin Act                          | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| Ways & Means Actions                                  | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2017-19 Leg Approved Budget</b>                    | -            | -             | -           | -             | 39,000,000             | -                        | 39,000,000  | -         | -                          |
| <b>2017-19 Leg Approved Budget (Base)</b>             | -            | -             | -           | -             | 39,000,000             | -                        | 39,000,000  | -         | -                          |
| Summary of Base Adjustments                           | -            | -             | -           | -             | 36,188,960             | -                        | 36,188,960  | -         | -                          |
| <b>2019-21 Base Budget</b>                            | -            | -             | -           | -             | 75,188,960             | -                        | 75,188,960  | -         | -                          |
| <b>2019-21 Current Service Level</b>                  | -            | -             | -           | -             | 75,188,960             | -                        | 75,188,960  | -         | -                          |
| <b>Adjusted 2019-21 Current Service Level</b>         | -            | -             | -           | -             | 75,188,960             | -                        | 75,188,960  | -         | -                          |
| <b>2019-21 Legislative Actions</b>                    | -            | -             | -           | -             | 75,188,960             | -                        | 75,188,960  | -         | -                          |
| Net change from 2017-19 Leg Approved Budget           | -            | -             | -           | -             | 36,188,960             | -                        | 36,188,960  | -         | -                          |
| Percent change from 2017-19 Leg Approved Budget       | 0.0%         | 0.0%          | 0.0%        | 0.0%          | 92.8%                  | 0.0%                     | 92.8%       | 0.0%      | 0.0%                       |
| Net change from 2019-21 Adj Current Service Level     | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| Percent change from 2019-21 Adj Current Service Level | 0.0%         | 0.0%          | 0.0%        | 0.0%          | 0.0%                   | 0.0%                     | 0.0%        | 0.0%      | 0.0%                       |

LFO102 - Work Session Presentation Report  
2019-21 Biennium

Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 45900-010-04-00-00000  
Individual Account Program (IAP)

|   | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds   | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|---------------|-----------|----------------------------|
| <b>2017-19 Agy. Leg. Adopted</b>                      | -            | -             | -           | -             | 1,056,900,000          | -                        | 1,056,900,000 | -         | -                          |
| 2017-19 Ebds, SS & Admin Act                          | -            | -             | -           | -             | -                      | -                        | -             | -         | -                          |
| Ways & Means Actions                                  | -            | -             | -           | -             | -                      | -                        | -             | -         | -                          |
| <b>2017-19 Leg Approved Budget</b>                    | -            | -             | -           | -             | 1,056,900,000          | -                        | 1,056,900,000 | -         | -                          |
| <b>2017-19 Leg Approved Budget (Base)</b>             | -            | -             | -           | -             | 1,056,900,000          | -                        | 1,056,900,000 | -         | -                          |
| Summary of Base Adjustments                           | -            | -             | -           | -             | 366,465,167            | -                        | 366,465,167   | -         | -                          |
| <b>2019-21 Base Budget</b>                            | -            | -             | -           | -             | 1,423,365,167          | -                        | 1,423,365,167 | -         | -                          |
| <b>2019-21 Current Service Level</b>                  | -            | -             | -           | -             | 1,423,365,167          | -                        | 1,423,365,167 | -         | -                          |
| <b>Adjusted 2019-21 Current Service Level</b>         | -            | -             | -           | -             | 1,423,365,167          | -                        | 1,423,365,167 | -         | -                          |
| <b>2019-21 Legislative Actions</b>                    | -            | -             | -           | -             | 1,423,365,167          | -                        | 1,423,365,167 | -         | -                          |
| Net change from 2017-19 Leg Approved Budget           | -            | -             | -           | -             | 366,465,167            | -                        | 366,465,167   | -         | -                          |
| Percent change from 2017-19 Leg Approved Budget       | 0.0%         | 0.0%          | 0.0%        | 0.0%          | 34.7%                  | 0.0%                     | 34.7%         | 0.0%      | 0.0%                       |
| Net change from 2019-21 Adj Current Service Level     | -            | -             | -           | -             | -                      | -                        | -             | -         | -                          |
| Percent change from 2019-21 Adj Current Service Level | 0.0%         | 0.0%          | 0.0%        | 0.0%          | 0.0%                   | 0.0%                     | 0.0%          | 0.0%      | 0.0%                       |

|   | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
| <b>2017-19 Agy. Leg. Adopted</b>                      | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| 2017-19 Ebds, SS & Admin Act                          | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| Ways & Means Actions                                  | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2017-19 Leg Approved Budget</b>                    | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2017-19 Leg Approved Budget (Base)</b>             | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| Summary of Base Adjustments                           | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2019-21 Base Budget</b>                            | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2019-21 Current Service Level</b>                  | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>Adjusted 2019-21 Current Service Level</b>         | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>Total LFO Recommended Packages</b>                 | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2019-21 Legislative Actions</b>                    | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| Net change from 2017-19 Leg Approved Budget           | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| Percent change from 2017-19 Leg Approved Budget       | 0.0%         | 0.0%          | 0.0%        | 0.0%          | 0.0%                   | 0.0%                     | 0.0%        | 0.0%      | 0.0%                       |
| Net change from 2019-21 Adj Current Service Level     | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| Percent change from 2019-21 Adj Current Service Level | 0.0%         | 0.0%          | 0.0%        | 0.0%          | 0.0%                   | 0.0%                     | 0.0%        | 0.0%      | 0.0%                       |

