

# OREGON PERS

PUBLIC EMPLOYEES RETIREMENT SYSTEM



## **2025-27 Budget Presentation**

Ways and Means  
General Government  
Subcommittee  
November 17, 2025

Kevin Olineck  
Director

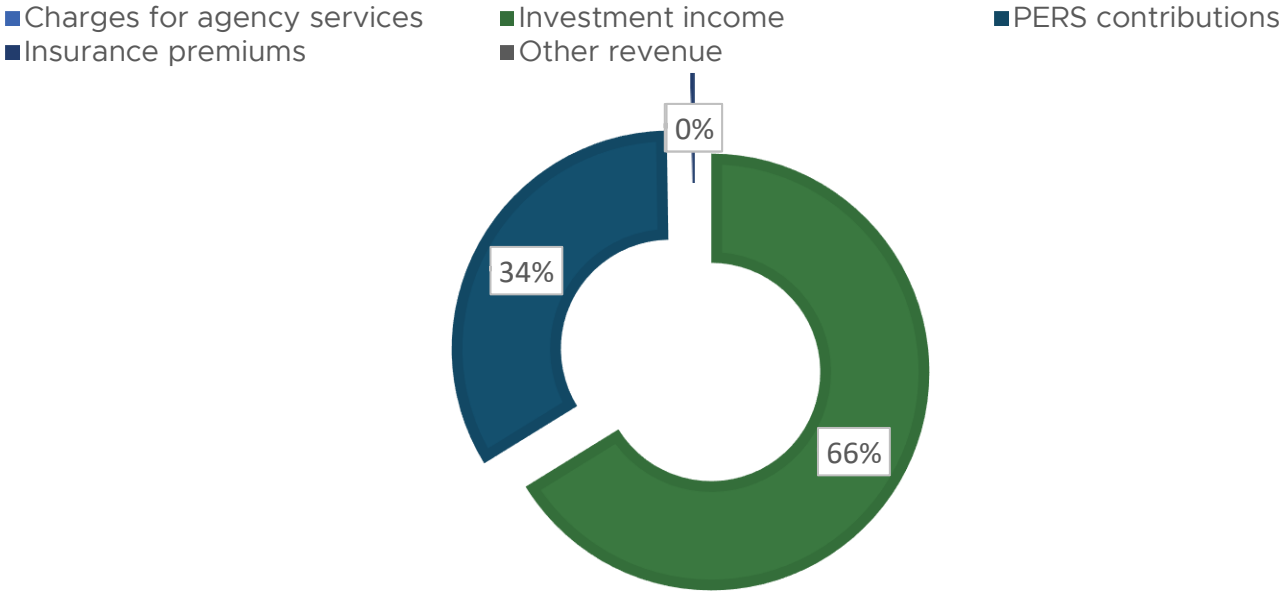
Richard Horsford  
Chief Financial Officer



