

Legislative Fiscal Office

Oregon State Capitol
900 Court Street NE, H-178
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503-986-1828



Joint Committee on Ways and Means

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To: General Government Subcommittee
From: John Borden, Legislative Fiscal
Date: Office April 27, 2021
Subject: SB 5536 - Public Employees Retirement System
Work Session Recommendations

Public Employees Retirement System

	2017-19 Actual	2019-21 Legislatively Adopted	2019-21 Legislatively Approved *	2021-23 Current Service Level	2021-23 LFO Recommendation
General Fund	--	100,000,000	64,751,802	--	--
Lottery Funds	--	--	--	--	1
Other Funds	95,220,643	263,256,648	210,227,306	123,831,063	150,582,112
Other Funds (NL)	10,928,474,109	12,504,627,192	12,504,627,192	12,886,613,593	12,886,613,593
Total Funds	11,023,694,752	12,867,883,840	12,779,606,300	13,010,444,656	13,037,195,706
Positions	376	419	419	379	423
FTE	371.31	414.32	414.32	379.00	421.92

* Includes Emergency Board and administrative actions through January 2021

The Legislative Fiscal Office (LFO) recommendation for the Public Employees Retirement System (PERS) is to fund the agency at \$13.0 billion, which includes \$1 Lottery Funds, \$150,582,112 Other Funds Limited, \$12,886,613,593 Other Funds Nonlimited, and 423 positions (421.92 FTE), which is a 2.0% increase from the 2019-21 legislatively approved budget.

Adjustments to Current Service Level

See attached "Work Session Presentation Report."

Performance Measures

See attached "Legislatively Proposed 2021-23 Key Performance Measures."

Budget Notes

#1 Budget Note: SB 1049 (2019) Implementation

The Public Employees Retirement System (PERS) is directed to report to the Joint Committee on Information Management and Technology during the legislative session in 2022 on the implementation of SB 1049 (2019). The Department of Administrative Services (DAS) and the DAS Office of the State Chief Information Officer (OSCIO) are to

continue to provide oversight of the PERS SB 1049 (2019) implementation project. The project shall continue to adhere to the Stage Gate process. OSCIO and the DAS Chief Financial Officer, in their oversight roles, are to report separately to the Joint Committee on Information Management and Technology prior to the legislative session in 2022 on the implementation of SB 1049 (2019). The agencies' reports to the Legislature shall include:

- Update on project scope, schedule, budget, and total cost of ownership;
- Identification of costs associated with one-time solutions versus permanent solutions;
- Current project risks, likely impacts, and mitigation strategies;
- 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;
- Whether SB 1049 (2019) is meeting financial objectives; and
- Other information that helps inform the Legislature on the status of the project or issues that have arisen as the result of the project.

#2 Budget Note: Production Data Center Migration Project and Warm Site Project

The Public Employees Retirement System is to report to the Legislative Fiscal Office with a comprehensive close-out reports on the Production Data Center Project and separately the warmsite project by no later than January 2022, including, but not limited to: a complete biennia-by-biennia accounting of the budget, costs, activities, and lessons learned beginning with the 2015-17 biennium when the project was first authorized and funded by the Legislature.

Recommended Changes

LFO recommends a budget of \$1 Lottery Funds, \$150,582,112 Other Funds Limited, \$12,886,613,593 Other Funds Nonlimited, and 423 positions (421.92 FTE), which is reflected in the -1 amendment.

Final Subcommittee Action

LFO recommends that SB 5536, as amended by the -1 amendment, be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