|   | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
| <b>2017-19 Agy. Leg. Adopted</b>                      | -            | -             | 3,451,379   | -             | -                      | -                        | 3,451,379   | 14        | 14.00                      |
| 2017-19 Ebds, SS & Admin Act                          | -            | -             | 890,465     | -             | -                      | -                        | 890,465     | 5         | 2.50                       |
| Ways & Means Actions                                  | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2017-19 Leg Approved Budget</b>                    | -            | -             | 4,341,844   | -             | -                      | -                        | 4,341,844   | 19        | 16.50                      |
| <b>2017-19 Leg Approved Budget (Base)</b>             | -            | -             | 4,083,600   | -             | -                      | -                        | 4,083,600   | 15        | 15.00                      |
| Summary of Base Adjustments                           | -            | -             | 184,135     | -             | -                      | -                        | 184,135     | -         | -                          |
| <b>2019-21 Base Budget</b>                            | -            | -             | 4,267,735   | -             | -                      | -                        | 4,267,735   | 15        | 15.00                      |
| 010: Non-PICS Pers Svc/Vacancy Factor                 | -            | -             | 75,931      | -             | -                      | -                        | 75,931      | -         | -                          |
| 030: Inflation & Price List Adjustments               | -            | -             | 24,313      | -             | -                      | -                        | 24,313      | -         | -                          |
| 060: Technical Adjustments                            | -            | -             | 88,000      | -             | -                      | -                        | 88,000      | -         | -                          |
| <b>2019-21 Current Service Level</b>                  | -            | -             | 4,455,979   | -             | -                      | -                        | 4,455,979   | 15        | 15.00                      |
| <b>Adjusted 2019-21 Current Service Level</b>         | -            | -             | 4,455,979   | -             | -                      | -                        | 4,455,979   | 15        | 15.00                      |
| <b>Total LFO Recommended Packages</b>                 | -            | -             | 1,093,129   | -             | -                      | -                        | 1,093,129   | 6         | 5.92                       |
| <b>2019-21 Legislative Actions</b>                    | -            | -             | 5,549,108   | -             | -                      | -                        | 5,549,108   | 21        | 20.92                      |
| Net change from 2017-19 Leg Approved Budget           | -            | -             | 1,207,264   | -             | -                      | -                        | 1,207,264   | 2         | 4.42                       |
| Percent change from 2017-19 Leg Approved Budget       | 0.0%         | 0.0%          | 27.8%       | 0.0%          | 0.0%                   | 0.0%                     | 27.8%       | 10.5%     | 26.8%                      |
| Net change from 2019-21 Adj Current Service Level     | -            | -             | 1,093,129   | -             | -                      | -                        | 1,093,129   | 6         | 5.92                       |
| Percent change from 2019-21 Adj Current Service Level | 0.0%         | 0.0%          | 24.5%       | 0.0%          | 0.0%                   | 0.0%                     | 24.5%       | 40.0%     | 39.5%                      |

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 081 September 2018 Emergency Board**

Package Description Increase Other Funds expenditure limitation by \$704,393 and authorize the transfer of four positions (4.00 FTE) from the Operations Division to the Central Administration Division in order to re-establish a Communications Section.

LFO Recommendation Approve the package.

LFO Analyst Notes HB 5032 (2019); See Emergency Board Item #86 (September 2018)

|                 |   |   |         |   |   |   |         |   |      |
|-----------------|---|---|---------|---|---|---|---------|---|------|
| LFO Recommended | - | - | 704,393 | - | - | - | 704,393 | 4 | 4.00 |
|-----------------|---|---|---------|---|---|---|---------|---|------|

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 805 Operational Implementation**

Package Description Increase Other Funds expenditure limitation by \$388,736 and authorize the establishment of two of permanent full-time positions (0.96 FTE).

Establish two C0865 PUBLIC AFFAIRS SPEC 2 (1.92 FTE)

LFO Recommendation Approve the package.

Budget Notes

LFO Analyst Notes HB 5032 (2019) and SB 1049 (2019)

|                 |   |   |         |   |   |   |         |   |      |
|-----------------|---|---|---------|---|---|---|---------|---|------|
| LFO Recommended | - | - | 388,736 | - | - | - | 388,736 | 2 | 1.92 |
|-----------------|---|---|---------|---|---|---|---------|---|------|

LFO102 - Work Session Presentation Report  
2019-21 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 45900-500-03-00-00000

Financial & Admin Services Division (FASD)