# System and agency funding – Other Funds

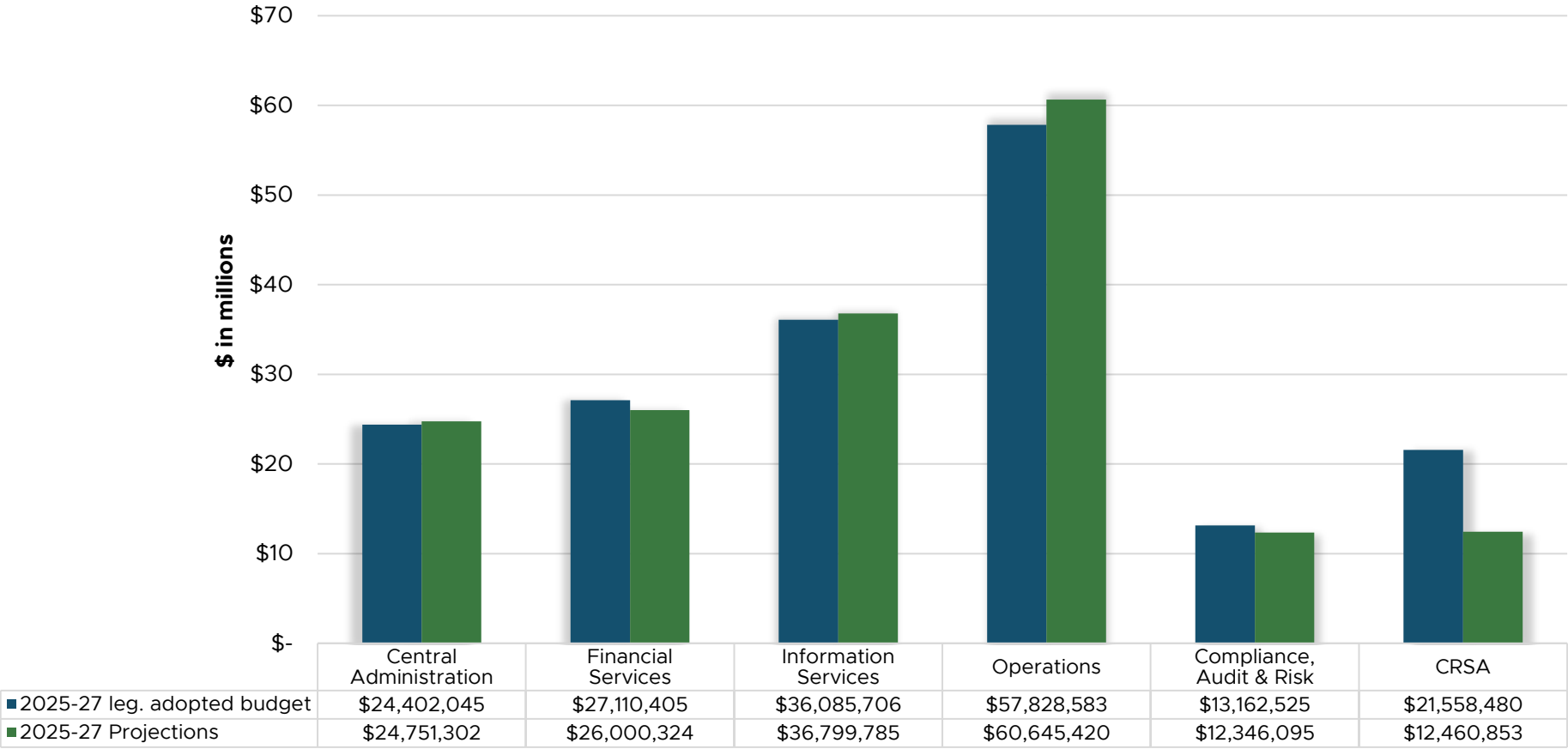
## Fiscal year (FY) 2025 Revenues

Category	Amount received
Charges for agency services	\$101,167
Investment income	\$ 8,192,745,031
PERS contributions	\$4,153,629,126
Insurance premiums	\$29,983,584
Other revenue	\$0
<b>Total FY 2025</b>	<b>\$12,376,458,908</b>



# Agency Operating Budget – Other Funds Limited

## Agency Legislatively Adopted Budget 2025-27: \$177,462,596



CRSA: Core Retirement Systems Application

# Proposed Reduction Options

## 2.5%

Accrued Vacancy Lag, reduce general office expenses, variance in agency collections, reduction to available Employer Incentive Funds.

Accrued Vacancy Lag for full Biennium*	\$4,213,000
Office Expenses, Miscellaneous Services variance	\$ 278,000
Reduction in budgeted Lottery Funds	
Employer Incentive Fund Reduction	\$1,032,178
<b>Sub-Total</b>	<b>\$5,523,178</b>

# Proposed Reduction Options

## 5% (addition to previous slide)

### Reduction in budgeted Services & Supplies

Capital Expenditures (Office Furniture)	\$ 148,000
Training & Travel	\$ 631,500
Telecom Equipment	\$ 85,500
IT Subscriptions Services	\$ 175,000
Non-IT Subscriptions and Charges (Surveys)	\$ 83,000
Professional Services (Non-IT related)	\$ 319,000
IT Expendable Property	\$ 381,700
IT Software Renewals and Maintenance	\$ 155,000
IT Professional Services	\$ 400,000
Positions Deliberately Left Unfilled for duration of biennium	\$ 555,400
Reduction in budgeted Lottery Funds	
Employer Incentive Fund Reduction	\$1,032,178
<b>Sub-Total</b>	<b>\$3,966,278</b>