LFO102 - Work Session Presentation Report
2021-23 Biennium

Version: 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)
2019-21 Agy. Leg. Adopted	100,000,000	-	263,256,648	-	12,504,627,192	-	12,867,883,840	419	414.32
2019-21 Ebds, SS & Admin Act	(35,248,198)	-	(53,029,342)	-	-	-	(88,277,540)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	64,751,802	-	210,227,306	-	12,504,627,192	-	12,779,606,300	419	414.32
2019-21 Leg Approved Budget (Base)	100,000,000	-	263,256,648	-	12,504,627,192	-	12,867,883,840	419	414.32
Summary of Base Adjustments	-	-	2,165,221	-	393,525,872	-	395,691,093	(40)	(35.32)
2021-23 Base Budget	100,000,000	-	265,421,869	-	12,898,153,064	-	13,263,574,933	379	379.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	887,398	-	-	-	887,398	-	-
020: Phase In / Out Pgm & One-time Cost	(100,000,000)	-	(148,676,137)	-	(11,539,471)	-	(260,215,608)	-	-
030: Inflation & Price List Adjustments	-	-	6,197,933	-	-	-	6,197,933	-	-
2021-23 Current Service Level	-	-	123,831,063	-	12,886,613,593	-	13,010,444,656	379	379.00
080: E-Boards	-	-	40,039	-	-	-	40,039	-	-
Adjusted 2021-23 Current Service Level	-	-	123,871,102	-	12,886,613,593	-	13,010,484,695	379	379.00
Total LFO Recommended Packages	-	1	26,711,010	-	-	-	26,711,011	44	42.92
2021-23 Legislative Actions	-	1	150,582,112	-	12,886,613,593	-	13,037,195,706	423	421.92
Net change from 2019-21 Leg Approved Budget	(64,751,802)	1	(59,645,194)	-	381,986,401	-	257,589,406	4	7.60
Percent change from 2019-21 Leg Approved Budget	(100.0%)	100.0%	(28.4%)	0.0%	3.1%	0.0%	2.0%	1.0%	1.8%
Net change from 2021-23 Adj Current Service Level	-	1	26,711,010	-	-	-	26,711,011	44	42.92
Percent change from 2021-23 Adj Current Service Level	0.0%	100.0%	21.6%	0.0%	0.0%	0.0%	0.2%	11.6%	11.3%

LFO102 - Work Session Presentation Report
2021-23 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 45900-010-01-00-00000
Tier One and Tier Two Pension Programs

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	-	-	- 10,272,591,713	-	- 10,272,591,713	-	-
2019-21 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	-	-	- 10,272,591,713	-	- 10,272,591,713	-	-
2019-21 Leg Approved Budget (Base)	-	-	-	-	- 10,272,591,713	-	- 10,272,591,713	-	-
Summary of Base Adjustments	-	-	-	-	- 844,828,594	-	- 844,828,594	-	-
2021-23 Base Budget	-	-	-	-	- 11,117,420,307	-	- 11,117,420,307	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	-	-	- (11,539,471)	-	- (11,539,471)	-	-
2021-23 Current Service Level	-	-	-	-	- 11,105,880,836	-	- 11,105,880,836	-	-
Adjusted 2021-23 Current Service Level	-	-	-	-	- 11,105,880,836	-	- 11,105,880,836	-	-
2021-23 Legislative Actions	-	-	-	-	- 11,105,880,836	-	- 11,105,880,836	-	-
Net change from 2019-21 Leg Approved Budget	-	-	-	-	- 833,289,123	-	- 833,289,123	-	-
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	8.1%	0.0%	8.1%	0.0%	0.0%
Net change from 2021-23 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2021-23 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
2021-23 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 45900-010-02-00-00000
Retirement Health Insurance Programs

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	-	-	733,481,352	-	733,481,352	-	-
2019-21 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	-	-	733,481,352	-	733,481,352	-	-
2019-21 Leg Approved Budget (Base)	-	-	-	-	733,481,352	-	733,481,352	-	-
Summary of Base Adjustments	-	-	-	-	(360,989,285)	-	(360,989,285)	-	-
2021-23 Base Budget	-	-	-	-	372,492,067	-	372,492,067	-	-
2021-23 Current Service Level	-	-	-	-	372,492,067	-	372,492,067	-	-
Adjusted 2021-23 Current Service Level	-	-	-	-	372,492,067	-	372,492,067	-	-
2021-23 Legislative Actions	-	-	-	-	372,492,067	-	372,492,067	-	-
Net change from 2019-21 Leg Approved Budget	-	-	-	-	(360,989,285)	-	(360,989,285)	-	-
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	(49.2%)	0.0%	(49.2%)	0.0%	0.0%
Net change from 2021-23 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2021-23 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)
2019-21 Agy. Leg. Adopted	-	-	-	-	75,188,960	-	75,188,960	-	-
2019-21 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	-	-	75,188,960	-	75,188,960	-	-
2019-21 Leg Approved Budget (Base)	-	-	-	-	75,188,960	-	75,188,960	-	-
Summary of Base Adjustments	-	-	-	-	34,447,882	-	34,447,882	-	-
2021-23 Base Budget	-	-	-	-	109,636,842	-	109,636,842	-	-
2021-23 Current Service Level	-	-	-	-	109,636,842	-	109,636,842	-	-
Adjusted 2021-23 Current Service Level	-	-	-	-	109,636,842	-	109,636,842	-	-
2021-23 Legislative Actions	-	-	-	-	109,636,842	-	109,636,842	-	-
Net change from 2019-21 Leg Approved Budget	-	-	-	-	34,447,882	-	34,447,882	-	-
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	45.8%	0.0%	45.8%	0.0%	0.0%
Net change from 2021-23 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2021-23 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)
2019-21 Agy. Leg. Adopted	-	-	-	-	1,423,365,167	-	1,423,365,167	-	-
2019-21 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	-	-	1,423,365,167	-	1,423,365,167	-	-
2019-21 Leg Approved Budget (Base)	-	-	-	-	1,423,365,167	-	1,423,365,167	-	-
Summary of Base Adjustments	-	-	-	-	(124,761,319)	-	(124,761,319)	-	-
2021-23 Base Budget	-	-	-	-	1,298,603,848	-	1,298,603,848	-	-
2021-23 Current Service Level	-	-	-	-	1,298,603,848	-	1,298,603,848	-	-
Adjusted 2021-23 Current Service Level	-	-	-	-	1,298,603,848	-	1,298,603,848	-	-
2021-23 Legislative Actions	-	-	-	-	1,298,603,848	-	1,298,603,848	-	-
Net change from 2019-21 Leg Approved Budget	-	-	-	-	(124,761,319)	-	(124,761,319)	-	-
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	(8.8%)	0.0%	(8.8%)	0.0%	0.0%
Net change from 2021-23 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2021-23 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
2021-23 Biennium**