|   | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
| <b>2017-19 Agy. Leg. Adopted</b>                      | -            | -             | 22,886,280  | -             | -                      | -                        | 22,886,280  | 62        | 62.50                      |
| 2017-19 Ebds, SS & Admin Act                          | -            | -             | 1,035,451   | -             | -                      | -                        | 1,035,451   | 1         | 0.38                       |
| Ways & Means Actions                                  | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2017-19 Leg Approved Budget</b>                    | -            | -             | 23,921,731  | -             | -                      | -                        | 23,921,731  | 63        | 62.88                      |
| <b>2017-19 Leg Approved Budget (Base)</b>             | -            | -             | 23,317,940  | -             | -                      | -                        | 23,317,940  | 62        | 62.50                      |
| Summary of Base Adjustments                           | -            | -             | 4,731       | -             | -                      | -                        | 4,731       | (3)       | (3.50)                     |
| <b>2019-21 Base Budget</b>                            | -            | -             | 23,322,671  | -             | -                      | -                        | 23,322,671  | 59        | 59.00                      |
| 010: Non-PICS Pers Svc/Vacancy Factor                 | -            | -             | 228,698     | -             | -                      | -                        | 228,698     | -         | -                          |
| 020: Phase In / Out Pgm & One-time Cost               | -            | -             | (379,805)   | -             | -                      | -                        | (379,805)   | -         | -                          |
| 030: Inflation & Price List Adjustments               | -            | -             | 6,052,604   | -             | -                      | -                        | 6,052,604   | -         | -                          |
| 060: Technical Adjustments                            | -            | -             | 300,000     | -             | -                      | -                        | 300,000     | -         | -                          |
| <b>2019-21 Current Service Level</b>                  | -            | -             | 29,524,168  | -             | -                      | -                        | 29,524,168  | 59        | 59.00                      |
| <b>Adjusted 2019-21 Current Service Level</b>         | -            | -             | 29,524,168  | -             | -                      | -                        | 29,524,168  | 59        | 59.00                      |
| <b>Total LFO Recommended Packages</b>                 | -            | -             | 15,116,318  | -             | -                      | -                        | 15,116,318  | 5         | 4.52                       |
| <b>2019-21 Legislative Actions</b>                    | -            | -             | 44,640,486  | -             | -                      | -                        | 44,640,486  | 64        | 63.52                      |
| Net change from 2017-19 Leg Approved Budget           | -            | -             | 20,718,755  | -             | -                      | -                        | 20,718,755  | 1         | 0.64                       |
| Percent change from 2017-19 Leg Approved Budget       | 0.0%         | 0.0%          | 86.6%       | 0.0%          | 0.0%                   | 0.0%                     | 86.6%       | 1.6%      | 1.0%                       |
| Net change from 2019-21 Adj Current Service Level     | -            | -             | 15,116,318  | -             | -                      | -                        | 15,116,318  | 5         | 4.52                       |
| Percent change from 2019-21 Adj Current Service Level | 0.0%         | 0.0%          | 51.2%       | 0.0%          | 0.0%                   | 0.0%                     | 51.2%       | 8.5%      | 7.7%                       |

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 081 September 2018 Emergency Board**

Package Description Establish one permanent full-time Accountant 4 (1.00 FTE) for the Individual Account Program and target-date fund investment earnings crediting. This position, previously approved by the Emergency Board, is recommended to be re-authorized by the Legislature.

LFO Recommendation Approve the package.

LFO Analyst Notes HB 5032 (2019); See Emergency Board Item #84 (September 2018)

|                 |   |   |         |   |   |   |         |   |      |
|-----------------|---|---|---------|---|---|---|---------|---|------|
| LFO Recommended | - | - | 198,066 | - | - | - | 198,066 | 1 | 1.00 |
|-----------------|---|---|---------|---|---|---|---------|---|------|



|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 082 December 2018 Emergency Board**

Package Description Increase Other Funds expenditure limitation by \$1.698 million for for an Oregon Savings and Growth Plan (OSGP). This action, previously approved by the Emergency Board, is recommended to be re-authorized by the Legislature.

The package places under expenditure limitation most OSGP expenses except those related to the third-party defined compensation administrator and investment management fees charged by the various investment funds to individual member accounts, which appropriately must remain non-budgeted. This package increases the transparency of OSGP expenses, but more importantly would increase the level of accountability PERS exercises over supplemental funding provided to the third-party defined compensation administrator for such services as: an account manager; a communication consultant; and four field representatives.

LFO Recommendation Approve the request.

LFO Analyst Notes HB 5032 (2019)

|                 |   |   |           |   |   |   |           |   |   |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|
| LFO Recommended | - | - | 1,698,000 | - | - | - | 1,698,000 | - | - |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|

LFO102 - Work Session Presentation Report  
2019-21 Biennium

Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 45900-500-03-00-00000  
Financial & Admin Services Division (FASD)

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 090 Analyst Adjustments**

Package Description Reduce Other Funds expenditure limitation by \$183,430. This package reduces agency limitation for rent to account for unneeded expenditure limitation.

LFO Recommendation Approve the package.

LFO Analyst Notes HB 5032 (2019)

|                 |   |   |           |   |   |   |           |   |   |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|
| LFO Recommended | - | - | (183,430) | - | - | - | (183,430) | - | - |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 103 FASD Strategic Fulfillment**

Package Description Increase Other Funds expenditure limitation by \$357,679 and re-authorize the establishment of one limited duration position (1.00 FTE).

This would be for one limited duration Accounting Tech 3 positions to perform collections based on a 2012 Oregon Supreme Court decision to retroactively reduce the earnings credited to members. Approximately 92.2 percent of PERS members subject to collections now have collections automatically deducted from benefits and automatically applied to benefits and the work to recalculate benefits is substantially complete.

LFO Recommendation Approve the package.

LFO Analyst Notes HB 5032 (2019)

|                 |   |   |         |   |   |   |         |   |      |
|-----------------|---|---|---------|---|---|---|---------|---|------|
| LFO Recommended | - | - | 357,679 | - | - | - | 357,679 | 1 | 1.00 |
|-----------------|---|---|---------|---|---|---|---------|---|------|

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 107 Deferred Maintenance**

Package Description Increase Other Funds expenditure limitation by \$1.2 million for deferred maintenance. The package is budget as a Capital Improvement appropriated fund.

The package approves the following projects, each of which includes a 15% contingency amount: (1) Variable Air Volume Boxes Replacement: \$66,401; (2) Roof Replacement: \$438,379; (3) Building Exterior Repairs: \$199,857; (4) Heating, Air Conditioning and Ventilation System Replacement: \$456,918.

LFO Recommendation Approve, as a one-time adjustment.

LFO Analyst Notes HB 5032 (2019); See SB 1067 (2017)

|                 |   |   |           |   |   |   |           |   |   |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|
| LFO Recommended | - | - | 1,161,555 | - | - | - | 1,161,555 | - | - |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 801 LFO Analyst Adjustments**

Package Description Increase Other Funds expenditure limitation by \$2 for SB 1566 (2018) by establishing a \$11,539,471 expenditure limitation for the School Districts Unfunded Liability Fund and \$1 for the Employer Incentive Fund. The agency may request additional expenditure limitation as revenue(s) for these two funds become available.

