

SUBCOMMITTEE RECOMMENDATION

SB 5536

Public Employees Retirement System

To:	Ways and Means Full Committee
From:	General Government Subcommittee
Carrier:	Senator Golden

SB 5536 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 \$13 billion Other Funds and \$1 Lottery Funds, which is a placeholder, pending the May revenue forecast, for the sports betting revenue that is to be deposited into the Employer Incentive Fund. \$12.9 billion of Other Funds Nonlimited is the total is for benefit payments to retirees. The administrative budget totals \$150.6 million and is a 28.4% reduction from the 2019-21 legislatively approved budget, which is due to the elimination of one-time funding for Employer Incentive Fund and implementation costs associated with SB 1049 - the PERS reform measure from the 2019 session. The budget includes 423 positions for 421.92 FTE.

The largest increase in the administrative budget totals \$22.8 million and 35 positions for the continued implementation of SB 1049. A budget note directs reporting to the Legislature in 2022 on the implementation of SB 1049.

The budget also includes funding for cybersecurity, disaster recovery, business continuity, and the agency’s move to the State Data Center. A second budget notes directs reporting on the agency’s efforts to move the State Data Center and the development of a warmsite data backup. There are nine new operational staff added across various divisions as well as funding for deferred maintenance. The budget includes a reduction of \$295,563 related to the statewide consolidation of Microsoft 365. The Subcommittee approved the agency’s key performance measures and targets.

The General Government Subcommittee recommends SB 5536 be amended by the –1 amendment and be reported out do pass, as amended.