**Version: L - 01 - LFO Analyst Recommended
Cross Reference: 45900-200-01-00-00000
Employer Incentive Fund**

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	100,000,000	-	100,000,000	-	-	-	200,000,000	-	-
2019-21 Ebds, SS & Admin Act	(35,248,198)	-	(35,248,198)	-	-	-	(70,496,396)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	64,751,802	-	64,751,802	-	-	-	129,503,604	-	-
2019-21 Leg Approved Budget (Base)	100,000,000	-	100,000,000	-	-	-	200,000,000	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2021-23 Base Budget	100,000,000	-	100,000,000	-	-	-	200,000,000	-	-
020: Phase In / Out Pgm & One-time Cost	(100,000,000)	-	(100,000,000)	-	-	-	(200,000,000)	-	-
2021-23 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2021-23 Current Service Level	-	-	-	-	-	-	-	-	-
Total LFO Recommended Packages	-	1	1	-	-	-	2	-	-
2021-23 Legislative Actions	-	1	1	-	-	-	2	-	-
Net change from 2019-21 Leg Approved Budget	(64,751,802)	1	(64,751,801)	-	-	-	(129,503,602)	-	-
Percent change from 2019-21 Leg Approved Budget	(100.0%)	100.0%	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%
Net change from 2021-23 Adj Current Service Level	-	1	1	-	-	-	2	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	100.0%	100.0%	0.0%	0.0%	0.0%	100.0%	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)
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Package 801 LFO Analyst Adjustments

Package Description Increase Lottery Funds expenditure limitation by \$1 for special payments and Increase Other Funds expenditure limitation by \$1 for special payments as placeholder amounts for the Employer Incentive Fund (EIF). These amounts may be adjusted at the end-of-session based upon the most up-to-date Department of Administrative Services - Office of Economic Analysis revenue forecast for May 2021, which will include forecasted amounts for the 2019-21 biennium and 2021-23 biennium.

The EIF receive sports betting Lottery Fund proceeds from the Department of Administrative Services - Administrative Services Economic Development Fund, which are used to meet the state's 25% matching funds requirement for eligible participants.

LFO Recommendation Approve the adjustment.

LFO Recommended	-	1	1	-	-	-	2	-	-
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LFO102 - Work Session Presentation Report
2021-23 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 45900-200-02-00-00000
School Districts Unfunded Liability Fund

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2019-21 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget (Base)	-	-	-	-	-	-	-	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2021-23 Base Budget	-	-	-	-	-	-	-	-	-
2021-23 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2021-23 Current Service Level	-	-	-	-	-	-	-	-	-
Total LFO Recommended Packages	-	-	1	-	-	-	1	-	-
2021-23 Legislative Actions	-	-	1	-	-	-	1	-	-
Net change from 2019-21 Leg Approved Budget	-	-	1	-	-	-	1	-	-
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Net change from 2021-23 Adj Current Service Level	-	-	1	-	-	-	1	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%	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)
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Package 801 LFO Analyst Adjustments

Package Description Establish an Other Funds expenditure limitation of \$1 for special payments as a placeholder amount for the School Districts Unfunded Liability Fund. The revenue amount to support the SDULF may be adjusted at the end-of-session based upon the most up-to-date Department of Administrative Services - Office of Economic Analysis revenue forecast for May 2021, which will include forecasted amounts for the 2021-23 biennium. That revenue is anticipated to be from one-time Estate Taxes, as calculated under the methodology established in SB 1566 (2018). The most current March 2021 OEA revenue forecast estimates \$41,251,000 in Estate Tax revenue.