LFO Recommendation Approve the package.

LFO Analyst Notes HB 5032 (2019); SB 1566 (2018)

|                 |   |   |            |   |   |   |            |   |   |
|-----------------|---|---|------------|---|---|---|------------|---|---|
| LFO Recommended | - | - | 11,539,472 | - | - | - | 11,539,472 | - | - |
|-----------------|---|---|------------|---|---|---|------------|---|---|

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Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 45900-500-03-00-00000  
Financial & Admin Services Division (FASD)

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 805 Operational Implementation**

Package Description Increase Other Funds expenditure limitation by \$595,862 and authorize the establishment of four permanent full-time positions (3.52 FTE).

Establish two C1217 ACCOUNTANT 3 (1.76 FTE) and Establish two C0212 ACCOUNTING TECHNICIAN 3 (1.76 FTE)

LFO Recommendation Approve the package.

LFO Analyst Notes HB 5032 (2019) and SB 1049 (2019)

|                 |   |   |         |   |   |   |         |   |      |
|-----------------|---|---|---------|---|---|---|---------|---|------|
| LFO Recommended | - | - | 595,862 | - | - | - | 595,862 | 4 | 3.52 |
|-----------------|---|---|---------|---|---|---|---------|---|------|

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 812 Vacant Position Elimination**

Package Description Abolish one permanent full-time Principal Executive Manager-F (1.00 FTE)(Chief Administrative Officer) that has been vacant for 11-months. This position can be eliminated as the Legislature in 2017 established a permanent full-time Principal Executive Manager-G position to serve as the agency's Chief Financial Officer (1.00 FTE). PERS has made the decision that the Chief Administrative Officer position is therefore no longer needed by the agency.

LFO Recommendation Approve the package.

LFO Analyst Notes HB 5032 (2019); See HB 5006 (2017)

|                 |   |   |           |   |   |   |           |     |        |
|-----------------|---|---|-----------|---|---|---|-----------|-----|--------|
| LFO Recommended | - | - | (250,886) | - | - | - | (250,886) | (1) | (1.00) |
|-----------------|---|---|-----------|---|---|---|-----------|-----|--------|

|   | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
| <b>2017-19 Agy. Leg. Adopted</b>                      | -            | -             | 27,016,390  | -             | -                      | -                        | 27,016,390  | 71        | 69.54                      |
| 2017-19 Ebds, SS & Admin Act                          | -            | -             | 558,842     | -             | -                      | -                        | 558,842     | 2         | 1.34                       |
| Ways & Means Actions                                  | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2017-19 Leg Approved Budget</b>                    | -            | -             | 27,575,232  | -             | -                      | -                        | 27,575,232  | 73        | 70.88                      |
| <b>2017-19 Leg Approved Budget (Base)</b>             | -            | -             | 28,075,232  | -             | -                      | -                        | 28,075,232  | 73        | 70.88                      |
| Summary of Base Adjustments                           | -            | -             | 298,839     | -             | -                      | -                        | 298,839     | (4)       | (1.88)                     |
| <b>2019-21 Base Budget</b>                            | -            | -             | 28,374,071  | -             | -                      | -                        | 28,374,071  | 69        | 69.00                      |
| 010: Non-PICS Pers Svc/Vacancy Factor                 | -            | -             | 296,782     | -             | -                      | -                        | 296,782     | -         | -                          |
| 020: Phase In / Out Pgm & One-time Cost               | -            | -             | (4,779,149) | -             | -                      | -                        | (4,779,149) | -         | -                          |
| 030: Inflation & Price List Adjustments               | -            | -             | 310,437     | -             | -                      | -                        | 310,437     | -         | -                          |
| <b>2019-21 Current Service Level</b>                  | -            | -             | 24,202,141  | -             | -                      | -                        | 24,202,141  | 69        | 69.00                      |
| <b>Adjusted 2019-21 Current Service Level</b>         | -            | -             | 24,202,141  | -             | -                      | -                        | 24,202,141  | 69        | 69.00                      |
| <b>Total LFO Recommended Packages</b>                 | -            | -             | 1,941,862   | -             | -                      | -                        | 1,941,862   | 1         | 0.76                       |
| <b>2019-21 Legislative Actions</b>                    | -            | -             | 26,144,003  | -             | -                      | -                        | 26,144,003  | 70        | 69.76                      |
| Net change from 2017-19 Leg Approved Budget           | -            | -             | (1,431,229) | -             | -                      | -                        | (1,431,229) | (3)       | (1.12)                     |
| Percent change from 2017-19 Leg Approved Budget       | 0.0%         | 0.0%          | (5.2%)      | 0.0%          | 0.0%                   | 0.0%                     | (5.2%)      | (4.1%)    | (1.6%)                     |
| Net change from 2019-21 Adj Current Service Level     | -            | -             | 1,941,862   | -             | -                      | -                        | 1,941,862   | 1         | 0.76                       |
| Percent change from 2019-21 Adj Current Service Level | 0.0%         | 0.0%          | 8.0%        | 0.0%          | 0.0%                   | 0.0%                     | 8.0%        | 1.5%      | 1.1%                       |



|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 102 Data Center Migration**

Package Description Increase Other Funds expenditure limitation by \$1.7 million to fund the agency's transition to the Department of Administrative Services - State Data Center. The agency will need to purchase new servers and software and associated services to complete the move, which is anticipated for June 2020. A similar policy package and direction was given the agency by the Legislature in 2017 (SB 5534), but was not executed.

LFO Recommendation Approve, as a one-time adjustment.

