

SUBCOMMITTEE RECOMMENDATION

HB 5032

Public Employees Retirement System

HB 5032 is the budget bill for the Public Employee Retirement System. PERS administers the retirement plans that cover most of Oregon's public employees. It also administers self-pay health care plans for qualified retirees.

The General Government Subcommittee approved a total budget of \$12.7 billion Other Funds. \$12.5 billion of the total is for benefit payments to retirees. The administrative budget totals \$163.4 million and is a 60.7% increase from the 2017-19 legislatively approved budget. The budget includes 419 positions for 414.32 FTE.

The largest increase in the administrative budget totals \$40 million and 43 positions for the implementation of SB 1049 -- the PERS reform measure. A budget note directs reporting to the Legislature in 2020 on the implementation of SB 1049. The other material increase is for \$11.5 million for the School District Unfunded Liability Fund due to a transfer of revenue from the Common School Fund.

The budget also includes funding for cybersecurity, disaster recovery, and the agency's move to the State Data Center. There are seven new operational staff added across various divisions as well as funding for deferred maintenance. The budget eliminates two vacant positions. The Subcommittee approved the agency's key performance measures and targets.

The General Government Subcommittee recommends HB 5032 be amended by the -2 amendment and be reported out do pass, as amended.