The PERS Board would not deploy any deposits from the SDULF until a \$500 million threshold is obtained as this is the minimum currently required to provide a one percent offset to members of the school district pool. Sufficient revenue to reach this threshold is not anticipated during the 2021-23 biennium.

SB 1566 (2018) established the SDULF. The PERS Board is required to create a school districts pooled side account and proportionately distribute the side account among all school districts as an offset to employer contribution rates. The source(s) of revenue for the funds includes: transfers that may become available include excess revenues from debt collection, capital gains, estate taxes, and interest on unclaimed property.

LFO Recommendation Approve the package.

LFO Recommended	-	-	1	-	-	-	1	-	-
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LFO102 - Work Session Presentation Report
2021-23 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 45900-500-01-00-0000
Central Administration

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	5,527,774	-	-	-	5,527,774	21	20.92
2019-21 Ebds, SS & Admin Act	-	-	430,966	-	-	-	430,966	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	5,958,740	-	-	-	5,958,740	21	20.92
2019-21 Leg Approved Budget (Base)	-	-	5,527,774	-	-	-	5,527,774	21	20.92
Summary of Base Adjustments	-	-	657,053	-	-	-	657,053	-	0.08
2021-23 Base Budget	-	-	6,184,827	-	-	-	6,184,827	21	21.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	91,470	-	-	-	91,470	-	-
030: Inflation & Price List Adjustments	-	-	32,073	-	-	-	32,073	-	-
060: Technical Adjustments	-	-	11,656,322	-	-	-	11,656,322	30	30.00
2021-23 Current Service Level	-	-	17,964,692	-	-	-	17,964,692	51	51.00
Adjusted 2021-23 Current Service Level	-	-	17,964,692	-	-	-	17,964,692	51	51.00
Total LFO Recommended Packages	-	-	425,000	-	-	-	425,000	-	-
2021-23 Legislative Actions	-	-	18,389,692	-	-	-	18,389,692	51	51.00
Net change from 2019-21 Leg Approved Budget	-	-	12,430,952	-	-	-	12,430,952	30	30.08
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	208.6%	0.0%	0.0%	0.0%	208.6%	142.9%	143.8%
Net change from 2021-23 Adj Current Service Level	-	-	425,000	-	-	-	425,000	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	2.4%	0.0%	0.0%	0.0%	2.4%	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)
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Package 112 Deferred Maintenance

Package Description Increase Other Funds expenditure limitation by \$425,000 for facilities maintenance.

The purpose of this package is to fund the following maintenance project: (a) roof recoating (\$60,000); (b) skylight replacement (\$15,000); (c) gender neutral bathroom (\$50,000); and (d) parking lot repair/repaving (\$300,000).

LFO Recommendation Approve as a one-time expenditure.

LFO Recommended	-	-	425,000	-	-	-	425,000	-	-
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LFO102 - Work Session Presentation Report
2021-23 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)
2019-21 Agy. Leg. Adopted	-	-	44,827,511	-	-	-	44,827,511	64	63.52
2019-21 Ebds, SS & Admin Act	-	-	(10,931,139)	-	-	-	(10,931,139)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	33,896,372	-	-	-	33,896,372	64	63.52
2019-21 Leg Approved Budget (Base)	-	-	44,827,511	-	-	-	44,827,511	64	63.52
Summary of Base Adjustments	-	-	1,097,099	-	-	-	1,097,099	(2)	(1.52)
2021-23 Base Budget	-	-	45,924,610	-	-	-	45,924,610	62	62.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	154,624	-	-	-	154,624	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(12,888,394)	-	-	-	(12,888,394)	-	-
030: Inflation & Price List Adjustments	-	-	5,640,411	-	-	-	5,640,411	-	-
060: Technical Adjustments	-	-	(13,246,771)	-	-	-	(13,246,771)	(28)	(28.00)
2021-23 Current Service Level	-	-	25,584,480	-	-	-	25,584,480	34	34.00
080: E-Boards	-	-	40,039	-	-	-	40,039	-	-
Adjusted 2021-23 Current Service Level	-	-	25,624,519	-	-	-	25,624,519	34	34.00
Total LFO Recommended Packages	-	-	(114,744)	-	-	-	(114,744)	1	1.00
2021-23 Legislative Actions	-	-	25,509,775	-	-	-	25,509,775	35	35.00
Net change from 2019-21 Leg Approved Budget	-	-	(8,386,597)	-	-	-	(8,386,597)	(29)	(28.52)
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	(24.7%)	0.0%	0.0%	0.0%	(24.7%)	(45.3%)	(44.9%)
Net change from 2021-23 Adj Current Service Level	-	-	(114,744)	-	-	-	(114,744)	1	1.00
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	(0.5%)	0.0%	0.0%	0.0%	(0.5%)	2.9%	2.9%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 087 August 2020 Special Session

Package Description Increase Other Funds expenditure limitation by \$40,039 for personal services.