LFO Analyst Notes HB 5032 (2019); See SB 5534 (2017) budget notes.

|                 |   |   |           |   |   |   |           |   |   |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|
| LFO Recommended | - | - | 1,715,318 | - | - | - | 1,715,318 | - | - |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|

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Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 45900-500-04-00-00000  
Information Services Division

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 104 Maintaining Current Services**

Package Description Increase Other Funds expenditure limitation by \$356,295 and authorize the establishment of two permanent full-time position (1.76 FTE) for an Information Systems Specialist 6 Quality Assurance Engineer and an Information Systems Specialist 6 Electronic Content Management analyst.

LFO Recommendation Approve the package.

LFO Analyst Notes HB 5032 (2019)

|                 |   |   |         |   |   |   |         |   |      |
|-----------------|---|---|---------|---|---|---|---------|---|------|
| LFO Recommended | - | - | 356,295 | - | - | - | 356,295 | 2 | 1.76 |
|-----------------|---|---|---------|---|---|---|---------|---|------|

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 812 Vacant Position Elimination**

Package Description Reduce Other Funds expenditure limitation by \$129,751 and abolish one permanent full-time position (1.00 FTE). This package eliminates one long-term vacant Office Specialist 1 position and associated Services and Supplies in the Electronic Content Management section. The position has been vacant for 20-months.

LFO Recommendation Approve the package.

LFO Analyst Notes HB 5032 (2019)

|                 |   |   |           |   |   |   |           |     |        |
|-----------------|---|---|-----------|---|---|---|-----------|-----|--------|
| LFO Recommended | - | - | (129,751) | - | - | - | (129,751) | (1) | (1.00) |
|-----------------|---|---|-----------|---|---|---|-----------|-----|--------|

|   | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
| <b>2017-19 Agy. Leg. Adopted</b>                      | -            | -             | 38,293,457  | -             | -                      | -                        | 38,293,457  | 209       | 209.21                     |
| 2017-19 Ebds, SS & Admin Act                          | -            | -             | (182,479)   | -             | -                      | -                        | (182,479)   | (5)       | (2.50)                     |
| Ways & Means Actions                                  | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2017-19 Leg Approved Budget</b>                    | -            | -             | 38,110,978  | -             | -                      | -                        | 38,110,978  | 204       | 206.71                     |
| <b>2017-19 Leg Approved Budget (Base)</b>             | -            | -             | 38,993,722  | -             | -                      | -                        | 38,993,722  | 208       | 208.21                     |
| Summary of Base Adjustments                           | -            | -             | 818,368     | -             | -                      | -                        | 818,368     | -         | (0.21)                     |
| <b>2019-21 Base Budget</b>                            | -            | -             | 39,812,090  | -             | -                      | -                        | 39,812,090  | 208       | 208.00                     |
| 010: Non-PICS Pers Svc/Vacancy Factor                 | -            | -             | 711,437     | -             | -                      | -                        | 711,437     | -         | -                          |
| 030: Inflation & Price List Adjustments               | -            | -             | 70,403      | -             | -                      | -                        | 70,403      | -         | -                          |
| 060: Technical Adjustments                            | -            | -             | (308,000)   | -             | -                      | -                        | (308,000)   | -         | -                          |
| <b>2019-21 Current Service Level</b>                  | -            | -             | 40,285,930  | -             | -                      | -                        | 40,285,930  | 208       | 208.00                     |
| <b>Adjusted 2019-21 Current Service Level</b>         | -            | -             | 40,285,930  | -             | -                      | -                        | 40,285,930  | 208       | 208.00                     |
| <b>Total LFO Recommended Packages</b>                 | -            | -             | (847,587)   | -             | -                      | -                        | (847,587)   | (1)       | (1.48)                     |
| <b>2019-21 Legislative Actions</b>                    | -            | -             | 39,438,343  | -             | -                      | -                        | 39,438,343  | 207       | 206.52                     |
| Net change from 2017-19 Leg Approved Budget           | -            | -             | 1,327,365   | -             | -                      | -                        | 1,327,365   | 3         | (0.19)                     |
| Percent change from 2017-19 Leg Approved Budget       | 0.0%         | 0.0%          | 3.5%        | 0.0%          | 0.0%                   | 0.0%                     | 3.5%        | 1.5%      | (0.1%)                     |
| Net change from 2019-21 Adj Current Service Level     | -            | -             | (847,587)   | -             | -                      | -                        | (847,587)   | (1)       | (1.48)                     |
| Percent change from 2019-21 Adj Current Service Level | 0.0%         | 0.0%          | (2.1%)      | 0.0%          | 0.0%                   | 0.0%                     | (2.1%)      | (0.5%)    | (0.7%)                     |

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2019-21 Biennium

Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 45900-500-08-00-00000  
Operations Division

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 081 September 2018 Emergency Board**

Package Description Reduce Other Funds expenditure limitation by \$704,393 and authorize the transfer of four positions (4.00 FTE) from the Operations Division to the Central Administration Division in order to re-establish a Communications Section.

LFO Recommendation Approve the package.

LFO Analyst Notes HB 5032 (2019); See Emergency Board Item #86 (September 2018)

|                 |   |   |           |   |   |   |           |     |        |
|-----------------|---|---|-----------|---|---|---|-----------|-----|--------|
| LFO Recommended | - | - | (704,393) | - | - | - | (704,393) | (4) | (4.00) |
|-----------------|---|---|-----------|---|---|---|-----------|-----|--------|

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 090 Analyst Adjustments**

Package Description Reduce Other Funds expenditure limitation by \$461,098. This package reduces Services and Supplies limitation by \$200,000 to account for unneeded limitation and eliminates \$250,000 for temporary staff due to increased permanent full-time staff that are recommended to be authorized in Policy Package 104 - Maintaining Current Services.

LFO Recommendation Approve the package.