# Proposed Reduction Options

## 5% (addition to above continued)

### Core Retirement Systems Applications (IT Projects/Programs)

*HB 4045 Police & Fire Age Change Implementation*

Professional Services	\$ 750,000
Contingency	\$ 335,000

*Modernization Program*

Telephony	\$ 500,000
TCO Analysis	\$ 25,000

<b>Sub-Total</b>	<b>\$1,610,000</b>
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<b>Total Proposed Reductions</b>	<b>\$11,099,456</b>
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# Question 1

**1. Please describe, in sufficient detail, the criteria used to select the reduction options that are included on your list.** (What we are looking for here is an explanation of how the agency came to identify the specific or categorical types of reductions. Was it based on programmatic impact? Was it based on impact to other funding sources, federal matching funds? Preservation of positions? Programmatic integrity? Unneeded capacity? Redundancy? Change in implementation schedules such as the delay of an IT project? Or any combination of reasons.)

The reduction options fall into the following categories and are predicated on, as best possible, being able to continue to provide services close to Current Service Level targets, meet legislatively mandated implementation efforts, as well as maintain momentum on PERS Modernization efforts.

1. Do no harm to staff
2. Deliver on our core mission and values
3. Reduce in line with Governor's Expectations
4. Target areas we can control
5. Remove excess capacity
6. Delay IT project(s)

# Question 2

**2. What process did the agency use to evaluate the proposed reductions against the criteria and what partners were engaged?** (To what degree did the option meet the established criteria? Was a weighting system established? Was there a subjective or objective methodology used? Were direct and indirect impacts identified and discussed? Was stakeholder engagement considered? We would also like to know what partners were engaged in the development and/or evaluation of the proposed reductions.

- For the first 2.5% PERS took a five- year average of our vacancy savings to arrive at our expected vacancy lag for the biennium. That figure was reduced by 15% given the soft labor market and to provide a margin of safety.
- We also utilized excess capacity in operating expenses around office supplies and miscellaneous services.
- The following 2.5% reductions were based on projected variances (excess budget capacity) within several Services and Supplies categories.
- Additional reductions were proposed by potentially delaying IT projects or giving up forecasted savings .