The Legislature in 2020 (SB 5723) approved the upward reclassification of an existing (vacant) permanent full-time Operations and Policy Analyst 3 position (salary range 30) to a permanent full-time Principal Executive Manager F position (salary range 35X). This reclassification will move an Actuarial Services Coordinator position to an Associate Actuary position to manage the Actuarial Services Unit, with direction that the position be hired as a certified Associate Actuary. The purpose of this policy package is to reflect the incremental cost of this change, which is and related to the vacant position being underbudgeted during the establishment of the current service level (i.e., frozen at second step in classification range).

LFO Recommendation Approve the request.

LFO Recommended	-	-	40,039	-	-	-	40,039	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 099 Microsoft 365 Consolidation

Package Description Decrease Other Funds expenditure limitation by \$295,563 for services and supplies.

The purpose of this package is to reflect the statewide consolidation of Microsoft 365 within the Office of the State Information Office. This cost is built into the State Government Service Charge for every agency as a cost increase for the 2021-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365.

LFO Recommendation Approve the request.

LFO Recommended	-	-	(295,563)	-	-	-	(295,563)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 109 S/E Recovery

Package Description Increase Other Funds expenditure limitation by \$180,819 and re-authorize the establishment of one limited duration position Accounting Technician 3 (1.00 FTE). The package also includes \$6,500 in associated services and supplies.

This position will continue to manage a long-term overpayment collection program related to the Strunk & Eugene court cases. The last Strunk & Eugene court cases and related challenges were settled by a 2011 Oregon Supreme Court ruling that identified 29,000 accounts had been overpaid a total of \$170 Million. Approximately 11,000 accounts remain with a total balance of \$21.1 Million. Maintaining these accounts requires monitoring of agreed upon repayment plans, research and filing claims against estates, follow up on delinquent accounts, and reporting on collection activities.

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

LFO Recommended	-	-	180,819	-	-	-	180,819	1	1.00
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LFO102 - Work Session Presentation Report
2021-23 Biennium

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)
2019-21 Agy. Leg. Adopted	-	-	26,080,183	-	-	-	26,080,183	70	69.76
2019-21 Ebds, SS & Admin Act	-	-	767,741	-	-	-	767,741	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	26,847,924	-	-	-	26,847,924	70	69.76
2019-21 Leg Approved Budget (Base)	-	-	26,080,183	-	-	-	26,080,183	70	69.76
Summary of Base Adjustments	-	-	1,785,264	-	-	-	1,785,264	(1)	(0.76)
2021-23 Base Budget	-	-	27,865,447	-	-	-	27,865,447	69	69.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	196,081	-	-	-	196,081	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(1,715,318)	-	-	-	(1,715,318)	-	-
030: Inflation & Price List Adjustments	-	-	384,895	-	-	-	384,895	-	-
060: Technical Adjustments	-	-	1,768,284	-	-	-	1,768,284	8	8.00
2021-23 Current Service Level	-	-	28,499,389	-	-	-	28,499,389	77	77.00
Adjusted 2021-23 Current Service Level	-	-	28,499,389	-	-	-	28,499,389	77	77.00
Total LFO Recommended Packages	-	-	928,260	-	-	-	928,260	1	0.88
2021-23 Legislative Actions	-	-	29,427,649	-	-	-	29,427,649	78	77.88
Net change from 2019-21 Leg Approved Budget	-	-	2,579,725	-	-	-	2,579,725	8	8.12
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	9.6%	0.0%	0.0%	0.0%	9.6%	11.4%	11.6%
Net change from 2021-23 Adj Current Service Level	-	-	928,260	-	-	-	928,260	1	0.88
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	3.3%	0.0%	0.0%	0.0%	3.3%	1.3%	1.1%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 103 Information Security

Package Description Increase Other Funds expenditure limitation by \$86,227 and authorize the establishment of one permanent full-time Information Services Specialist-8 position (0.88 FTE). The package also includes \$11,500 in associated services and supplies as well as a technical adjustment to transfer \$194,704 of information security-related services and supplies from the Information Services Division to the Compliance, Audit and Risk Division.