LFO Analyst Notes HB 5032 (2019)

|                 |   |   |           |   |   |   |           |   |   |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|
| LFO Recommended | - | - | (461,098) | - | - | - | (461,098) | - | - |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 104 Maintaining Current Services**

Package Description Increase Other Funds expenditure limitation by \$568,790 and authorize the establishment of four permanent full-time positions (3.52 FTE).

- (1) The Calculations Supervisor position is requested to allow the section manager to assume higher level responsibilities.
- (2) Operations and Policy Analyst 2 position to assist the Operations division with reconciling data coming in from Treasury related to their transition to a Target Date Funds investing approach to the Individual Account Program;
- (3) Two positions to work in the Intake and Review section, including one Retirement Counselor 2 and one Office Specialist 2.

LFO Recommendation Approve the package.

LFO Analyst Notes HB 5032 (2019)

|                        |   |   |         |   |   |   |         |   |      |
|------------------------|---|---|---------|---|---|---|---------|---|------|
| <b>LFO Recommended</b> | - | - | 568,790 | - | - | - | 568,790 | 4 | 3.52 |
|------------------------|---|---|---------|---|---|---|---------|---|------|

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 812 Vacant Position Elimination**

Package Description Reduce Other Funds expenditure limitation by \$250,886 and abolish one permanent full-time position (1.00 FTE). Abolish one permanent full-time Principal Executive Manager-F (1.00 FTE) that has been vacant for 16-months. This position can be eliminated due to the agency's consolidation of two divisions into a single division in 2015 thereby eliminating the need for one division administrator.

LFO Recommendation Approve the package.

LFO Analyst Notes HB 5032 (2019)

|                 |   |   |           |   |   |   |           |     |        |
|-----------------|---|---|-----------|---|---|---|-----------|-----|--------|
| LFO Recommended | - | - | (250,886) | - | - | - | (250,886) | (1) | (1.00) |
|-----------------|---|---|-----------|---|---|---|-----------|-----|--------|



LFO102 - Work Session Presentation Report  
2019-21 Biennium

Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 45900-500-09-00-00000  
Compliance, Audit, and Risk Division

|   | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
| <b>2017-19 Agy. Leg. Adopted</b>                      | -            | -             | 6,800,498   | -             | -                      | -                        | 6,800,498   | 17        | 17.04                      |
| 2017-19 Ebds, SS & Admin Act                          | -            | -             | 906,729     | -             | -                      | -                        | 906,729     | 3         | 1.17                       |
| Ways & Means Actions                                  | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2017-19 Leg Approved Budget</b>                    | -            | -             | 7,707,227   | -             | -                      | -                        | 7,707,227   | 20        | 18.21                      |
| <b>2017-19 Leg Approved Budget (Base)</b>             | -            | -             | 6,987,685   | -             | -                      | -                        | 6,987,685   | 18        | 17.71                      |
| Summary of Base Adjustments                           | -            | -             | 235,352     | -             | -                      | -                        | 235,352     | -         | 0.29                       |
| <b>2019-21 Base Budget</b>                            | -            | -             | 7,223,037   | -             | -                      | -                        | 7,223,037   | 18        | 18.00                      |
| 010: Non-PICS Pers Svc/Vacancy Factor                 | -            | -             | 86,450      | -             | -                      | -                        | 86,450      | -         | -                          |
| 020: Phase In / Out Pgm & One-time Cost               | -            | -             | (250,000)   | -             | -                      | -                        | (250,000)   | -         | -                          |
| 030: Inflation & Price List Adjustments               | -            | -             | 464,565     | -             | -                      | -                        | 464,565     | -         | -                          |
| 060: Technical Adjustments                            | -            | -             | (80,000)    | -             | -                      | -                        | (80,000)    | -         | -                          |
| <b>2019-21 Current Service Level</b>                  | -            | -             | 7,444,052   | -             | -                      | -                        | 7,444,052   | 18        | 18.00                      |
| <b>Adjusted 2019-21 Current Service Level</b>         | -            | -             | 7,444,052   | -             | -                      | -                        | 7,444,052   | 18        | 18.00                      |
| <b>Total LFO Recommended Packages</b>                 | -            | -             | 1,080,482   | -             | -                      | -                        | 1,080,482   | 2         | 2.00                       |
| <b>2019-21 Legislative Actions</b>                    | -            | -             | 8,524,534   | -             | -                      | -                        | 8,524,534   | 20        | 20.00                      |
| Net change from 2017-19 Leg Approved Budget           | -            | -             | 817,307     | -             | -                      | -                        | 817,307     | -         | 1.79                       |
| Percent change from 2017-19 Leg Approved Budget       | 0.0%         | 0.0%          | 10.6%       | 0.0%          | 0.0%                   | 0.0%                     | 10.6%       | 0.0%      | 9.8%                       |
| Net change from 2019-21 Adj Current Service Level     | -            | -             | 1,080,482   | -             | -                      | -                        | 1,080,482   | 2         | 2.00                       |
| Percent change from 2019-21 Adj Current Service Level | 0.0%         | 0.0%          | 14.5%       | 0.0%          | 0.0%                   | 0.0%                     | 14.5%       | 11.1%     | 11.1%                      |

LFO102 - Work Session Presentation Report  
2019-21 Biennium

Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 45900-500-09-00-00000  
Compliance, Audit, and Risk Division

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 082 December 2018 Emergency Board**

Package Description Increase the Other Funds expenditure limitation by \$442,191 and establish two permanent full-time positions (2.00 FTE). These positions, previously authorized by the Emergency Board, are recommended to be re-authorized by the Legislature.

The position are: a permanent full-time Information System Specialist 8 (Senior Systems Security Analyst) for cybersecurity controls and a permanent full-time Operations and Policy Analyst 3 (Continuity and Disaster Recovery Program Analyst) to manage the agency's Continuity Management program.