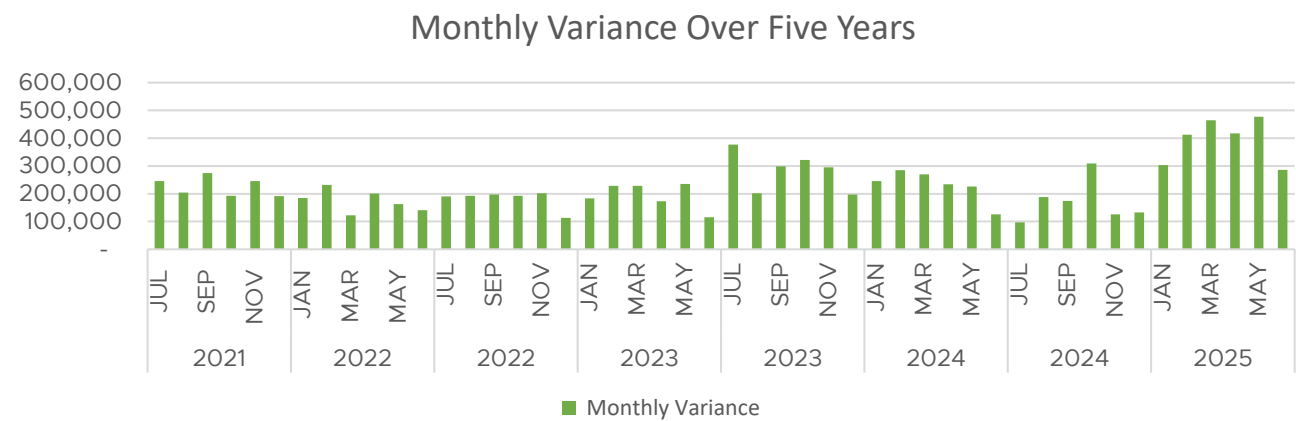


# Question 3

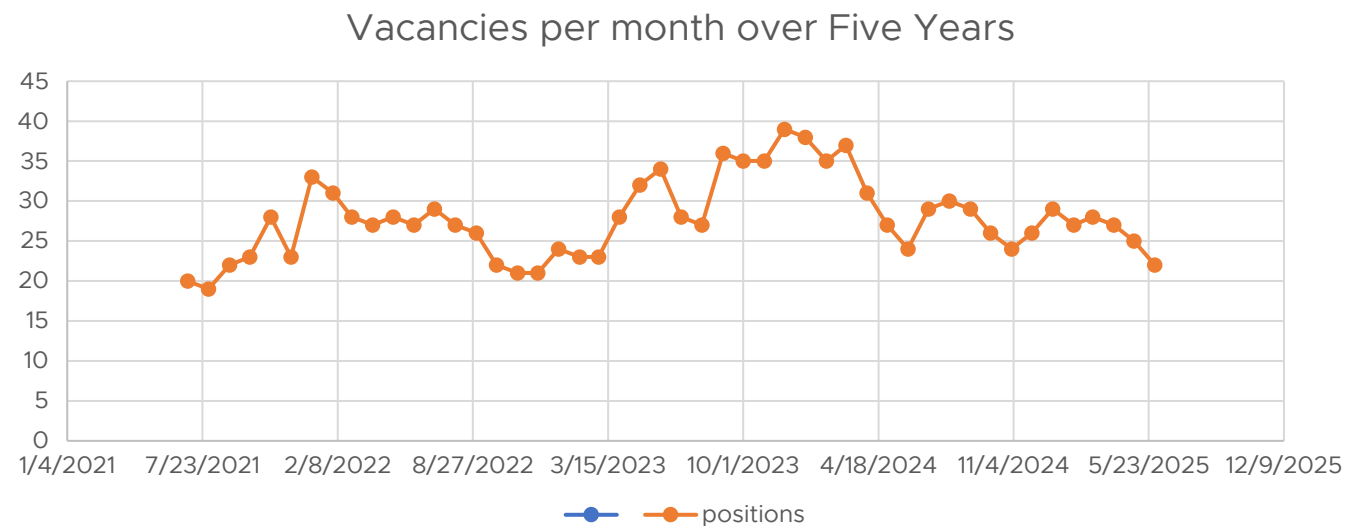
**3. What is the agency's plan to minimize the operational or programmatic impact of the reductions?** (We want to know how/if the agency has thought through how to mitigate the loss of funding and continue to provide the services or achieve the legislative goals of the program with less funding. The idea here is to encourage the agency to move beyond describing the negative aspects of funding reductions and instead provide

Proposed reductions are existing services and supplies variances only and will not affect project implementation of the P&F age change portion of HB 4045 or the Telephony project within the Modernization Program. There is \$3.2M remaining for Hazardous position implementation that has not been reduced.

# Vacancy Savings



Five Year Average = \$231,538



Five Year Average = 27.7  
positions

# Employer Incentive Fund (EIF) – Lottery Funds

PERS did not receive Lottery Funds in the 2025-27 legislative session, however the EIF has an existing balance of \$41.3M.

- 2.5% reduction is \$1,032,178
- 5% reduction is \$2,064,356
- *Any reductions to the fund will affect employers applying last and/or making deposits the latest.*
- As of November 7, 2025 the employer match program has \$35,780,335 in committed matches. The following employers would be affected by a lottery fund reduction:

3902	Tillamook School District #9	\$ 250,000
4306	Yamhill Co. School District 4J	\$ 55,068
2999	Central Oregon Community College	\$1,250,000
4321	North Clackamas Schools #12	\$3,000,000