The position would serve as a Senior Systems Administrator to manage the agency's disaster recovery warm-site, data backup infrastructure, and related activities. Such related activities include: warm-site information security; perform data backup and recovery activities; manage off-site data backup and archiving; produce and maintain disaster recovery warm-site and data backup procedures to ensure timely restoration of services; perform annual warm-site failover testing; provide technical architecture support, and assist in responding and recovery from Ransomware attacks.

LFO Recommendation Approve the request.

LFO Recommended	-	-	86,227	-	-	-	86,227	1	0.88
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 104 Senior Systems Admin TOS

Package Description Increase Other Funds expenditure limitation by \$17,033 for personal services.

The purpose of this request is to fund the reclassification of a permanent full-time Information Services Specialist-5 to an Information Services Specialist-8 to resolve a work-out-of-classification issue.

LFO Recommendation Approve the request.

LFO Recommended	-	-	17,033	-	-	-	17,033	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description Increase Other Funds expenditure limitation by \$825,000 for Information Technology Professional Services.

The purpose of this package is the funding necessary to complete the Production Data Center migration to the Department of Administrative Services - State Data Center by providing supplemental resources for: (a) a five-year contract for extended firewall support (\$800,000) and wireless installation support services (\$25,000).

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

Budget Notes The Public Employees Retirement System is to report to the Legislative Fiscal Office with a comprehensive close-out reports on the Production Data Center Project and separately the warmsite project by no later than January 2022, including, but not limited to: a complete biennia-by-biennia accounting of the budget, costs, activities, and lessons learned beginning with the 2015-17 biennium when the project was first authorized and funded by the Legislature.

LFO Recommended	-	-	825,000	-	-	-	825,000	-	-
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LFO102 - Work Session Presentation Report
2021-23 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)
2019-21 Agy. Leg. Adopted	-	-	39,297,301	-	-	-	39,297,301	207	206.52
2019-21 Ebds, SS & Admin Act	-	-	1,651,591	-	-	-	1,651,591	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	40,948,892	-	-	-	40,948,892	207	206.52
2019-21 Leg Approved Budget (Base)	-	-	39,297,301	-	-	-	39,297,301	207	206.52
Summary of Base Adjustments	-	-	3,594,094	-	-	-	3,594,094	-	0.48
2021-23 Base Budget	-	-	42,891,395	-	-	-	42,891,395	207	207.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	374,004	-	-	-	374,004	-	-
030: Inflation & Price List Adjustments	-	-	65,155	-	-	-	65,155	-	-
060: Technical Adjustments	-	-	(337,236)	-	-	-	(337,236)	(11)	(11.00)
2021-23 Current Service Level	-	-	42,993,318	-	-	-	42,993,318	196	196.00
Adjusted 2021-23 Current Service Level	-	-	42,993,318	-	-	-	42,993,318	196	196.00
Total LFO Recommended Packages	-	-	1,003,191	-	-	-	1,003,191	7	6.16
2021-23 Legislative Actions	-	-	43,996,509	-	-	-	43,996,509	203	202.16
Net change from 2019-21 Leg Approved Budget	-	-	3,047,617	-	-	-	3,047,617	(4)	(4.36)
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	7.4%	0.0%	0.0%	0.0%	7.4%	(1.9%)	(2.1%)
Net change from 2021-23 Adj Current Service Level	-	-	1,003,191	-	-	-	1,003,191	7	6.16
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	2.3%	0.0%	0.0%	0.0%	2.3%	3.6%	3.1%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 106 Specialty Qualifications

Package Description Increase Other Funds expenditure limitation by \$278,924 and establish two permanent full-time Retirement Counselor-1 positions (1.76 FTE). The package also includes \$23,000 in associated services and supplies.

The PERS processes death benefit payments for the beneficiaries of deceased members, including locating and contacting beneficiaries. PERS reports that the average monthly deaths increasing from 255 to 350 and the scope and complexity of the work increasing significantly during that time. As the largest group of PERS members moves into anticipated mortality range, there is significant risk of further increases in death volume. An example of changing complexity is HB 2417 (2019), which established an alternate death benefit for surviving spouse of member who dies before retirement.

LFO Recommendation Approve the request.

LFO Recommended	-	-	278,924	-	-	-	278,924	2	1.76
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 107 Q/NQ

Package Description Increase Other Funds expenditure limitation by \$436,606 and authorize the establishment of one limited duration Retirement Counselor-1 and two limited duration Retirement Counselor-2 positions. The package also includes \$34,500 in associated services and supplies.