LFO Recommendation Approve the package.

LFO Analyst Notes HB 5032 (2019); Also see Emergency Board Item #46 (December 2018)

|                 |   |   |         |   |   |   |         |   |      |
|-----------------|---|---|---------|---|---|---|---------|---|------|
| LFO Recommended | - | - | 442,191 | - | - | - | 442,191 | 2 | 2.00 |
|-----------------|---|---|---------|---|---|---|---------|---|------|

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 106 Risk and Security Management**

Package Description Increase Other Funds expenditure limitation by \$638,291 for services and supplies to support information security, business continuity and disaster recovery program.

Ongoing legislative direction to PERS since 2016 has been to correct as soon as possible the serious operational security deficiencies; develop and implement an industry standard Cyber Security Program, an industry standard Disaster Recovery Program, and an industry standard Business Continuity Program; and establish a disaster recovery warm site. Legislative support of these various initiatives has been extensive.

The agency had taken steps during the 2015-17 biennium to work on this program after the results of several information security audits revealed numerous flaws in the agency's security architecture. PERS requested security resources in their 2017-19 requested budget, but those three positions along with two others were moved to the Department of Administrative Services - Enterprise Security Office with the centralization of information technology security. During the 2017 legislative session, PERS received \$750,000 to do the planning for a business continuity and disaster recovery program as well as \$1.6 million in contract dollars for IT security remediation. The department has repeatedly assured the Legislature that these programs will be completed in June of 2019.

LFO Recommendation Approve the package, as a one-time adjustment and with direction that the Department of Administrative Services is to unschedule the funds until the Public Employees Retirement System submits a third-party assessment evaluating whether the agency has established an industry standard Cyber Security Program, an industry standard Disaster Recovery Program, and an industry standard Business Continuity Program.

LFO Analyst Notes HB 5032 (2019); See Emergency Board Item #46 (December 2018); Secretary of State Audit entitled "Severe Deficiencies in Disaster Recovery Program and Insufficient Information Technology Planning Pose Substantial Risk to Beneficiary and the State (October 2018)."

|                 |   |   |         |   |   |   |         |   |   |
|-----------------|---|---|---------|---|---|---|---------|---|---|
| LFO Recommended | - | - | 638,291 | - | - | - | 638,291 | - | - |
|-----------------|---|---|---------|---|---|---|---------|---|---|

|   | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
| <b>2017-19 Agy. Leg. Adopted</b>                      | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| 2017-19 Ebds, SS & Admin Act                          | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| Ways & Means Actions                                  | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2017-19 Leg Approved Budget</b>                    | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2017-19 Leg Approved Budget (Base)</b>             | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| Summary of Base Adjustments                           | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2019-21 Base Budget</b>                            | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2019-21 Current Service Level</b>                  | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>Adjusted 2019-21 Current Service Level</b>         | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>Total LFO Recommended Packages</b>                 | -            | -             | 39,059,714  | -             | -                      | -                        | 39,059,714  | 37        | 33.60                      |
| <b>2019-21 Legislative Actions</b>                    | -            | -             | 39,059,714  | -             | -                      | -                        | 39,059,714  | 37        | 33.60                      |
| Net change from 2017-19 Leg Approved Budget           | -            | -             | 39,059,714  | -             | -                      | -                        | 39,059,714  | 37        | 33.60                      |
| Percent change from 2017-19 Leg Approved Budget       | 0.0%         | 0.0%          | 100.0%      | 0.0%          | 0.0%                   | 0.0%                     | 100.0%      | 100.0%    | 100.0%                     |
| Net change from 2019-21 Adj Current Service Level     | -            | -             | 39,059,714  | -             | -                      | -                        | 39,059,714  | 37        | 33.60                      |
| Percent change from 2019-21 Adj Current Service Level | 0.0%         | 0.0%          | 100.0%      | 0.0%          | 0.0%                   | 0.0%                     | 100.0%      | 100.0%    | 100.0%                     |

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 802 Project Management and Administration**

Package Description Establish an Other Funds expenditure limitation of \$2.5 million for a vendor contract for a project management firm for implementation of SB 1049 (2019).

LFO Recommendation Approve the package, as a one-time expenditure.

LFO Analyst Notes HB 5032 (2019); SB 1049 (2019)

|                 |   |   |           |   |   |   |           |   |   |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|
| LFO Recommended | - | - | 2,500,000 | - | - | - | 2,500,000 | - | - |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|

LFO102 - Work Session Presentation Report  
2019-21 Biennium

Version: L - 01 - LFO Analyst Recommended  
Cross Reference: 45900-900-00-00-00000  
Core Retirement System Applications

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 803 Quality Assurance and Testing**

Package Description Establish an Other Funds expenditure limitation of \$2.5 million for independent quality assurance and control for the implementation of SB 1049 (2019).

LFO Recommendation Approve the package, as a one-time expenditure.

LFO Analyst Notes HB 5032 (2019); SB 1049 (2019)

|                 |   |   |           |   |   |   |           |   |   |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|
| LFO Recommended | - | - | 2,500,000 | - | - | - | 2,500,000 | - | - |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 804 Information Technology Applications**

Package Description Establish an Other Funds expenditure limitation of \$26 million for information technology applications for the implementation of SB 1049 (2019).