# Employer Incentive Fund – Lottery Funds

Deposits Received as of 11/7/2025

Employer Number	Employer Name	Deposit Amount	Match Amount	Deposit Date	Offset Effective Date
2118	City of Ontario	\$ 636,575.00	\$ 159,143.75	6/15/2025	7/1/2027
2646	Keno Rural Fire Protection District	\$ 1,200,000.00	\$ 300,000.00	7/10/2025	8/1/2025
3647	Scio School District #95C	\$ 1,200,000.00	\$ 300,000.00	7/15/2025	7/1/2027
3414	Phoenix-Talent School District #4	\$ 1,500,000.00	\$ 375,000.00	7/29/2025	7/1/2027
2835	North Clackamas County Water Commission	\$ 300,000.00	\$ 75,000.00	7/31/2025	7/1/2027
2648	Black Butte Ranch RFPD	\$ 1,200,000.00	\$ 300,000.00	8/1/2025	9/1/2025
2788	Port of Hood River	\$ 1,200,000.00	\$ 300,000.00	8/1/2025	10/1/2025
2273	City of Silverton	\$ 500,000.00	\$ 125,000.00	8/13/2025	7/1/2027
2020	Wasco County	\$ 2,432,250.00	\$ 300,000.00	9/1/2025	9/1/2025
2599	South Suburban Sanitary District	\$ 1,200,000.00	\$ 300,000.00	9/1/2025	9/1/2025
2895	Western Lane Fire and EMS Authority	\$ 151,000.00	\$ 37,750.00	9/1/2025	7/1/2027
2701	Sisters-Camp Sherman RFPD	\$ 1,200,000.00	\$ 300,000.00	9/1/2025	10/1/2025
3321	North Douglas School District	\$ 750,000.00	\$ 187,500.00	9/26/2025	11/1/2025
1254	University of Oregon	\$ 58,626,827.80	\$ 14,656,706.95	9/26/2025	10/1/2025
2027	Deschutes County	\$ 5,000,000.00	\$ 1,250,000.00	10/1/2025	7/1/2027
2185	City of Wood Village	\$ 300,000.00	\$ 75,000.00	10/1/2025	7/1/2027
1254	University of Oregon	\$ 10,000,000.00	\$ 2,500,000.00	10/29/2025	11/1/2025
2146	City of Prineville	\$ 2,500,000.00	\$ 524,679.65	10/31/2025	7/1/2026

**\$22,065,780 Lottery Funds Committed**

# Employer Incentive Fund – Lottery Funds

Deposits waiting to be received as of 11/7/2025

Employer Number	Employer Name	Deposit Amount	Match Amount	Proposed Deposit Date	Offset Effective Date
2753	Linn-Benton Housing Authority	\$ 300,000.00	\$ 75,000.00	12/~/2025	1/1/2026
2279	City of Keizer	\$ 3,500,000.00	\$ 875,000.00	12/~/2025	1/1/2026
2005	Jackson County	\$ 4,366,750.00	\$ 1,091,687.50	12/1/2025	7/1/2027
2114	City of Gresham	\$ 8,000,000.00	\$ 2,000,000.00	12/1/2025	7/1/2026
2745	Clackamas County Fire District #1	\$ 1,600,000.00	\$ 400,000.00	12/15/2025	7/1/2027
3451	Black Butte School District #41	\$ 100,000.00	\$ 25,000.00	12/15/2025	7/1/2027
2999	Central Oregon Community College	\$ 5,000,000.00	\$ 1,250,000.00	12/15/2025	7/1/2027
2111	City of Eugene	\$ 8,000,000.00	\$ 2,000,000.00	12/15/2025	1/1/2026
2006	Jefferson County	\$ 500,000.00	\$ 125,000.00	12/19/2025	7/1/2027
4306	Yamhill Co. School District 4J	\$ 220,272.00	\$ 55,068.00	12/30/2025	7/1/2027
3310	Roseburg Public Schools	\$ 822,722.55	\$ 205,680.64	12/31/2025	7/1/2027
4313	Forest Grove School District	\$ 5,000,000.00	\$ 1,250,000.00	2/1/2026	7/1/2028
3902	Tillamook School District #9	\$ 1,000,000.00	\$ 250,000.00	2/27/2026	7/1/2026
3618	Sweet Home School District	\$ 2,000,000.00	\$ 500,000.00	2/28/2026	7/1/2028
2283	City of Maupin	\$ 25,000.00	\$ 6,250.00	3/25/2026	7/1/2028
2013	Umatilla County	\$ 1,923,476.35	\$ 480,869.09	3/30/2026	7/1/2028
4252	High Desert ESD	\$ 500,000.00	\$ 125,000.00	3/30/2026	7/1/2028
4321	North Clackamas Schools #12	\$ 12,000,000.00	\$ 3,000,000.00	3/30/2026	7/1/2028

**\$13,714,555 Lottery Funds Committed – Not yet matched**



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**Thank you.**

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