The purpose of this package is to augment the Data Services Section to address qualifying/non-qualifying employment eligibility issues. The agency would undertake a more proactive approach to verify the accuracy of membership data, based on eligibility laws and requirements, and each member's unique employment data. This is mostly an unautomated or manual review process. This effort would facilitate early resolution of qualifying/non-qualifying employment eligibility issues for PERS membership.

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

LFO Recommended	-	-	436,606	-	-	-	436,606	3	2.64
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 110 Education Team

Package Description Increase Other Fund expenditure limitation by \$287,661 and authorize the establishment of one permanent full-time Retirement Counselor-2 (0.88 FTE) and one permanent full-time Administrative Specialist-1 (0.88 FTE). The package also includes \$35,000 in associated services and supplies.

The purpose of the request is to increase statewide training to active and inactive members and increase offerings of individual retirement application assistance sessions. Augmentation of the current five person Education Team staffing is needed due to the increase in plan complexity [i.e. SB 1049 (2019)] and to improve the quality of retirement applications, which is anticipated to decrease Intake and Review Section issues with retirement applications errors.

LFO Recommendation Approve the request.

LFO Recommended	-	-	287,661	-	-	-	287,661	2	1.76
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LFO102 - Work Session Presentation Report
2021-23 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)
2019-21 Agy. Leg. Adopted	-	-	8,464,165	-	-	-	8,464,165	20	20.00
2019-21 Ebds, SS & Admin Act	-	-	325,514	-	-	-	325,514	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	8,789,679	-	-	-	8,789,679	20	20.00
2019-21 Leg Approved Budget (Base)	-	-	8,464,165	-	-	-	8,464,165	20	20.00
Summary of Base Adjustments	-	-	657,291	-	-	-	657,291	-	-
2021-23 Base Budget	-	-	9,121,456	-	-	-	9,121,456	20	20.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	71,219	-	-	-	71,219	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(638,291)	-	-	-	(638,291)	-	-
030: Inflation & Price List Adjustments	-	-	75,399	-	-	-	75,399	-	-
060: Technical Adjustments	-	-	159,401	-	-	-	159,401	1	1.00
2021-23 Current Service Level	-	-	8,789,184	-	-	-	8,789,184	21	21.00
Adjusted 2021-23 Current Service Level	-	-	8,789,184	-	-	-	8,789,184	21	21.00
Total LFO Recommended Packages	-	-	854,504	-	-	-	854,504	-	-
2021-23 Legislative Actions	-	-	9,643,688	-	-	-	9,643,688	21	21.00
Net change from 2019-21 Leg Approved Budget	-	-	854,009	-	-	-	854,009	1	1.00
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	9.7%	0.0%	0.0%	0.0%	9.7%	5.0%	5.0%
Net change from 2021-23 Adj Current Service Level	-	-	854,504	-	-	-	854,504	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	9.7%	0.0%	0.0%	0.0%	9.7%	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)
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Package 103 Information Security

Package Description Increase Other Funds expenditure limitation by \$854,504 for services and supplies, which includes \$659,800 of additional funding and \$194,704 of existing services and supplies transferred from the Information Services Division to the Compliance, Audit, and Risk Division.

The purpose of this package is to provide the final major investment in the agency's Information/Cyber Security, Business Continuity, and Disaster Recover programs. Supplemental funding include funding for: employee training and certification; subscription costs for a data lost prevention tool and data flow monitoring; a subscription to Gartner consulting/research; developer secure coding training; and other related services and supplies.

This package would fund subscription fees to the Disaster Recovery Institute International, accessing third-party assessments to ensure continuity management efforts remain consistent with best industry practice, and training for staff. A position for ongoing security work is requested in package 103 in the Information Services division.

LFO Recommendation Approve the request.

LFO Recommended	-	-	854,504	-	-	-	854,504	-	-
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LFO102 - Work Session Presentation Report
2021-23 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)
2019-21 Agy. Leg. Adopted	-	-	39,059,714	-	-	-	39,059,714	37	33.60
2019-21 Ebds, SS & Admin Act	-	-	(10,025,817)	-	-	-	(10,025,817)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	29,033,897	-	-	-	29,033,897	37	33.60
2019-21 Leg Approved Budget (Base)	-	-	39,059,714	-	-	-	39,059,714	37	33.60
Summary of Base Adjustments	-	-	(5,625,580)	-	-	-	(5,625,580)	(37)	(33.60)
2021-23 Base Budget	-	-	33,434,134	-	-	-	33,434,134	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(33,434,134)	-	-	-	(33,434,134)	-	-
2021-23 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2021-23 Current Service Level	-	-	-	-	-	-	-	-	-
Total LFO Recommended Packages	-	-	23,614,797	-	-	-	23,614,797	35	34.88
2021-23 Legislative Actions	-	-	23,614,797	-	-	-	23,614,797	35	34.88
Net change from 2019-21 Leg Approved Budget	-	-	(5,419,100)	-	-	-	(5,419,100)	(2)	1.28
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	(18.7%)	0.0%	0.0%	0.0%	(18.7%)	(5.4%)	3.8%
Net change from 2021-23 Adj Current Service Level	-	-	23,614,797	-	-	-	23,614,797	35	34.88
Percent change from 2021-23 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)
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Package 101 SB1049