Temporary Solutions:

- (1) Third-Party Administrator - Employee Pension Stability Account Database (\$1.750 million)
- (2) Third-Party Administrator - Final Average Salary (\$770,000)
- (3) Third-Party Administrator - Work-After-Retirement (\$770,000)
- (4) Third-Party Administrator - Sequel Server Integration Services Database (\$180,000)
- (5) Third-Party Administrator - VOYA contract services (\$1,205,000)

Permanent Solutions:

- (1) Third-Party Administrator - Employee Redirect (\$20 million)
- (2) Third-Party Administrator - Employer Data Exchange - Validation Date of Birth (\$42,000)
- (3) Actuarial Rate Projection Tool - (\$1.275 million)(SB 1566 [2018])

LFO Recommendation Approve the package, as a one-time expenditure.

LFO Analyst Notes HB 5032 (2019); SB 1049 (2019)

|                 |   |   |            |   |   |   |            |   |   |
|-----------------|---|---|------------|---|---|---|------------|---|---|
| LFO Recommended | - | - | 25,992,000 | - | - | - | 25,992,000 | - | - |
|-----------------|---|---|------------|---|---|---|------------|---|---|

|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 805 Operational Implementation**

Package Description Establish an Other Funds expenditure limitation of \$7.6 million and establish 37 limited duration positions (33.60 FTE), which includes \$1.9 million in associated services and supplies, for operational implementation of SB 1049 (2019).

Central Administration: \$1,039,142 and four positions (3.84 FTE); establish three X0872 OPERATIONS & POLICY ANALYST 3 and establish one C2512 ELECTRONIC PUB DESIGN SPEC 3.

Financial and Administrative Services Division: \$1,727,591 and four positions (3.64 FTE): establish one X0872 OPERATIONS & POLICY ANALYST 3; establish one C0438 PROCUREMENT & CONTRACT SPEC 3; establish one X1322 HUMAN RESOURCE ANALYST 3; establish one C0104 OFFICE SPECIALIST 2.

Information Services Division: \$588,506 and three positions (2.75 FTE): Establish two C1487 INFO SYSTEMS SPECIALIST 7 and establish one C1484 INFO SYSTEMS SPECIALIST 4.

Operations Division: \$3,314,898 and 22 positions (19.68 FTE): Establish nine C0841 RETIREMENT COUNSELOR 1; establish two C0842 RETIREMENT COUNSELOR 2; establish one C0860 PROGRAM ANALYST 1; establish one C0104 OFFICE SPECIALIST 2; establish four C0870 OPERATIONS & POLICY ANALYST 1; establish three C0871 OPERATIONS & POLICY ANALYST 2; and establish two C1484 INFO SYSTEMS SPECIALIST 4.

Compliance, Audit, and Risk Division: \$897,577 and four positions (3.68 FTE): Establish one X0872 OPERATIONS & POLICY ANALYST 3; establish one C5247 COMPLIANCE SPECIALIST 2; and establish two C0870 OPERATIONS & POLICY ANALYST 1.

LFO Recommendation Approve the package, as a one-time expenditure.

LFO Analyst Notes HB 5032 (2019); SB 1049 (2019)

|                 |   |   |           |   |   |   |           |    |       |
|-----------------|---|---|-----------|---|---|---|-----------|----|-------|
| LFO Recommended | - | - | 7,567,714 | - | - | - | 7,567,714 | 37 | 33.60 |
|-----------------|---|---|-----------|---|---|---|-----------|----|-------|



|  | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 806 Contingency Reserve**

Package Description Establish an Other Funds expenditure limitation of \$500,000 for the Pension Redirect cost, as a contingency reserve for the implementation of SB 1049 (2019).

The PERS budget request included no contingency reserve funding for the implementation of SB 1049. Contingency reserve funds are being recommended by the Legislative Fiscal Office out of concern that the project costs estimated by PERS may be understated and that the PERS request lacks supporting documentation.

LFO Recommendation Approve the package, as a one-time expenditure.

LFO Analyst Notes HB 5032 (2019); SB 1049 (2019)

|                        |   |   |         |   |   |   |         |   |   |
|------------------------|---|---|---------|---|---|---|---------|---|---|
| <b>LFO Recommended</b> | - | - | 500,000 | - | - | - | 500,000 | - | - |
|------------------------|---|---|---------|---|---|---|---------|---|---|

# Legislatively Proposed 2019 - 2021 Key Performance Measures

Published: 6/9/2019 9:43:13 AM

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 Proposed KPMs  | Metrics                     | Agency Request | Last Reported Result | Target 2020 | Target 2021 |
|--|-----------------------------|----------------|----------------------|-------------|-------------|
| 1. TIMELY RETIREMENT PAYMENTS - Percent of initial service retirements paid within 45 days from retirement date.   |                             | Approved       | 65%                  | 80%         | 80%         |
| 2. TOTAL BENEFIT ADMIN COSTS - Total benefit administration costs per member.  |                             | Approved       | \$145.00             | \$165.00    | \$165.00    |
| 3. MEMBER TO STAFF RATIO - Ratio of members to FTE staff.  |                             | Approved       | 1,048                | 1,055       | 1,055       |
| 4. ACCURATE BENEFIT CALCULATIONS - Percent of service retirement monthly benefits accurately calculated to within \$5 per month.   |                             | Approved       | 100%                 | 100%        | 100%        |
| 5. LEVEL OF PARTICIPATION - Percent of state employees participating in the deferred compensation program.   |                             | Approved       | 42%                  | 45%         | 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       | 91%                  | 95%         | 95%         |
|  | Overall                     |                | 91%                  | 95%         | 95%         |
|  | Availability of Information |                | 88%                  | 95%         | 95%         |
|  | Timeliness                  |                | 90%                  | 95%         | 95%         |
|  | Accuracy                    |                | 91%                  | 95%         | 95%         |
|  | Expertise                   |                | 92%                  | 95%         | 95%         |
| 7. TIMELY BENEFIT ESTIMATES - Percent of benefit estimates processed within 30 days.   |                             | Approved       | 34%                  | 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:**