Package Description Establish an Other Funds expenditure limitation in the amount of \$22.8 million and authorize the establishment of 35 limited duration positions (34.88 FTE).

The purpose of this request is to continue funding for only the Member Re-Direct and Work-After-Retirement projects directed by SB 1049 (2019). The Work-After-Retirement project is to be completed by February 2022 and the Member Re-Direct is to be completed by February of 2024. All other SB 1049 (2019) project will have been completed by June 30, 2021.

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

Budget Notes The Public Employees Retirement System (PERS) is directed to report to the Joint Committee on Information Management and Technology during the legislative session in 2022 on the implementation of SB 1049 (2019). The Department of Administrative Services (DAS) and the DAS Office of the State Chief Information Officer (OSCIO) are to continue to provide oversight of the PERS SB 1049 (2019) implementation project. The project shall continue to adhere to the Stage Gate process. OSCIO and the DAS Chief Financial Officer, in their oversight roles, are to report separately to the Joint Committee on Information Management and Technology prior to the legislative session in 2022 on the implementation of SB 1049 (2019). The agencies' reports to the Legislature shall include:

- Update on project scope, schedule, budget, and total cost of ownership;
- Identification of costs associated with one-time solutions versus permanent solutions;
- Current project risks, likely impacts, and mitigation strategies;
- 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;
- Whether SB 1049 (2019) is meeting financial objectives; and
- Other information that helps inform the Legislature on the status of the project or issues that have arisen as the result of the project.

Budget Instructions

LFO Analyst Notes Project Management and Administration: \$2,044,800; Quality assurance and testing: \$812,500; Information Technology Applications: \$13,337,000; Operational Implementation: \$6,620,497; Total = \$22,814,797

LFO Recommended	-	-	22,814,797	-	-	-	22,814,797	35	34.88
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 102 Modernization

Package Description Establish an Other Funds expenditure limitation in the amount of \$800,000 for services and supplies - Information Technology Professional Services.

This package would pay for the origination of a project to modernize the Oregon Retirement Online Network (ORION), which is the agency's 16-year-old core retirement system application. The origination phase consists of contracting for planning and system assessment activities only. Additional funding for this modernization effort is contingent upon: (a) PERS adhering to all Stage Gate Oversight Model requirements; (b) successful completion of the Production Data Center and Warmsite Projects; and (c) completion of an independent information security assessment.

LFO Recommendation Approve the request, as a one-time increasae.

LFO Analyst Notes See HB 5034 (2015): Package 104, Technology Maintenance and Enhancements. This package adds \$250,000 Other Funds expenditure limitation to provide the agency with resources necessary for planning work that needs to be completed, including a detailed assessment of the current jClarety environment. This assessment is to include the current state of the system and a plan on how to best proceed in dealing with problems associated with the system.

LFO Recommended	-	-	800,000	-	-	-	800,000	-	-
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Legislatively Proposed 2021 - 2023 Key Performance Measures

Published: 3/20/2021 2:31:14 PM

Agency: Public Employees Retirement System, Oregon

Mission Statement:

We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
1. TIMELY RETIREMENT PAYMENTS - Percent of initial service retirements paid within 45 days from retirement date.		Approved	62%	80%	80%
2. TOTAL BENEFIT ADMIN COSTS - Total benefit administration costs per member.		Approved	\$172.00	\$165.00	\$165.00
3. MEMBER TO STAFF RATIO - Ratio of members to FTE staff.		Approved	983	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	37%	50%	50%
6. CUSTOMER SERVICE - Percent of member customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved	89%	95%	95%
	Overall		89%	95%	95%
	Availability of Information		86%	95%	95%
	Timeliness		89%	95%	95%
	Accuracy		90%	95%	95%
	Expertise		90%	95%	95%
7. TIMELY BENEFIT ESTIMATES - Percent of benefit estimates processed within 30 days.		Approved	63%	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: