

# **Oregon Public Employees Retirement System**



**Legislatively Adopted Budget  
2011-2013**

# BUDGET NARRATIVE

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# BUDGET NARRATIVE

## CERTIFICATION

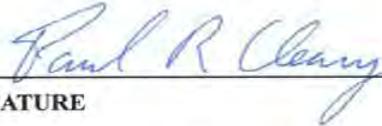
I hereby certify that the accompanying summary and detailed statements are true and correct to the best of my knowledge and belief and that the arithmetic accuracy of all numerical information has been verified.

Oregon Public Employees Retirement System

AGENCY NAME

11410 SW 68<sup>th</sup> Parkway, Tigard, Oregon 97223

AGENCY ADDRESS



SIGNATURE

Executive Director

TITLE

Notice: Requests of those agencies headed by a board or commission must be approved by those bodies of official action and signed by the board or commission chairperson. The requests of other agencies must be approved and signed by the agency director or administrator.

# BUDGET NARRATIVE

## Legislative Action

### 2013 Budget Reports

76<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: HB 5039-A

Carrier – House: Rep. Eyre Brewer  
Carrier – Senate: Sen. Whitsett

---

**Action:** Do Pass as Amended and as Printed A-Engrossed

**Vote:** 25 – 0 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant  
– Nays:  
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters  
– Nays:  
– Exc:

**Prepared By:** Blake Johnson, Department of Administrative Services

**Reviewed By:** Laurie Byerly, Legislative Fiscal Office

**Meeting Date:** May 27, 2011

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**Agency**  
Public Employees Retirement System

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2011-13

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Agency Request

Governor's Balanced Budget

Legislatively Adopted

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# BUDGET NARRATIVE

## Budget Summary\*

	2009-11	2011-13	2011-13	2011-13	Committee Change from	
	Legislatively Approved Budget (1)	Current Service Level	Governor's Budget	Committee Recommendation	2009-11 Leg Approved	
					\$ Change	% Change
Other Funds	\$ 83,261,952	\$ 74,463,268	\$ 79,463,054	\$ 76,999,319	\$ (6,262,633)	-7.5%
Other Funds Debt Service	1,423,075	1,418,600	1,418,600	1,418,600	(4,475)	-0.3%
Other Funds Nonlimited	6,476,885,664	7,434,012,310	7,434,012,310	7,434,012,310	957,126,646	+14.8%
Total Funds	6,561,570,691	7,509,894,178	7,514,893,964	7,512,430,229	950,859,538	+14.5%

## Position Summary

Authorized Positions	368	325	368	363	-5	
Full-time Equivalent (FTE) Positions	363.18	324.50	367.50	363.33	+0.15	

(1) Includes adjustments through March 2011.

\* Excludes Capital Construction expenditures

## Summary of Revenue Changes

Principal revenue sources for the Public Employees Retirement System (PERS) are investment earnings, employer contributions, member contributions and fees. Employee contributions, whether made by employees or by employers on employees' behalf, are credited to members' Individual Account Program (IAP) accounts. Funding for administration of the IAP accounts is drawn from the accounts.

The PERS operating budget is funded primarily by revenue transfers from the retirement programs. Revenues to fund administrative activities for deferred compensation programs come largely from participant fees.

## Summary of General Government Subcommittee Action

PERS is responsible for administering retirement programs for public employees, including state, school and local government workers. PERS distributes \$2.9 billion in benefits annually. The agency manages a number of programs, including the Tier One and Tier Two Retirement programs, the Oregon Public Service Retirement Program (OPSRP) and the Individual Account Program (IAP), three health insurance programs, Social Security Administration activities and a deferred compensation program.

The Subcommittee approved a budget of \$78,417,919 Other Funds, \$7,434,012,310 Other Funds Nonlimited, and 363.33 full-time equivalent positions. Other Funds (operational activities) and full-time equivalents were reduced from the 2009-11 legislatively approved budget by 7.4 percent and 1.4 percent respectively, while Other Funds Nonlimited (benefit payments) increased by 14.8 percent. The approved budget includes 335 permanent and 28 limited duration positions.

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# BUDGET NARRATIVE

## Tier One and Tier Two Plan

The Tier One and Tier Two Plan program unit accounts for employer contributions and interest earnings related to those retirement plans. It also reflects retirement payments made to Tier One and Tier Two retirees, as well as activity related to the agency's health insurance programs. As a result of statutory changes to the Tier One and Tier Two plans, this program unit no longer includes employee contributions as those are directed to the IAP. This program unit is made up entirely of Other Funds Nonlimited. The Subcommittee approved the Governor's budget request for this program unit.

## Oregon Public Service Retirement Plan

This program accounts for employee contributions into the IAP, including contributions made by employers on behalf of employees. It also reflects employer contributions for the defined benefit portion of the Oregon Public Service Retirement Plan. This program unit is made up entirely of Other Funds Nonlimited. The Subcommittee approved the Governor's budget request for this program unit.

## Operations

This program unit reflects operational costs associated with administration of various retirement related plans and programs. The Subcommittee approved modifications to the following packages:

- Package 081 establishes six positions as approved by the May 2010 Legislative Emergency Board to administer the data verification provisions within Senate Bill 897. The Subcommittee approved the package but made the four Retirement Counselor positions limited duration.
- Package 131 has a total of eight components that together convert 29 limited duration positions to permanent and request four new permanent positions. The Subcommittee denied the three new data verification positions, approved the conversion of eight limited duration benefit application intake processing positions to permanent, and approved all the other positions as limited duration instead of permanent.

The Subcommittee discussed concerns over the data verification workload created by Senate Bill 897 (2009 legislation) and the effect on retirement calculation error rates. The agency acknowledged that a large backlog tends to increase staff anxiety which could lead to higher error rates. The agency plans to prioritize verification requests by eligible retirement dates (those closest to retirement will be processed first) in order to minimize the staff's need to rush through the verifications. The agency may come back to the Legislature during the February 2012 session or to the Emergency Board to request additional resources if, with a few months of experience after the July 1, 2011 start up of the verification process, they can demonstrate a need due to higher than anticipated number of member requests or high error rates. In addition, the agency seeing a higher than normal number of retirement applications, so the agency will have to handle that workload as well.

- Package 132 extends the use of leased office space, covers costs for new software, provides for the purchase of a backup generator and the implementation of a disaster recovery strategy, and requests the conversion of three limited duration positions to permanent and the establishment of one new permanent position. The Subcommittee denied the new position in production control, denied the conversion of two limited duration positions for system development and support, and approved all the other package components.

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- Package 133 would fund the reclassification of 20 positions within the Information Services Division for the higher level of planning, analysis and design required for the planned implementation of a new 24 hour Online Member Services system. The Subcommittee approved the reclassification of 12 Office Assistant 2 positions to Office Specialist 1, but denied the reclassification of the eight Information Systems Specialist positions.
- Package 134 provides funding to make system changes in response to the PERS Board sponsored housekeeping measure – House Bill 2113. The Subcommittee denied this package as the bill is currently in the Joint Committee on Ways and Means and can be amended to include the appropriate level of expenditure limitation.
- Package 136 is a placeholder for PERS Board sponsored House Bill 2114, which at the time requested had an indeterminate fiscal impact. The Subcommittee denied the package because the bill in its current form is not expected to have a fiscal impact. The bill is currently in the Joint Committee on Ways and Means and can be amended to address a fiscal impact, if necessary.

The Subcommittee also approved the following additional packages:

- Package 801 implements a statewide reduction action, which is a 6.5 percent reduction from total Services and Supplies expenditures included in the Governor's budget.
- Package 802 eliminates one permanent part-time Electronic Publishing Design Specialist 2 position, which has been vacant for an extended period of time.

### Debt Service

This program includes debt service on Certificates of Participation sold to finance construction of the PERS headquarters building in Tigard and replacement of the RIMS legacy information system. The Subcommittee approved the requested budget for this program.

### Summary of Performance Measure Action

See attached Legislatively Adopted 2011-13 Key Performance Measures form.

# BUDGET NARRATIVE

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5039-A

Public Employees Retirement System  
Blake Johnson -- (503) 378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011* \$	0	0	\$ 84,685,027	\$ 6,476,885,864	\$ 0	\$ 0	\$ 6,561,570,891	368	363.18
2011-13 DRBIT's printed Current Service Level (CSL)* \$	0	0	\$ 75,881,868	\$ 7,434,012,310	\$ 0	\$ 0	\$ 7,509,894,178	325	324.50
2011-13 Governor's Recommended Budget* \$	0	0	\$ 80,681,654	\$ 7,434,012,310	\$ 0	\$ 0	\$ 7,514,693,964	368	367.50
<b>SUBCOMMITTEE ADJUSTMENTS (from GRB)</b>									
<i>Operations</i>									
Package 131: Business Enterprise-Core Business Functions									
Personal Services	\$ 0	\$ 0	\$ (305,799)	\$ 0	\$ 0	\$ 0	\$ (305,799)	(3)	(3.00)
Services and Supplies	\$ 0	\$ 0	\$ (15,000)	\$ 0	\$ 0	\$ 0	\$ (15,000)	0	0.00
Package 132: Infrastructure Maintenance & Enhancement									
Personal Services	\$ 0	\$ 0	\$ (131,019)	\$ 0	\$ 0	\$ 0	\$ (131,019)	(1)	(1.00)
Services and Supplies	\$ 0	\$ 0	\$ (3,000)	\$ 0	\$ 0	\$ 0	\$ (3,000)	0	0.00
Package 133: Position Reclass/Realignment									
Personal Services	\$ 0	\$ 0	\$ (121,715)	\$ 0	\$ 0	\$ 0	\$ (121,715)	0	0.00
Package 134: Legislative Concept: PERS Housekeeping Bill									
Services and Supplies	\$ 0	\$ 0	\$ (475,600)	\$ 0	\$ 0	\$ 0	\$ (475,600)	0	0.00
Package 136: Legislative Concept: ORSRP Pension Withdrawal Restrictions									
Services and Supplies	\$ 0	\$ 0	\$ (1)	\$ 0	\$ 0	\$ 0	\$ (1)	0	0.00
Package 801: Targeted Statewide Adjustments									
Services and Supplies	\$ 0	\$ 0	\$ (1,398,249)	\$ 0	\$ 0	\$ 0	\$ (1,398,249)	0	0.00
Package 802: Vacant Position Savings									
Personal Services	\$ 0	\$ 0	\$ (13,352)	\$ 0	\$ 0	\$ 0	\$ (13,352)	(1)	(0.17)
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (2,463,735)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (2,463,735)</b>	<b>(5)</b>	<b>(4.17)</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 78,417,919</b>	<b>\$ 7,434,012,310</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,512,430,229</b>	<b>363</b>	<b>363.33</b>
% Change from 2009-11 Leg Approved Budget	0.0%	0.0%	-7.4%	14.8%	0.0%	0.0%	14.5%	-1.4%	0.0%
% Change from 2011-13 Current Service Level	0.0%	0.0%	3.3%	0.0%	0.0%	0.0%	0.0%	11.7%	12.0%
% Change from 2011-13 Gov's Recommended Budget	0.0%	0.0%	-3.0%	0.0%	0.0%	0.0%	0.0%	-1.4%	-1.1%

\*Excludes Capital Construction Expenditures

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# BUDGET NARRATIVE

## Legislatively Approved 2011-2013 Key Performance Measures

Agency: PUBLIC EMPLOYEES RETIREMENT SYSTEM, OREGON

Mission: We are a well-respected organization that serves its members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - TIMELY RETIREMENT PAYMENTS: Percent of initial service retirements paid within 45 days from retirement date.		Approved KPM	21.00	80.00	80.00
2 - TOTAL BENEFIT ADMIN COSTS: Total benefit administration costs per member.		Approved KPM	121.00	130.00	130.00
3 - MEMBER TO STAFF RATIO: Ratio of members to FTE staff.		Approved KPM	924.00	925.00	933.00
4 - ACCURATE BENEFIT CALCULATIONS: Percent of service retirement monthly benefits accurately calculated to within \$5 per month.		Approved KPM			
5 - LEVEL OF PARTICIPATION: Percent of state employees participating in the deferred compensation program.		Approved KPM	34.00	42.00	43.00
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.		Approved KPM		95.00	95.00
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.	Accuracy	Approved KPM	89.00	95.00	95.00
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.	Availability of Information	Approved KPM	89.00	95.00	95.00
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.	Expertise	Approved KPM	92.00	95.00	95.00

Print Date: 5/26/2011

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# BUDGET NARRATIVE

**Agency:** PUBLIC EMPLOYEES RETIREMENT SYSTEM, OREGON

**Mission:** We are a well-respected organization that serves its members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
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 KPM	91.00	95.00	95.00
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.	Overall	Approved KPM	91.00	95.00	95.00
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.	Timeliness	Approved KPM	90.00	95.00	95.00
7 - TIMELY BENEFIT ESTIMATES: Percent of benefit estimates processed within 30 days.		Approved KPM	47.00	95.00	95.00
8 - BOARD OF DIRECTORS BEST PRACTICES: Percent of total best practices criteria met by the PERS board.		Approved KPM	100.00	100.00	100.00
4 - AVERAGE DOLLARS DEFERRED: Average monthly deferral per state employee deferred compensation participant		Legislative Delete	383.00		

**LFO Recommendation:**

Approve the Key Performance Measures as proposed by the Public Employees Retirement System, with the following modification:  
Increase 2012 and 2013 targets for KPM #6 - Customer Service from 80 to 95.

**Sub-Committee Action:**

The Subcommittee approved the Legislative Fiscal Office recommendation.

Print Date: 5/26/2011

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# BUDGET NARRATIVE

76<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY

MEASURE: HB 2113-B

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. G. Smith  
Carrier – Senate: Sen. Johnson

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**Action:** Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed

**Vote:** 25 – 0 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant  
– Nays:  
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters  
– Nays:  
– Exc:

**Prepared By:** Blake Johnson, Department of Administrative Services

**Reviewed By:** Laurie Byerly, Legislative Fiscal Office

**Meeting Date:** June 24, 2011

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Agency  
Public Employees Retirement System (PERS)

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2011-13

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Agency Request

Governor's Balanced Budget

Legislatively Adopted

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# BUDGET NARRATIVE

## Budget Summary\*

	2009-11	2011-13	2011-13	2011-13	Committee Change from	
	Legislatively Approved Budget	Current Service Level	Governor's Budget	Committee Recommendation	\$ Change	% Change
<u>Public Employees Retirement System</u>						
Other Funds				\$ 475,600	\$ 475,600	

## Summary of Revenue Changes

House Bill 2113 is primarily a housekeeping bill and has no effect on revenues.

## Summary of Capital Construction Subcommittee Action

This measure modifies retirement plan statutes administered by the Public Employees Retirement System (PERS) as follows:

- Resolves statutory conflicts governing retirement plan choices for legislators and conform to federal retirement plan laws. Removes incongruous requirements or incompatible elections, consistent with the repeal of "Break in Service."
- Amends current statute to include the retirement credit purchases omitted in SB 399 (2009).
- Allows a member to vest in the Oregon Public Service Retirement Plan (OPSRP) pension program and in an Individual Account Program employer account if the member is an active member on or after the date the member reaches normal retirement age.
- Removes statutory sections that were invalidated by the Oregon Supreme Court in the *Strunk* case.
- Allows the Public Employees Retirement Board to offer Roth Individual Retirement Account contributions within the Oregon Growth Savings Plan program
- Changes statutes to prevent dual membership status upon reemployment of a member who withdrew from the Individual Account Program (IAP) but was unable to withdraw from the OPSRP Pension Program. Provides common start date for active membership in both programs upon reemployment.

The Subcommittee approved \$475,600 Other Funds for PERS to make one-time system modifications supporting the changes in this bill.

## Summary of Performance Measure Action

There are no performance measures relating to this bill.

# BUDGET NARRATIVE

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 2113-B

Public Employees Retirement System  
Blake Johnson -- (503) 378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
<i>Operations</i>									
<i>Package 840 - HB 2113</i>									
Services and Supplies	\$ 0	\$ 0	\$ 475,600	\$ 0	\$ 0	\$ 0	\$ 475,600	0	0.00
<b>TOTAL ADJUSTMENTS</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 475,600</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 475,600</u>	<u>0</u>	<u>0.00</u>

\*Excludes Capital Construction Expenditures

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Agency Request     
  Governor's Balanced Budget     
  Legislatively Adopted

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# BUDGET NARRATIVE

76<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY

MEASURE: HB 2456-B

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. G. Smith

Carrier – Senate: Sen. Nelson

---

**Action:** Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed

**Vote:** 21 – 4 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Komp, Kotek, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant  
– Nays: Garrard, McLane  
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Verger, Winters  
– Nays: Thomsen, Whitsett  
– Exc:

**Prepared By:** Blake Johnson, Department of Administrative Services

**Reviewed By:** Laurie Byerly, Legislative Fiscal Office

**Meeting Date:** June 24, 2011

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<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Public Employees Retirement System (PERS)	I-15	235	2011-13

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\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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# BUDGET NARRATIVE

**Budget Summary\***

	2009-11 Legislatively Approved Budget	2011-13 Current Service Level	2011-13 Governor's Budget	2011-13 Committee Recommendation	Committee Change from 2009-11 Leg. Approved	
					\$ Change	% Change
<u>Public Employees Retirement System</u>						
Other Funds				\$ 570,412	570,412	

**Position Summary**

Authorized Positions	1
Full-time Equivalent (FTE) Positions	0.75

**Summary of Revenue Changes**

House Bill 2456 makes changes to retirement benefits paid by PERS to members who reside in states other than Oregon. This measure has no direct effect on revenues.

**Summary of Capital Construction Subcommittee Action**

House Bill 2456 eliminates a benefit for certain Public Employees Retirement System (PERS) retirees who reside out of state. PERS retirees living in Oregon receive an increased benefit to offset Oregon income taxes on their retirement benefits. However, retirees that subsequently move out of state continue to receive the benefit even though they no longer pay taxes to the State of Oregon.

This bill prohibits the increased benefit in these cases, but only for employees retiring on or after January 1, 2012. While this change should reduce some future benefit payments, that reduction is indeterminate and directly tied to member retirement behavior. If the bill does decrease system liabilities, the earliest employer rates would be affected is in the 2015-17 biennium. The bill also allows the Department of Revenue to share taxpayer information with PERS or other public employee retirement plans for the purpose of determining if a payee is ineligible for the increased benefit payment.

A person may challenge the bill by filing a petition with the Oregon Supreme Court within 60 days after the effective date of the bill. The court is required to give priority to this proceeding and may appoint a special master to hear evidence and prepare findings of fact. Potential costs for the Judicial Department associated with these actions are indeterminate and can be addressed by the Legislature when incurred.

The Subcommittee approved \$570,412 Other Funds and one part-time, limited duration Retirement Counselor position (0.75 FTE) to make required system modifications and implement a manual work-around until such modifications are completed.

**Summary of Performance Measure Action**

There are no performance measures relating to this bill.

# BUDGET NARRATIVE

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

**HB 2456-B**

Public Employees Retirement System  
Blake Johnson -- (503) 378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
<i>Operations</i>									
<i>Package 841 - HB 2456</i>									
Personal Services	\$ 0	\$ 0	\$ 125,412	\$ 0	\$ 0	\$ 0	\$ 125,412	1	0.75
Services and Supplies	\$ 0	\$ 0	\$ 445,000	\$ 0	\$ 0	\$ 0	\$ 445,000	0	0.00
<b>TOTAL ADJUSTMENTS</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 570,412</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 570,412</u>	<u>1</u>	<u>0.75</u>

\*Excludes Capital Construction Expenditures

HB 2456-B  
Page 1

# BUDGET NARRATIVE

76<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session  
 BUDGET REPORT AND MEASURE SUMMARY

MEASURE: SB 5508-A

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. Richardson  
 Carrier – Senate: Sen. Devlin

**Action:** Do Pass as Amended and as Printed A-Engrossed

**Vote:** 24 – 0 – 1

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant  
 – Nays:  
 – Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Whitsett, Winters  
 – Nays:  
 – Exc: Verger

**Prepared By:** Sheila Baker, Legislative Fiscal Office

**Reviewed By:** Daron Hill, Legislative Fiscal Office

**Meeting Date:** June 29, 2011

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Emergency Board	L-1	263	2011-13
Various Agencies			2009-11

SB 5508-A  
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# BUDGET NARRATIVE

**SENATE BILL 5508-A**  
**ATTACHMENT A: 2011-13 Agency Adjustments**

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
<b>ADMINISTRATION</b>								
ADVOCACY COMMISSIONS OFFICE	Operating Expenses	HB 5001	01	GF	(229)	-	-	-
DEPT OF ADMIN SERVICES	Mill Creek Debt Service	SB 5502	01-02	GF	(114,267)	-	-	-
DEPT OF ADMIN SERVICES	Operating Expenses	SB 5502	02-01	OF	-	-	(1,039,691)	-
DEPT OF ADMIN SERVICES	Debt Service (Other)	SB 5502	02-05	OF	-	-	(625,330)	-
DEPT OF ADMIN SERVICES	Debt Service - OPB	SB 5502	03-01	LF	-	(311,063)	-	-
DEPT OF ADMIN SERVICES	Debt Service - Tillamook FEMA Match	SB 5502	03-09	LF	-	(559,068)	-	-
DEPT OF ADMIN SERVICES	Debt Service - Lane Transit District EmX	SB 5502	03-07	LF	-	238,158	-	-
OREGON STATE TREASURY	Administrative Expenses - Operations	HB 5048	01-01	OF	-	-	(92,844)	-
OREGON STATE TREASURY	Administrative Expenses - College Savings	HB 5048	01-02	OF	-	-	(3,362)	-
RACING COMMISSION	Operating Expenses	SB 5543	01	OF	-	-	(48,788)	-
PUB EMPLOYEES RETIREMNT SYSTEM	Administrative and operating expenses	HB 5039	01-01	OF	-	-	(34,511)	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	HB 5041	01-01	GF	(249)	-	-	-
SECRETARY OF STATE	Elections Division	HB 5041	01-02	GF	(8,380)	-	-	-
SECRETARY OF STATE	Archives Division	HB 5041	01-03	GF	(404)	-	-	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	HB 5041	02-01	OF	-	-	(2,390)	-
SECRETARY OF STATE	Audits Division	HB 5041	02-03	OF	-	-	(4,419)	-
SECRETARY OF STATE	Archives Division	HB 5041	02-04	OF	-	-	(122)	-
SECRETARY OF STATE	Corporation Division	HB 5041	02-05	OF	-	-	10,191	-
SECRETARY OF STATE	Help America Vote Act	HB 5041	03	FF	-	-	-	(45)
LIQUOR CONTROL COMMISSION	Administrative expenses	SB 5522	01-01	OF	-	-	6,755	-
DEPT OF REVENUE	Administrative Expenses	HB 5040	01	GF	(259,006)	-	-	-
DEPT OF REVENUE	Operating Expenses	HB 5040	02	OF	-	-	(56,229)	-
EMPLOYMENT RELATIONS BOARD	Assessments of agencies transferred to DAS	SB 5510	03	OF	-	-	(1,811)	-
OFFICE OF THE GOVERNOR	Operating Expenses	HB 5025	01	GF	(8,746)	-	-	-
OFFICE OF THE GOVERNOR	Economic Revitalization Team	HB 5025	03	LF	-	(943)	-	-
OFFICE OF THE GOVERNOR	Operating Expenses	HB 5025	04	OF	-	-	(862)	-
GOVERNMENT ETHICS COMMISSION	Other Funds	HB 5024	01	OF	-	-	(1,354)	-
OREGON STATE LIBRARY	Operating Expenses	SB 5521	01	GF	(1,859)	-	-	-
OREGON STATE LIBRARY	Operating Expenses - Assessments	SB 5521	03	OF	-	-	(2,711)	-
OREGON STATE LIBRARY	Operating Expenses - Non-Assessment	SB 5521	02	OF	-	-	(71)	-
OREGON STATE LIBRARY	Operating Expenses	SB 5521	04	FF	-	-	-	(1,776)
<b>CONSUMER AND BUSINESS SERVICES</b>								
STATE BOARD OF ACCOUNTANCY	Operating Expenses	SB 5501	01	OF	-	-	(9,129)	-
TAX PRACTITIONERS BOARD	Operating Expenses	HB 5044	01	OF	-	-	(3,095)	-
CONSTRUCTION CONTRACTOR BOARD	Operating Expenses	HB 5012	01	OF	-	-	(10,154)	-
COUNSELORS AND THERAPISTS BRD	Operating Expenses	HB 5015	01	OF	-	-	1,195	-
PSYCHOLOGISTS EXAMINERS BOARD	Operating Expenses	HB 5038	01	OF	-	-	(42,775)	-
CHIROPRACTIC EXAMINERS BOARD	Operating Expenses	HB 5007	01	OF	-	-	3,255	-
CLINICAL SOCIAL WORKERS BOARD	Operating Expenses	HB 5008	01	OF	-	-	(441)	-
OREGON BOARD OF DENTISTRY	Operating Expenses	HB 5017	01	OF	-	-	(7,473)	-
HEALTH RELATED LICENSING BRDS	State Mortuary and Cemetery Board	HB 5028	02	OF	-	-	10,034	-
HEALTH RELATED LICENSING BRDS	Board of Naturopathic Examiners	HB 5028	03	OF	-	-	11,026	-
HEALTH RELATED LICENSING BRDS	Occupational Therapy Licensing Board	HB 5028	04	OF	-	-	(207)	-
HEALTH RELATED LICENSING BRDS	Board of Medical Imaging	HB 5028	05	OF	-	-	(4,822)	-
HEALTH RELATED LICENSING BRDS	State Board of Examiners for Speech-Language Pathology and Audiology	HB 5028	06	OF	-	-	1,452	-

## BUDGET NARRATIVE

### ***Oregon Legislative Emergency Board Minutes – May 26, 2010 (PERS-related items)***

#### **59. Public Employees Retirement System**

Representative Nathanson moved that the Emergency Board increase the Other Funds expenditure limitation established for the Public Employees Retirement System by section 1(1), chapter 75, Oregon Laws 2009, Administrative and operating expenses, by \$2,601,324, and authorized the establishment of 2 permanent full-time positions (0.63 FTE) and 4 limited duration full-time positions (1.00 FTE) to implement legislation from the 2009 session.

The following is a summary of the request and Subcommittee (General Government) action:

Two bills from the 2009 legislative session, SB 399 and SB 897, made substantive modifications to public retirement statutes. To implement changes required by these bills, the Public Employees Retirement System requested additional budget authority.

SB 399 allows members to purchase retirement credit using funds from certain other tax-advantaged plans, while SB 897 allows members to request a data verification of certain information before retirement and permits retired Oregon Public Service Retirement Plan members to participate in the system's Health Insurance Program.

The agency's request was for a combination of one-time costs to update financial systems and ongoing staffing to complete data verification work. Systems costs have increased since the agency's initial estimates during session primarily due to having more detailed system impacts. There are over 80,000 members who would be immediately eligible to request data verification in July 2011. Even with a solid online system for data verification, the agency will still need staff to review information and complete data verification.

The Legislative Fiscal Office recommended approval of the request, which consisted of \$12.8 million Other Funds expenditure limitation and 12 full-time permanent positions.

Subcommittee members questioned some flawed assumptions used by the agency in developing its original cost estimates during session. They also discussed the agency's ability to find other resources to support this work, which some perceive to be a core function the agency should already be doing. One member noted that the Subcommittee should keep in mind that the work is being directly driven by legislative mandates. The Subcommittee was concerned about the number of positions being requested and their permanent nature.

Several subcommittee members noted they would support moving the request to the full committee for additional discussion, but would reserve the right to vote "no".

The Subcommittee recommended approval of the request.

Agency Request       Governor's Balanced Budget       Legislatively Adopted

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## BUDGET NARRATIVE

The following Committee discussion occurred:

Representative Nathanson explained that the while the Subcommittee sent the request out of subcommittee as “recommended,” many Subcommittee members still had reservations. She offered the motion above to substitute for the Legislative Fiscal Office recommendation moved forward by the Subcommittee. The position detail for this request is as follows: one permanent Operations and Policy Analyst 2 (0.25 FTE), one permanent Principal Executive Manger B (0.38 FTE), two limited duration

Retirement Counselor 1 (0.50 FTE), and two limited duration Retirement Counselor 2 (0.50 FTE). All of the positions are full-time.

Representative Nathanson indicated the revised recommendation was intended to provide the needed one-time expenditure authority to make changes to the agency’s financial systems to implement the legislation. The positions would allow for permanent staff to manage and oversee the program while the limited duration positions would tie to workload. She also noted that existing staff from the agency’s eligibility unit will be also be trained in the new program and used to complete data verifications. Data verification tasks will take priority over benefit estimate and withdrawal processing functions.

Between now and the 2011 legislation session, the agency will seek input from members to better estimate the number of data verification requests it will actually receive in July 2011. This information will be used to help validate the level of program resources needed for 2011-13.

Senator Verger stated that, while she was disappointed in the original recommendation, she could support this revised plan.

Senator Whitsett indicated that, while he is still very concerned about how far off the agency was with its original cost estimates for system changes, he will support the replacement motion.

The motion carried with no objection voiced. Representatives Garrard and Jenson excused.

# BUDGET NARRATIVE

## 2011 Budget Reports

75<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY

MEASURE: SB 5539

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. Nathanson  
Carrier – Senate: Sen. Winters

**Action:** Do Pass

**Vote:** 17 – 4 – 1

- House – Yeas: Buckley, D. Edwards, Gilman, Jenson, Komp, Kotek, Nathanson, Shields, G. Smith  
– Nays: Garrard, Richardson  
– Exc: Galizio
- Senate – Yeas: Bates, Carter, Johnson, Monroe, Nelson, Verger, Walker, Winters  
– Nays: Girod, Whitsett  
– Exc:

**Prepared By:** Bill McGee, Department of Administrative Services

**Reviewed By:** Laurie Byerly, Legislative Fiscal Office

**Meeting Date:** March 27, 2009

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Public Employees Retirement System

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Agency Request

Governor's Balanced Budget

Legislatively Adopted

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# BUDGET NARRATIVE

## Budget Summary\*

	2007-09 Legislatively Approved Budget (1)	2009-11 Essential Budget Level	2009-11 Committee Recommendation	Committee Change from 2007-09 Leg. Approved	
				\$ Change	% Change
Other Funds	\$ 81,251,146	\$ 59,408,889	\$ 82,273,645	\$ 1,022,499	1.3 %
Other Funds Debt Service	\$ 5,709,200	\$ 1,423,075	\$ 1,423,075	\$ -4,286,125	-75.1 %
Other Funds Nonlimited	\$ 6,286,947,122	\$ 6,476,885,664	\$ 6,476,885,664	\$ 189,938,542	3.0 %
<b>Total</b>	<b>\$ 6,373,907,468</b>	<b>\$ 6,537,717,628</b>	<b>\$ 6,560,582,384</b>	<b>\$ 186,674,916</b>	<b>2.9 %</b>

## Position Summary

Authorized Positions	401	296	362	-39	-9.7 %
Full-time Equivalent (FTE) positions	394.88	295.05	361.55	-33.33	-8.4 %

(1) Includes adjustments through the December 2008 meeting of the Emergency Board

\* Excludes Capital Construction expenditures

## Summary of Revenue Changes

Principal revenue sources for the Public Employees Retirement System (PERS) include investment earnings, employer contributions, member contributions and fees. Employee contributions, whether made by employees or by employers on employees' behalf, are credited to members' Individual Account Program (IAP) accounts. Funding for administration of the IAP accounts is drawn from the accounts.

The PERS operating budget is funded from investment earnings. Net earnings, if any, are then distributed to employee, employer and reserve accounts as directed by statute and board crediting decisions. Revenues to fund administrative activities for deferred compensation programs come largely from participant fees.

The Committee modified the 2009-11 beginning balance due to the current economic downturn, the magnitude of which was not anticipated during creation of the Governor's budget. The agency's beginning balance for retirement benefit trust funds, recorded as Nonlimited Other Funds, is now expected to be \$47.1 million, down from the \$66.7 billion expected when revenue projections were developed in spring 2008. The reduction in Other Funds Nonlimited was \$19,590,927,286. The Other Funds beginning balance was increased slightly, by \$93,290, based on updated projections.

## Summary of Committee Action

PERS is responsible for administering retirement programs for public employees, including state, school and local government workers. PERS distributes \$2.7 billion in retirement benefits annually. The agency manages a number of programs, including the Tier One and Tier Two Retirement

## BUDGET NARRATIVE

programs, the Oregon Public Service Retirement Program (OPSRP) and the Individual Account Program (IAP), three health insurance programs, Social Security Administration activities and a deferred compensation program.

The Committee approved a budget of \$83,696,720 Other Funds, \$6,476,885,664 Other Funds Nonlimited, and 361.55 full-time equivalent positions. Other Funds and full-time equivalent were reduced from the 2007-09 Legislatively Approved Budget through December 2008 (LAB) by 3.8 percent and 8.4 percent respectively, while Other Funds Nonlimited were increased by three percent. The approved budget includes 327 permanent and 35 limited duration positions.

The Committee approved seven policy packages for a total of \$22,864,756 Other Funds, 66 positions and 66.50 full-time equivalent. The funding level was approved as requested while 32 of the positions were shifted from permanent to limited duration. A total of 35 limited duration positions are assigned primarily for completion of the converting the agency's retirement administration IT platform from the Retirement Information Management System (RIMS) to a new system (jClarety) and related work-process improvements that will remain untested until the systems conversion is finished. The 31 permanent positions approved support workload increases that have been managed with limited duration positions since the 2003-05 biennium.

### Tier One and Tier Two Plan

The Tier One and Tier Two Plan program unit accounts for employer contributions and interest earnings related to those retirement plans. It also reflects the retirement payments made to Tier One and Tier Two retirees, as well as activity related to the agency's health insurance programs. As a result of statutory changes to the Tier One and Tier Two plans, this program unit no longer includes employee contributions as those are directed to the IAP. This program unit is made up entirely of Other Funds Nonlimited. The Committee approved the budget requested for this program unit.

### Oregon Public Service Retirement Plan

This program accounts for employee contributions into the IAP, including contributions made by employers on behalf of employees. It also reflects employer contributions for the defined benefit portion of the OPSRP plan. This program unit is made up entirely of Other Funds Nonlimited. The Committee approved the budget requested for this program unit.

### Operations

This program unit includes the operational costs associated with administration of the agency's various retirement related plans and programs. The Committee approved all seven policy packages at the funding level requested but shifted 32 positions from permanent to limited duration. Specific actions are as follows:

- Package 101 establishes five positions to institutionalize the agency's Business Process Owners team. This team, which is primarily tasked with developing effective and efficient cross-functional business processes, has previously been supported with limited duration positions. The package is targeted at taking full advantage of investments in the agency's new information technology system (jClarety), achieving strategic plan objectives, meeting key performance measures and continuous process improvements. The Committee approved all five

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## BUDGET NARRATIVE

positions as limited duration rather than permanent. The full cost of this package will phase-out in the 2011-13 Essential Budget Level (EBL).

- Package 102 adds 44 positions to meet ongoing business needs for the following purposes: business rule development and maintenance; centralized intake for all retirement documents; increased timeliness of eligibility determinations and employer invoicing; development and maintenance of contracts and procurement; program services for IAP and OPSRP; support for current service levels and increasing retirement volume; retirement application process follow-up; call center support; processing of appeals and reviews of agency determinations, legislative analysis and research support; and human resources support.

The Committee approved 21 positions (21.50 full-time equivalent) as permanent, at a total cost of \$2,980,908 Other Funds. These positions and related costs are workload-related due to plan complexity and member demographics and will allow the agency to meet ongoing needs with a consistent level of resources.

An additional 23 positions (23.00 full-time equivalent) were approved as limited duration, at a cost of \$2,898,824 Other Funds. The positions are tied to yet-to-be proven process improvement initiatives. These positions and associated costs will phase-out in the 2011-13 EBL.

- Package 103 extends the use of leased office space, funds building maintenance, covers software licensing costs and pays for periodic replacement of computer hardware. The Committee approved two document imaging positions as limited duration rather than permanent, approved a limited duration mail and supplies support position as requested, and approved \$1,960,513 Other Funds for information technology maintenance agreements, service charges and lifecycle equipment replacement on a permanent basis. Funding for the three limited duration positions and costs related to the leased 72<sup>nd</sup> Avenue facility, totaling \$1,177,680 Other Funds, were approved on a one-time basis and will phase-out in the 2011-13 EBL.
- Package 104 funds completion of the RIMS conversion project, scheduled for June 2010. The package includes support for contract services, post-conversion system maintenance, data migration, data preparation, data quality and integrity review and enterprise application support. The Committee approved all four positions as limited duration; three had been requested as permanent. Funds for post-conversion system maintenance and enhancement (\$700,000 Other Funds) and data migration and preparation (\$720,000) were approved as permanent. The positions and remaining \$8,294,912 were approved as one-time costs and will phase-out in the 2011-13 EBL.
- Package 105 provides funding for additional actuarial services, an actuarial audit, an internal audit peer review and standardized financial reporting software; the package was approved as requested. Costs for the actuarial audit (\$110,000 Other Funds) were approved on a one-time basis and will phase out in the 2011-13 EBL. The remaining \$645,000 Other Funds were approved as permanent. No positions are included in this package.
- Package 106 adds 10 permanent positions to provide technical support for agency operations involving reporting, data bridging, or transactions that, because of their complex or unique nature, must be researched, calculated and processed manually. The package was approved as requested.

## BUDGET NARRATIVE

- Package 107 continues funding for outside legal counsel for fiduciary, federal tax plan compliance and litigation issues for which the Department of Justice cannot represent the agency. The Committee approved the request as submitted on a permanent basis. No positions are included in the package.

### Debt Service

This program includes debt service on Certificates of Participation sold to finance construction of the PERS headquarters building in Tigard and replacement of the RIMS legacy information system. The Committee approved the requested budget for this program.

### Summary of Performance Measure Action

The Committee approved performance measures as submitted by the agency. See attached Legislatively Adopted 2009-11 Key Performance Measures form.

# BUDGET NARRATIVE

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5539

Public Employees Retirement System  
Bill McGee 503-378-2078

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2007-09 Legislatively Approved Budget at Dec 2008 *	\$0	\$0	\$86,960,346	\$6,286,947,122	\$0	\$0	\$6,373,907,468	401	394.88
2009-11 ORBITS printed Essential Budget Level (EBL)*	\$0	\$0	\$60,831,964	\$6,476,885,664	\$0	\$0	\$6,537,717,628	296	295.05
<b>COMMITTEE ADJUSTMENTS (from EBL)</b>									
Program Unit 300 Operations									
101: Business Owners Process			849,600				849,600	5	5.00
102: Maintenance & Enhancement of Current Svc Levels			5,879,732				5,879,732	44	44.50
103: Infrastructure Maintenance & Enhancement			3,138,193				3,138,193	3	3.00
104: Enterprise Applications			9,714,912				9,714,912	4	4.00
105: Standards, Training & Certification			755,000				755,000		
106: Data Transition & Standard Tool Development			1,527,319				1,527,319	10	10.00
107: Legal Services			1,000,000				1,000,000		
<b>TOTAL ADJUSTMENTS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,864,756</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,864,756</b>	<b>66</b>	<b>66.50</b>
<b>COMMITTEE RECOMMENDATION *</b>	<b>\$0</b>	<b>\$0</b>	<b>\$83,696,720</b>	<b>\$6,476,885,664</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,560,582,384</b>	<b>362</b>	<b>361.55</b>
% Change from 2007-09 Leg Approved Budget	0.00%	0.00%	-3.75%	3.02%	0.00%	0.00%	2.93%	-9.73%	-8.44%
% Change from 2009-11 Essential Budget Level	0.00%	0.00%	37.59%	0.00%	0.00%	0.00%	0.35%	22.30%	22.54%

\* Excludes Capital Construction Expenditures

## BUDGET NARRATIVE

### LEGISLATIVELY ADOPTED 2009-11 KEY PERFORMANCE MEASURES

**AGENCY NAME: PUBLIC EMPLOYEES RETIREMENT SYSTEM, OREGON**

Mission: We are a well-respected organization that serves its members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

#	Legislatively Adopted KPMs for 2009-11	Customer Service Category	Agency Request	Most Current Result	Target 2010	Target 2011
1	TIMELY RETIREMENT PAYMENTS: Percent of initial service retirements paid within 45 days from retirement date.		Approved KPM	33	80	80
2	TOTAL BENEFIT ADMIN COSTS: Total benefit administration costs per member.		Approved KPM	136	125	125
3	MEMBER TO STAFF RATIO: Ratio of members to FTE staff.		Approved KPM	845	925	935
4	AVERAGE DOLLARS DEFERRED: Average monthly deferral per state employee deferred compensation participant		Approved KPM	390	450	472
5	LEVEL OF PARTICIPATION: Percent of state employees participating in the deferred compensation program.		Approved KPM	38	40	41
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.	Accuracy	Approved KPM	91	80	80
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.	Availability of Information	Approved KPM	89	80	80
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.	Expertise	Approved KPM	91	80	80

Thursday, March 26, 2009

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# BUDGET NARRATIVE

**AGENCY NAME: PUBLIC EMPLOYEES RETIREMENT SYSTEM, OREGON**

Mission: We are a well-respected organization that serves its members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

#	Legislatively Adopted KPMs for 2009-11	Customer Service Category	Agency Request	Most Current Result	Target 2010	Target 2011
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 KPM	92	80	80
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.	Overall	Approved KPM	91	80	80
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.	Timeliness	Approved KPM	92	80	80
7	TIMELY BENEFIT ESTIMATES: Percent of benefit estimates processed within 30 days.		Approved KPM	94	95	95
8	BOARD OF DIRECTORS BEST PRACTICES: Percent of total best practices criteria met by the PERS board.		Approved KPM	93	100	100

**LFO Recommendation:**

LFO recommends continuation of the agency's Key Performance Measures without any changes.

With this recommendation, the agency will have experience with a consistent set of measures for two biennia. The LFO recommended budget includes resources that should result in improved performance for measures where the agency is currently not meeting targets.

**Sub-Committee Action:**

The Committee approved eight key performance measures as submitted by the agency and recommended by LFO.

# BUDGET NARRATIVE

**75<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE:        HB 5054-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House:    Rep. Buckley  
Carrier – Senate:    Sen. Winters**

**Action:**    Do Pass as Amended and Be Printed A-Engrossed

**Vote:**        21 – 1 – 0

House – Yeas: Buckley, C. Edwards, D. Edwards, Galizio, Garrard, Gilman, Jenson, Kotek, Nathanson, Richardson, Shields, G. Smith

– Nays:

– Exc:

Senate – Yeas: Bates, Carter, Johnson, Monroe, Nelson, Verger, Walker, Whitsett, Winters

– Nays: Girod

– Exc:

**Prepared By:**    Linda Ames, Department of Administrative Services

**Reviewed By:**    Laurie Byerly and Sheila Baker, Legislative Fiscal Office

**Meeting Date:**    June 29, 2009

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Emergency Board	L-1	520	2009-11
Various Agencies	---	---	2007-09

HB 5054-A  
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# BUDGET NARRATIVE

## 2009-11 Budget Summary \*

	2007-09 Legislatively Approved Budget <sup>(1)</sup>	2009-11 Essential Budget Level	2009-11 Committee Recommendations	Committee Change From 2007-09 Leg. Approved	
				\$ Change	% Change
<b><u>Emergency Board</u></b>					
General Fund	\$ 0	\$ 0	\$ 30,000,000	\$ 30,000,000	100.0%
General Fund - Special Purpose Appropriations					
State Employee Benefit Costs	\$ 0	\$ 0	\$ 32,000,000	\$ 32,000,000	100.0%
Department of Justice	\$ 0	\$ 0	\$ 1,500,000	\$ 1,500,000	100.0%
Legislative Branch Agencies	\$ 0	\$ 0	\$ 800,000	\$ 800,000	100.0%
Legislative Administration/Secretary of State	\$ 0	\$ 0	\$ 600,000	\$ 600,000	100.0%
<b><u>Various Agencies -- see Attachment A</u></b>					
General Fund	\$ 0	\$ 0	\$ -130,037,109	\$ -130,037,109	100.0%
Lottery Funds	\$ 0	\$ 0	\$ -2,441,266	\$ -2,441,266	100.0%
Other Funds	\$ 0	\$ 0	\$ -117,564,861	\$ -117,564,861	100.0%
Federal Funds	\$ 0	\$ 0	\$ -45,398,104	\$ -45,398,104	100.0%
<b><u>ADMINISTRATION PROGRAM AREA</u></b>					
<b><u>Department of Administrative Services</u></b>					
General Fund	\$ 0	\$ 0	\$ 9,324,234	\$ 9,324,234	100.0%
Lottery Funds	\$ 0	\$ 0	\$ 5,133,130	\$ 5,133,130	100.0%
Other Funds	\$ 0	\$ 0	\$ 68,865,995	\$ 68,865,995	100.0%
<b><u>Department of Revenue</u></b>					
General Fund	\$ 0	\$ 0	\$ 1,501,251	\$ 1,501,251	100.0%
<b><u>Secretary of State</u></b>					
General Fund	\$ 0	\$ 0	\$ 668,587	\$ 668,587	100.0%
Other Funds	\$ 0	\$ 0	\$ 2,935,380	\$ 2,935,380	100.0%
Federal Funds	\$ 0	\$ 0	\$ 20,000	\$ 20,000	100.0%
<b><u>State Treasurer</u></b>					
Other Funds	\$ 0	\$ 0	\$ 394,972	\$ 394,972	100.0%

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# BUDGET NARRATIVE

HOUSE BILL 5054-A  
ATTACHMENT A: 2009-11 Other Adjustments

Agency Name	Program Description	Bill Number	Chapter	Section/ Sub	General Fund	Other Funds	Lottery Funds	Federal Funds
<b>ADMINISTRATION</b>								
OREGON ADVOCACY COMMISSIONS OFFICE	General Fund	SB 5501		01	(28,537)	-	-	-
DEPT OF ADMINISTRATIVE SERVICES	Other operating expenses	HB 5002		01-01	(9,368)	-	-	-
DEPT OF ADMINISTRATIVE SERVICES	Other operating expenses	HB 5002		02-02	-	(5,791,333)	-	-
DEPT OF ADMINISTRATIVE SERVICES	Operating expenses of the State Data Center	HB 5002		02-01	-	(1,849,135)	-	-
DEPT OF ADMINISTRATIVE SERVICES	Debt service and related costs	HB 5002		03	-	-	(83)	-
STATE TREASURER	Administrative expenses of State Treasury operations	SB 5550		01-01	-	(838,810)	-	-
STATE TREASURER	Administrative expenses of the Oregon 529 College Savings Network	SB 5550		01-03	-	(31,610)	-	-
OREGON RACING COMMISSION	Other funds	HB 5044	117	01	-	(172,814)	-	-
PUBLIC EMPLOYEES RETIREMENT SYSTEM	Administrative and operating expenses	SB 5539	75	01-01	-	(2,113,017)	-	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	SB 5541		01-01	(57,864)	-	-	-
SECRETARY OF STATE	Elections Division	SB 5541		01-02	(234,655)	-	-	-
SECRETARY OF STATE	Archives Division	SB 5541		01-03	(82,324)	-	-	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	SB 5541		02-01	-	(274,208)	-	-
SECRETARY OF STATE	Audits Division	SB 5541		02-03	-	(448,466)	-	-
SECRETARY OF STATE	Archives Division	SB 5541		02-04	-	(27,463)	-	-
SECRETARY OF STATE	Corporation Division	SB 5541		02-05	-	(161,824)	-	-
SECRETARY OF STATE	Help America Vote Act	SB 5541		03	-	-	-	(34,777)
OREGON LIQUOR CONTROL COMMISSION	Administrative expenses	HB 5027		01-01	-	(1,537,101)	-	-
DEPT OF REVENUE	General Fund	SB 5540		01	(6,857,016)	-	-	-
DEPT OF REVENUE	Other funds	SB 5540		04	-	(1,246,963)	-	-
EMPLOYMENT RELATIONS BOARD	General Fund	HB 5011		01	(55,932)	-	-	-
EMPLOYMENT RELATIONS BOARD	Other funds	HB 5011		03	-	(49,462)	-	-
OFFICE OF THE GOVERNOR	General Fund	SB 5524		01	(37,777)	-	-	-
OFFICE OF THE GOVERNOR	Other funds	SB 5524		04	-	(44,683)	-	-
OFFICE OF THE GOVERNOR	Lottery funds	SB 5524		03	-	-	(7,054)	-
OREGON GOVERNMENT ETHICS COMMISSION	General Fund	SB 5523		01	(30,259)	-	-	-
OREGON GOVERNMENT ETHICS COMMISSION	Other funds	SB 5523		02	-	(64,919)	-	-
STATE LIBRARY	General Fund	HB 5026		01	(60,215)	-	-	-
STATE LIBRARY	Other funds - Assessments	HB 5026		03	-	(165,322)	-	-
STATE LIBRARY	Other funds - Non-Assessment	HB 5026		02	-	(2,555)	-	-
STATE LIBRARY	Federal funds	HB 5026		04	-	-	-	(43,631)
<b>CONSUMER AND BUSINESS SERVICES</b>								
OREGON BOARD OF ACCOUNTANCY	Other funds	HB 5001	86	01	-	(64,582)	-	-
STATE BOARD OF TAX PRACTITIONERS	Other funds	SB 5546	159	01	-	(63,939)	-	-
CONSTRUCTION CONTRACTORS BOARD	Other funds	SB 5512		01	-	(614,844)	-	-
OREGON BD OF LICENSED PROFESSIONAL COUNSELORS AND THERAPISTS	Other funds	SB 5515	154	01	-	(49,051)	-	-
STATE BD OF PSYCHOLOGISTS EXAMINERS	Other funds	SB 5538	158	01	-	(44,991)	-	-
STATE BD OF CHIROPRACTIC EXAMINERS	Other funds	SB 5507	151	01	-	(69,777)	-	-
STATE BD OF CLINICAL SOCIAL WORKERS	Other funds	SB 5508	152	01	-	(51,476)	-	-
OREGON BOARD OF DENTISTRY	Other funds	SB 5516	155	01	-	(81,429)	-	-
HEALTH RELATED LICENSING BRDS	Board of Examiners of Licensed Dietitians	SB 5527		01	-	(5,263)	-	-
HEALTH RELATED LICENSING BRDS	State Mortuary and Cemetery Board	SB 5527		02	-	(52,776)	-	-
HEALTH RELATED LICENSING BRDS	Board of Naturopathic Examiners	SB 5527		03	-	(34,463)	-	-
HEALTH RELATED LICENSING BRDS	Occupational Therapy Licensing Board	SB 5527		04	-	(23,578)	-	-
HEALTH RELATED LICENSING BRDS	Board of Radiologic Technology	SB 5527		05	-	(43,977)	-	-

# BUDGET NARRATIVE

## Public Employees Retirement System

### Agency Summary

#### *Agency Summary*

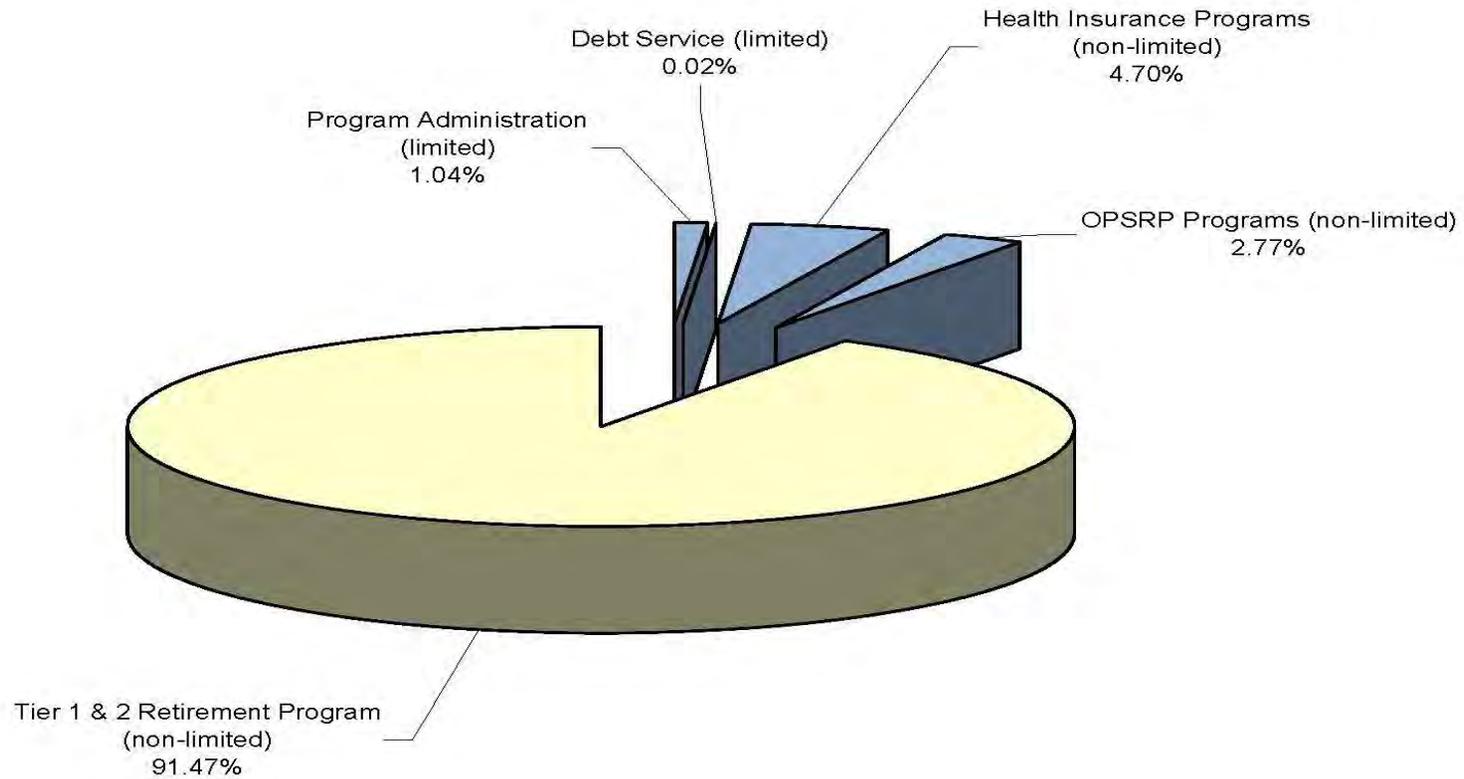
The Public Employees Retirement System (PERS) provides a full range of retirement services to more than 880 public employers and their employees throughout the state of Oregon. These services are provided to all state agencies, universities, and community colleges; all public school districts; and almost all cities, counties, and other local government units. The agency administers the Tier One and Tier Two Retirement programs, Judge Member Retirement Program, Oregon Public Service Retirement Plan Pension Program, Individual Account Program, Oregon Savings Growth Plan (a deferred compensation program), Public Employee Benefit Equalization Fund, Social Security Administration Program, and Retiree Health Insurance Program.

# BUDGET NARRATIVE

## Budget Summary Graphics

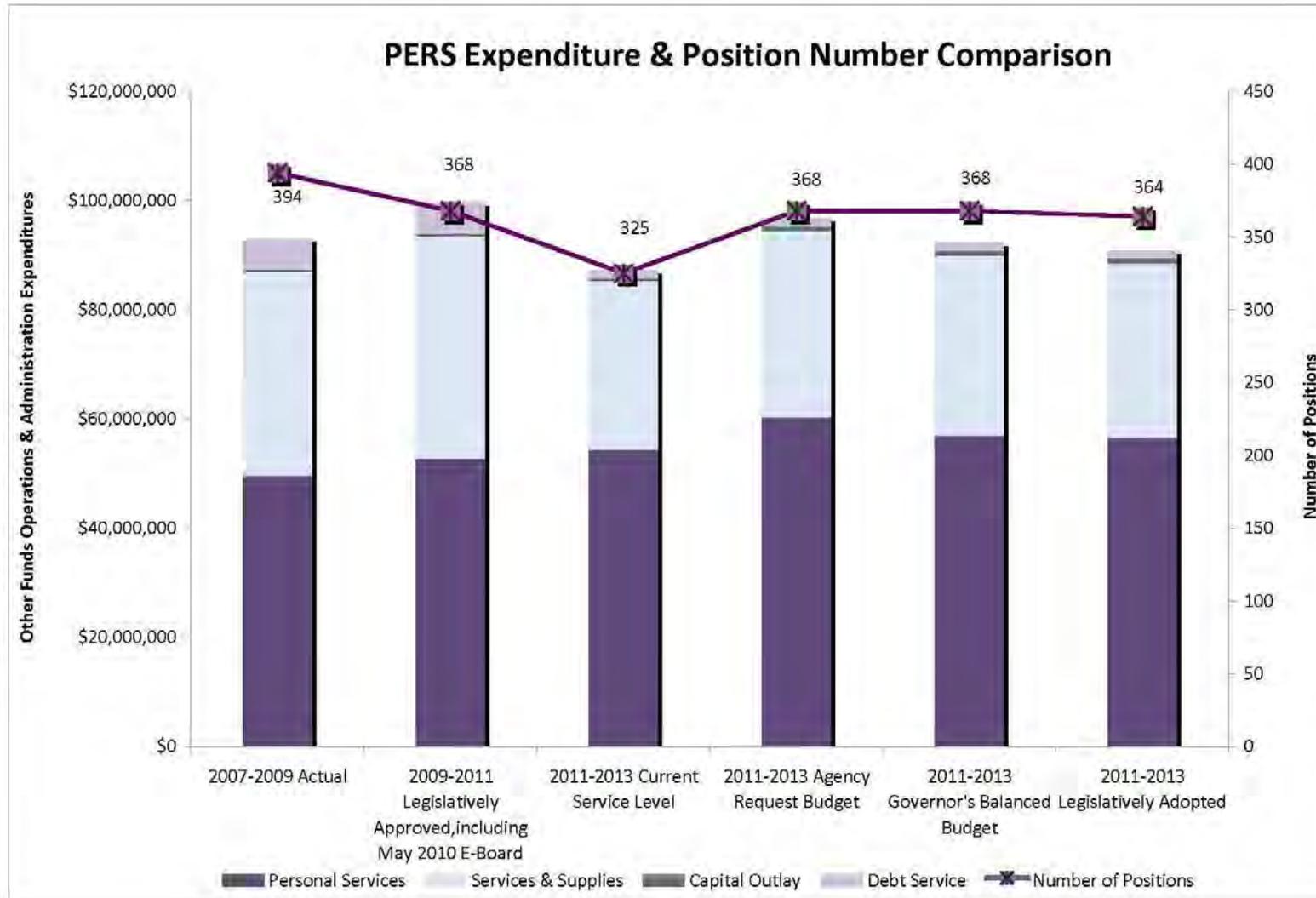
### PERS Expenditures by Activity

#### Expenditures by Activity Agency Summary 2011-13 Legislatively Adopted Budget



## BUDGET NARRATIVE

### PERS Expenditure and Position Number Comparison



## BUDGET NARRATIVE

The following table shows the agency’s budget as a percentage of the historical and projected \*PERS Fund balance over the time periods shown (also known as a “basis point” comparison):

### PERS Budget / PERF Comparison

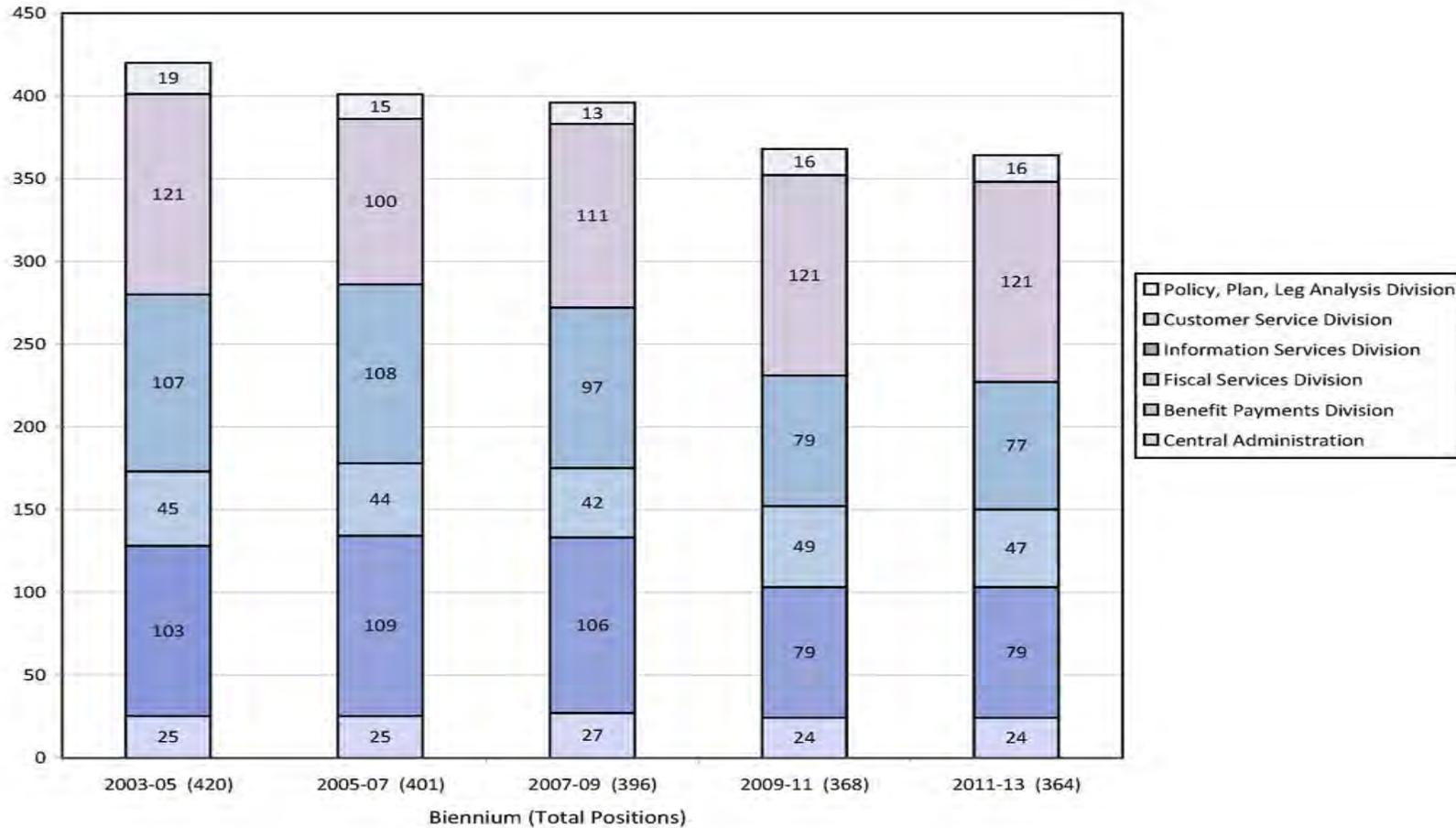
Biennium	Legislatively Approved Limited Budget	Fiscal Year Ended June 30	Limited Budget	PERF Balance	Percent
2003-2005	\$ 87,915,406	2004	\$ 43,957,703	\$ 46,031,766,920	0.0955%
		2005	\$ 43,957,703	\$ 50,613,623,493	0.0868%
2005-2007	\$ 81,703,709	2006	\$ 40,851,855	\$ 56,554,878,450	0.0722%
		2007	\$ 40,851,854	\$ 66,009,334,073	0.0619%
2007-2009	\$ 86,960,346	2008	\$ 43,480,173	\$ 61,409,698,133	0.0708%
		2009	\$ 43,480,173	\$ 46,043,394,714	0.0944%
2009-2011	\$ 84,685,027	2010	\$ 42,342,514	\$ 51,747,943,735	0.0818%
		2011*	\$ 42,342,513	\$ 53,832,250,000	0.0787%
2011-2013	\$ 79,429,420 (LAB)	2012*	\$ 39,714,710	\$ 56,439,410,000	0.0704%
		2013*	\$ 39,714,710	\$ 59,123,660,000	0.0672%

The agency’s 2011-13 Legislatively Adopted Budget (LAB) represents a decrease in the agency’s Operations Limited Budget and Percent of PERS fund (PERF) balance.

## BUDGET NARRATIVE

Similarly, the following graph shows the agency's staffing levels by division over previous biennia. As detailed, total staffing peaked in the 2003-05 biennium at 420 positions and has been declining since then. The Legislatively Adopted Budget (LAB) for 2011-13 reduces four positions approved through the agency's current 2009-11 Legislatively Approved Budget.

### Divisional Position Totals by Biennium



# BUDGET NARRATIVE

## **Mission Statement and Statutory Authority**

*We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.*

These guiding principles support the PERS mission:

1. **Trustworthy:** We build trust internally and with all stakeholders.
2. **Transparent:** Our work is transparent, direct, and open (recognizing timing around litigation and personnel issues).
3. **Member-focused:** We care about our members. We assure members receive their legitimate benefits. We seek to understand and meet member needs.
4. **Inclusive:** We uphold our stakeholders' right to provide input into decisions that affect them.
5. **Objective:** We administer the law objectively, not subject to political pressure or improper influence.
6. **Straightforward:** We strive for simplicity. We aim to make our benefits and services easy to understand, straightforward to administer, and efficient to implement.
7. **Accountable:** We do what we say we'll do. We make and keep commitments.
8. **Data-protective:** We maintain and improve the integrity of data through our processes, business rules, decision making, and data fixes.
9. **Aligned:** We're focused on our objectives. We keep strategy and resources aligned and deliver results, even as priorities change.
10. **Clear:** Our communications are clear, consistent, concise and meet stakeholder needs.
11. **Courageous:** We're willing to make hard decisions in order to implement our strategy and to deliver according to the charter of the organization.
12. **Competitive:** We understand the financial implications of all our decisions and aim to operate competitively.
13. **Careful:** We anticipate and manage risks to support financial stability for members, employers, and taxpayers.

## BUDGET NARRATIVE

The Public Employees Retirement System (PERS) was created by the 1945 Oregon Legislature and commenced operation July 1, 1946. Statutory references for the agency are:

- Tier One and Tier Two Member Retirement Programs
  - ORS 237.950 to 237.980, 238.005 to 238.480, and 238.600 to 238.750
- Retiree Health Insurance Program
  - ORS 238.410 to 238.420
- Judge Member Retirement Program
  - ORS 238.500 to 238.585
- Oregon Public Service Retirement Plan (OPSRP) Pension Program
  - ORS 238A.005 to 238A.475
- Individual Account Program (IAP)
  - ORS 238A.300 to 238A.475
- Deferred Compensation Program
  - ORS 243.401 to 243.507
- Public Employee Benefit Equalization Fund
  - ORS 238.485 to 238.492
- Social Security Administration Program
  - ORS 237.410 to 237.515

Oregon Administrative Rules (Chapter 459) govern the implementation of PERS' statutory responsibilities.

## BUDGET NARRATIVE

### Agency Strategic Plans

#### Long-Term Plan

#### PERS' 2011-15 Strategic Outcomes, Strategies, and Key Indicators:

Outcome	Strategies	Key Indicators
<p><b>1. Produce timely and accurate benefit payments</b></p>	<ul style="list-style-type: none"> <li>• <b>Coordinate benefit payments for all PERS programs</b></li> <li>• <b>Automate remaining functionality not currently contained in payment system of record, unless very low volume or one offs</b></li> <li>• <b>Pay estimated benefits, as needed, to minimize cash flow disruptions for newly retired members</b></li> <li>• <b>Continue to strengthen quality assurance, benefit payment review, and verification processes</b></li> <li>• <b>Improve working relationships with employers to facilitate quality and timeliness of data reporting</b></li> <li>• <b>Work with employers to improve separation from employment process</b></li> <li>• <b>Implement data quality life-cycle process to expose, verify, and clean data</b></li> <li>• <b>Strengthen employer responsibility for tracking and reporting accurate data</b></li> <li>• <b>Pursue continual process improvement</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>System calculations are automated within design expectations</b></li> <li>• <b>80 percent of final benefits are paid within 45 days of effective retirement date</b></li> <li>• <b>No more than 1 percent of retiring members challenge Notice of Entitlement data</b></li> <li>• <b>Audits confirm final monthly benefit calculations are accurate within <math>\pm</math> \$5.00</b></li> </ul>

## BUDGET NARRATIVE

Outcome	Strategies	Key Indicators
<p><b>2. Deliver high-quality customer service</b></p>	<ul style="list-style-type: none"> <li>• <b>Use agencywide approach to deliver customer service</b></li> <li>• <b>Provide members the ability to view and update account information via online member services</b></li> <li>• <b>Enhance the retirement/withdrawal application intake process to include tracking and quality review of applications</b></li> <li>• <b>Promote PERS Health Insurance and the Oregon Savings Growth Plan in all PERS education presentations</b></li> <li>• <b>Use customer service satisfaction surveys to better understand service expectations and deliver value to customers</b></li> <li>• <b>Strengthen communication and partnership with employers and member stakeholder groups to enhance customer service</b></li> <li>• <b>Continuously promote, evaluate, and maintain the Retirement Application Assistance Session program</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Accurate benefit estimates produced within 30 days of request</b></li> <li>• <b>Members can create benefit estimates via online member services</b></li> <li>• <b>Telephone calls, emails, and correspondence answered within defined performance standards</b></li> <li>• <b>Customer satisfaction surveys show 80 percent or more of members and employers rate their satisfaction with agency services as “good” or “excellent”</b></li> <li>• <b>PERS staff can determine current status of any member inquiry</b></li> </ul>

## BUDGET NARRATIVE

Outcome	Strategies	Key Indicators
<p><b>3. Agency organized to optimize effectiveness and efficiency</b></p>	<ul style="list-style-type: none"> <li>• <b>For clarity of mission and clear ownership of processes, better organize and focus on three core business operational functions:</b>  <ul style="list-style-type: none"> <li><b>DATA [collect data from employer]</b></li> <li><b>ELIGIBILITY [determine if members are eligible for requested benefit, maintain legacy data]</b></li> <li><b>BENEFITS [pays benefits to members]</b></li> </ul> </li> <li>• <b>Develop business-driven workflows with business process owners for all major functions</b></li> <li>• <b>Utilize project management staff and quality assurance staff as agencywide resources</b></li> <li>• <b>Establish agencywide quality assurance process</b></li> <li>• <b>Develop call center into agencywide information and communication resource with access to all member information and fully use the call center capabilities and technologies</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Three core business operational functions providing clear ownership of data, eligibility, and benefit calculations</b></li> <li>• <b>Valid, accurate, and complete data is available in timely manner</b></li> <li>• <b>Workflows are supporting major functions and continuous process improvement</b></li> <li>• <b>Quality assurance standards established for major business processes</b></li> <li>• <b>All major business assisted by project management office</b></li> <li>• <b>New business activities and capabilities are integrated continuously, rapidly, and cost effectively</b></li> </ul>

## BUDGET NARRATIVE

Outcome	Strategies	Key Indicators
<p><b>4. Business processes are efficient and cost effective</b></p>	<ul style="list-style-type: none"> <li>• <b>Optimize and refine the technology leverage enhanced by the functionality provided with the new ORION system</b></li> <li>• <b>Simplify business processes to reduce or eliminate redundant requirements on forms and maximize efficiencies proved by automated workflows</b></li> <li>• <b>Create the right mix of process standardization and flexibility to accommodate change from many sources, and create value through that change</b></li> <li>• <b>Speed the posting of funds and reduce processing costs</b></li> <li>• <b>Continually re-examine and report progress and successes</b></li> <li>• <b>Effectively use internal audits to audit, test, and improve agency processes</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>ORION achieves full functionality and provides improved efficiency and accuracy</b></li> <li>• <b>Continued reductions in prior year adjustments beyond the annuals closing period</b></li> <li>• <b>Establish and meet predictable statistical parameters around workflow activity</b></li> <li>• <b>More transactions being processed per FTE</b></li> <li>• <b>Maintain the trend of lowering the number of staff to members ratio</b></li> <li>• <b>99 percent of final benefit calculations are accurate and 80 percent of final benefit payments commence within 45 days of the member’s effective retirement date</b></li> <li>• <b>Audits confirm improving agency efficiency and cost effectiveness</b></li> </ul>

## BUDGET NARRATIVE

Outcome	Strategies	Key Indicators
<p><b>5. Agency staff has the competencies to support strategic outcomes</b></p>	<ul style="list-style-type: none"> <li>• <b>Develop organizational bench strength through staff development and succession planning</b></li> <li>• <b>Assess organizational needs and capabilities – hire and train to fill capability gaps</b></li> <li>• <b>Use performance management system to evaluate performance and create development plans and career paths for employees</b></li> <li>• <b>Implement a unified staff training and development strategy that addresses agencywide as well as division-specific needs</b></li> <li>• <b>Equip and train agency workforce to serve a diverse membership</b></li> <li>• <b>Ensure recruitment strategies attract and retain key talent</b></li> <li>• <b>Communicate and engage employees in PERS’ strategic outcomes</b></li> <li>• <b>Use a collaborative leadership model and shared vision to manage change through agency staff</b></li> <li>• <b>Partner with the union to identify competencies and areas of improvement</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Agency does not suffer from “key person” syndrome</b></li> <li>• <b>Staff can obtain core training through agency resources</b></li> <li>• <b>Outside training opportunities are identified and used when cost effective</b></li> <li>• <b>No more than 5 percent of new hires removed from trial service annually</b></li> <li>• <b>Agency workforce fully serves a diverse membership</b></li> <li>• <b>Labor/Management Committee recommends areas for competency development</b></li> <li>• <b>Annual turn-over rate for agency is below 10 percent</b></li> <li>• <b>Staff see how they contribute to the agency’s mission and help make change happen on a day-to-day basis</b></li> </ul>

## BUDGET NARRATIVE

Outcome	Strategies	Key Indicators
<p><b>6. Provide a secured information environment</b></p>	<ul style="list-style-type: none"> <li>• <b>Implement enterprise risk management program</b></li> <li>• <b>Strengthen and maintain information security initiatives</b></li> <li>• <b>Ensure all staff and contractors are aware of and follow data security policies, processes, and procedures</b></li> <li>• <b>Maintain robust internal audit function</b></li> <li>• <b>Regularly monitor for compliance with related information security laws and regulations, statewide standards, and effectiveness of internal controls</b></li> <li>• <b>Develop and implement appropriate information security measures to track the effectiveness of the information security program</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>95 percent of staff are up-to-date on security policy training</b></li> <li>• <b>Periodic assessments of PERS' compliance with related legal requirements and effectiveness of internal controls are performed</b></li> <li>• <b>No significant information security-related findings on annual Secretary of State audit</b></li> <li>• <b>Internal/external audits reveal no significant information security breaches</b></li> <li>• <b>Information security metrics show continual improvement or sustained acceptable levels</b></li> </ul>

## BUDGET NARRATIVE

Outcome	Strategies	Key Indicators
<p><b>7. Agency communications are clear, concise, and accurate</b></p>	<ul style="list-style-type: none"> <li>• <b>Maintain agency website to ensure accessibility and usability</b></li> <li>• <b>Have all communication materials reviewed internally for consistency, readability, and design—remove jargon</b></li> <li>• <b>Improve key forms, such as the Benefits Estimate form, and provide explanations to ensure understanding by the recipient</b></li> <li>• <b>Continuously train staff to provide consistent answers to member and employer inquiries</b></li> <li>• <b>Develop communication strategies and informational materials for members, retirees, employers, and stakeholders related to significant PERS events</b></li> <li>• <b>Communicate to staff and stakeholders before trigger events and mass communications</b></li> <li>• <b>Involve stakeholder groups in delivery of information to members and employers</b></li> <li>• <b>Survey members and employers on the effectiveness of the website, forms, and communication materials</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Requests for clarification of information already provided by PERS decrease</b></li> <li>• <b>PERS’ websites are easy to navigate and information easy to read and understand</b></li> <li>• <b>Members receive the same answer from all agency sources</b></li> <li>• <b>Staff provided with consistent, accurate, complete, and current information to respond to member and employer inquires</b></li> <li>• <b>Customer satisfaction indicators continue to improve</b></li> <li>• <b>Communication materials are continually refined to respond to customer needs and feedback</b></li> </ul>

# BUDGET NARRATIVE

## 2011-13 Short-Term Plan

### ***Agency Programs***

The program operations of PERS have a significant impact on Oregon's economy. PERS provides retirement services to roughly 10 percent of Oregon's population, and the agency distributes approximately \$2.5 billion in benefits annually to Oregonians who served in the public sector and their beneficiaries. The specific programs administered by PERS are described below:

### **Tier One and Tier Two Programs**

The Tier One/Tier Two programs are statutorily created programs, the administration of which is funded with Other Fund revenues that provide retirement, death, and disability benefits to approximately 150,000 non-retired members and approximately 111,000 retired members and beneficiaries. Active Tier One/Tier Two membership will decline over time as the program is now closed to new members. However, due to the aging demographics of the Tier One/Tier Two membership, agency retirement workloads will increase dramatically over the next 10 to 15 years.

The Tier One/Tier Two Programs services include:

- Maintaining demographic and employment data throughout a member's career that will form the basis for benefit eligibility and calculations, tracking account balances and earnings crediting for member contributions to the regular and variable annuity accounts, and generating annual member account statements.
- Providing information to members regarding retirement, disability, and death benefits; providing benefit estimates and explaining plan options for members and beneficiaries. PERS projects that between 12,000 and 16,000 members will retire during the next biennium.
- Calculating and paying withdrawal, retirement, death, disability, and excess benefits.

## BUDGET NARRATIVE

### Retiree Health Insurance Programs

PERS serves as a group sponsor, providing health insurance services to approximately 53,000 retired members and dependents. PERS designs benefits, devises specifications, analyzes carrier responses, and awards contracts based on care quality and cost containment. PERS uses a third-party administrator to provide these services directly to members. The PERS Health Insurance Program is comprised of the following three state-mandated activities:

#### Retirement Health Insurance Account (RHIA)

This program provides a \$60 per month subsidy to offset the cost of insurance premiums in PERS-sponsored health insurance plans for eligible retirees enrolled in Medicare Parts A and B. All PERS employers fund this subsidy through contributions. Approximately 40,000 retirees receive this subsidy, for which PERS issues approximately \$28.5 million in premium subsidies annually.

#### Retiree Health Insurance Premium Account (RHIPA)

This program subsidizes the cost of insurance premiums in PERS-sponsored health insurance plans for those who retired directly from state of Oregon employment but are not yet Medicare eligible and are not enrolled in the state employee health insurance retiree plans sponsored by Public Employees Retirement Board. The subsidy, which is funded by the state of Oregon through its contribution rate, is based on the number of years the retired member was employed in state service. PERS issues approximately \$2.5 million in premium subsidies annually to about 850 retirees.

#### Standard Retiree Health Insurance Account (SRHIA)

SRHIA covers all administrative services related to the PERS Health Insurance Program that are not specific to RHIA and RHIPA. This program encompasses such health insurance-related administrative activities as premium transfers of approximately \$120 million per year, third-party administrative agreements, and consultant services. Member fees and earnings on dollars held by SRHIA fund this activity.

### Judge Member Retirement Program

PERS administers a separate retirement program for all judges of the Oregon Circuit Courts, Court of Appeals, and Supreme Court. This formula-based benefit has a different contribution and payment structure than the Tier One/Tier Two Programs. All judges, as employees of the state of Oregon, have 7 percent of their salary contributed to an account to fund a benefit payable for the judge's life starting no earlier than age 60. The benefit is capped at 75 percent of the judge's final average salary.

## BUDGET NARRATIVE

### Benefit Equalization Fund (BEF)

The legislature created the Benefit Equalization Fund (BEF) in 1997 to allow a full payment of PERS retirement benefits to recipients whose benefits would otherwise be capped by Internal Revenue Code (IRC) Section 415, which limits contributions and benefits in a tax-qualified plan. The BEF pays the amount of PERS benefits earned by these few members (approximately 120 each year) over and above the IRS limits. The BEF began paying members affected by IRC 415 in 1998 and issues benefits of approximately \$1.4 million per year. Benefit changes for new retirees related to PERS reforms, combined with periodic adjustments to the IRC 415 cap, will slow the growth of and eventually shrink the BEF. Fees are assessed to employers with members paid from the BEF to fund those benefits.

### Social Security Administration (SSA)

PERS has the statutorily mandated responsibility to administer federal Social Security Administration (SSA) programs to over 1,000 Oregon public employers. The scope of that responsibility involves facilitating employer education, assisting with SSA coverage referendums, and other ancillary duties. Annual fees assessed to participating employers fund the SSA service.

### Deferred Compensation Program

The Deferred Compensation Program administered by PERS provides the opportunity for public employees to voluntarily save additional funds to supplement their retirement benefits. This program is also known as the Oregon Savings Growth Plan (OSGP) and is available to all state employees and those school districts and local government employers that choose to offer the program.

This program benefits participants by providing an incentive for saving additional funds to be used at retirement while reducing current taxable income. It presently serves approximately 23,000 current and former state, school district, and local government employees. Plan assets were valued at approximately \$985 million as of June 2010.

A third-party administrator provides OSGP record keeping and investment account services. Investment alternatives are selected with assistance of Oregon State Treasury staff with oversight from the Oregon Investment Council (OIC). Agency staff manage the third-party administrator's contracts, provide plan enrollment and educational support, monitor participant satisfaction, and assist participants with issues irresolvable by the third-party administrator. Member contributions and related earnings fund OSGP's administration.

In 1997, the Legislative Assembly authorized PERS to extend deferred compensation services to local government employees through its third-party agreement. PERS responsibilities are to coordinate local government applications and to provide information about the program to local public employers. Once the local employer signs onto the program, they work directly with PERS' third-party administrator and the Oregon State Treasury.

## BUDGET NARRATIVE

### Oregon Public Service Retirement Plan (OPSRP)

The Oregon Public Service Retirement Plan (OPSRP) authorized by the 2003 Legislature (codified as ORS Chapter 238A) and financed with Other Funds, provides both individual account-based and pension benefit programs. Employees hired by PERS-participating employers in qualifying positions on or after August 29, 2003, participate in the OPSRP Pension Program. As of December 31, 2009, the OPSRP Pension Program had approximately 68,000 members. All Tier One, Tier Two, and OPSRP members who made contributions after January 1, 2004, also participate in the OPSRP Individual Account Program (IAP), with 214,465 active accounts as of June 30, 2009.

#### OPSRP Individual Account Program

The Individual Account Program (IAP) requires all active PERS members in qualifying positions to contribute 6 percent of their salary into a supplemental retirement savings account invested as part of the Oregon Public Employees Retirement Fund (OPERF) regular account under the oversight of the Oregon Investment Council (OIC). The IAP became effective January 1, 2004. Under the 2003 PERS Reform, employee contributions from Tier One/Tier Two members were also directed into this separate IAP effective January 1, 2004.

At retirement, members can choose to receive their IAP account balance in a lump-sum payment or in equal installments over a 5-, 10-, 15-, or 20-year period or over the member's anticipated life span. A third-party administrator provides record keeping services. Member contributions and earnings on those contributions fund the administrative costs related to the IAP. Under the IAP, there is no guarantee of a particular investment return or retirement amount. Members make contributions that are invested and subject to market fluctuation. Employers may or may not also make contributions. When a member retires, he or she receives the accumulated contributions and any earnings or losses that accrue. Approximately \$49.5 million in IAP benefit payments were issued during FY 2009.

#### OPSRP Pension Program

The OPSRP Pension Program is solely funded by employer contributions and associated earnings. Employees who started work with a participating public employer in a qualifying position on or after August 29, 2003, participate in the OPSRP Pension Program. An employee becomes fully vested into the program upon working five consecutive years in a qualifying position. Members' retirement benefits are based on their final average salary, length of service, and type of service (general vs. police/fire).

# BUDGET NARRATIVE

## Debt Service

### PERS Headquarters Building

In the mid-1990s, PERS recognized that the former headquarters location in Portland no longer served the long-term needs of the agency. As a result, PERS, in cooperation with DAS State Facilities, built a headquarters building in Tigard in 1997 with land and construction costs financed through the issuance of a Certificate of Participation (COP). Although PERS has significant resources available to fund such projects, the capital markets were used due to interest costs being less than the potential investment opportunity costs related to alternative financing methods. The COP balance will be \$2.51 million as of May 2013. Investment earnings on the PERS fund will be used to repay the remaining COP balance in full by May 2017.

# BUDGET NARRATIVE

## ***Environmental Factors***

The primary environmental factors affecting PERS can be summarized in three specific issue areas:

- Increases to the agency workload from an aging member population.
- Complex and evolving service delivery requirements caused by retirement program changes.
- Program administration complexities resulting from systemic plan dynamics like serial plan changes, eligibility screens, litigation, and niche-plan customization.

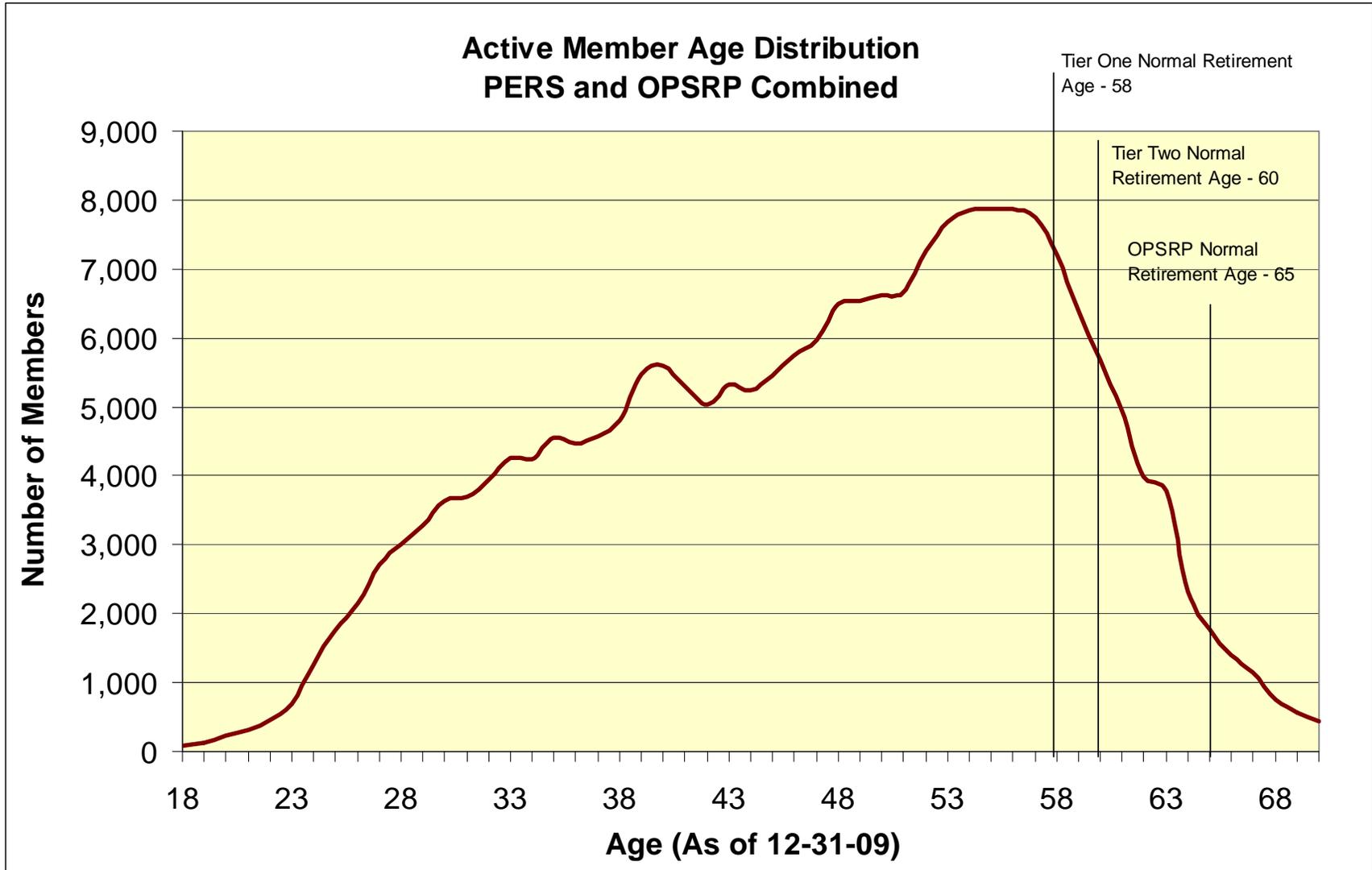
These combined factors present unique challenges PERS continues to address by stabilizing and improving operations, resolving accumulated workloads, and permanently implementing changes resulting from legislation and other plan amendments.

## **Aging of PERS Membership and Participants**

Membership and participant demographics indicate the demand for PERS services will continue to increase. PERS is funded at the Current Service Level (CSL) to process a baseline of 6,000 retirements per year. The demographic trend of increasing retirees is expected to continue before leveling out at approximately 9,000 retirements per year. In 2003, retirements spiked to over 12,000 due to benefit changes brought on by the 2003 reforms. As of June 30, 2010, approximately 67,000 members (about 33 percent of all active and inactive members) were eligible for immediate retirement.

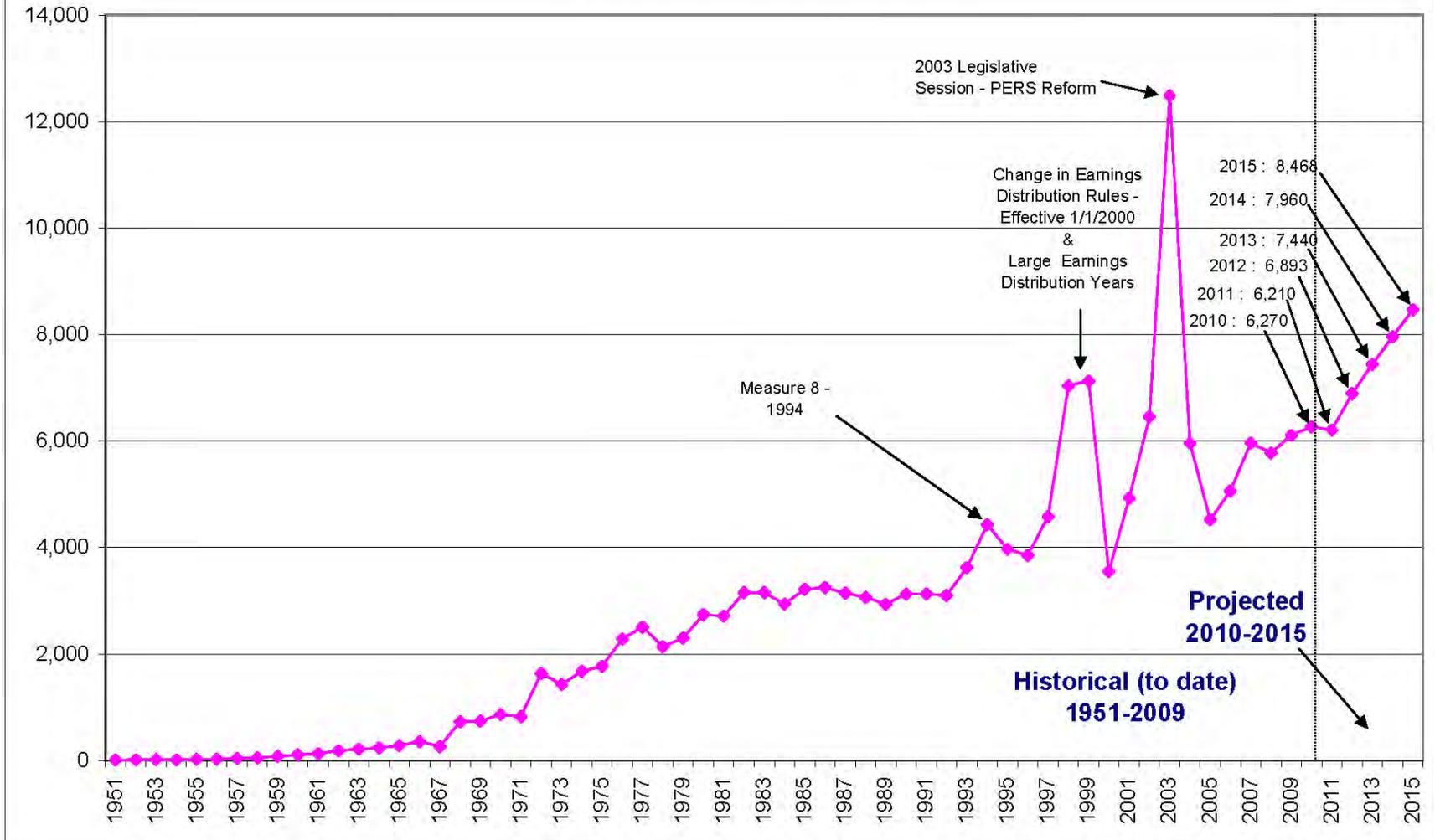
Member retirements typically impact other activities and services. As a member approaches retirement, requests for estimates and retirement information increase significantly. The retirement process itself triggers significant data compilation and verification to support the benefit calculation and resulting notice of entitlement. Data is also needed to resolve any subsequent appeals or contests of benefits. In addition, many retiring members choose to participate in PERS' Health Insurance Program. The newly hired replacement employee must then be established on PERS' database under Oregon Public Service Retirement Plan (OPSRP), where management of their service data and Individual Account Program (IAP) begins. All these activities are volume driven and compose a major part of PERS' services and related operational demands. Finally, the continually growing number of living retired members represents an ever increasing workload for PERS in terms of the pension roll, cost-of-living adjustments (COLAs), mailing address and bank account changes, and tax withholding and reporting.

# BUDGET NARRATIVE



# BUDGET NARRATIVE

## Retirement Volume



# BUDGET NARRATIVE

## Complex and Evolving Service Delivery Requirements

PERS statutes have evolved over the past 60 years and now encompass more than 100 pages. The context, terms, and relationships between statutes have become more intertwined. In 2003, the legislature made broad, sweeping changes to the current PERS retirement system by adding the new OPSRP pension and IAP programs. The sum of the changes mandated in 2003 had a major effect on PERS programs and benefit structures and created multiple special projects. PERS found both its administration and infrastructure inadequate to meet the reasonable expectations of stakeholders. The intricacy and volume of changes to PERS' statutes also led to serial litigation from both employers and members, continued acceleration in the number of contested cases, and delays in providing even the most basic services to PERS members. The 2005 legislative session brought minor changes and refinements, but the 2007 legislative session brought both significant challenges and opportunities for improved services as some elements of the PERS reforms were modified and further refined. In the 2009 and 2010 sessions, changes continued as one bill created an entirely new process (allowing members to request a retirement data verification) and another required fundamental changes to an existing process (allowing purchases using pre-tax funds).

Federal law and regulation changes, along with court decisions, continue to reshape and refine the agency's ground rules, requiring increased flexibility and adaptability from PERS at the administrative level and throughout its business processes and systems.

## BUDGET NARRATIVE

### Program Administration Complexities

With its legislatively approved staffing and budget resources, PERS provides a variety of retirement services to 321,000 members (Tier One, Tier Two, and OPSRP), their beneficiaries, and more than 880 public employers. The agency augments staff-provided services through the use of various information technology platforms and uses third-party administrators for Retiree Health Insurance, the Individual Account and Deferred Compensation Programs. The agency is completing an upgrade to its technology system, but that system's useful life and scope is greatly challenged by the frequent revisions to the Tier One/Tier Two, OPSRP Pension Program, and IAP.

When the 2011-13 biennium arrives, the agency will be working on a new retirement system administration platform and tool set—the Oregon Retirement Information On-line Network (ORION). This new system will have been expanded to support the in-house processing of data and transactions in the PERS Plan to the extent that any such system can address a plan as complex and dynamic as PERS is challenged to administer. While ORION will be more comprehensive, efficient, reliable, and flexible than the agency's legacy system (the Retirement Information Management System, or RIMS), no technology solution can address the permutations, complications, and serial plan amendments over any given member's long-term employment history. The typical member who retires in the 2011-13 biennium will have a benefit calculated based on data reported on paper, fax, and electronically stored on disks and microfilm spanning three or more computer systems. Commonly, about 20 percent of those members will have eligibility, service credit, salary, or job class issues that need to be resolved before the benefit can be finalized. Once resolved, those data elements must then be applied across an evolving plan structure that may make the consequence of any one of them dependent upon the time in which the element started, stopped, or spanned, because of changes in the plan by legislation, court decisions, or other plan amendments.

# BUDGET NARRATIVE

## Agency Initiatives

### Background – 2009-11 Budget

PERS' Legislatively Adopted Budget for the current biennium was \$80.1 million with 364 positions. This included a base budget of \$59.4 million with 298 positions, supplemented by Policy Option Packages (POPs) that totaled \$20.7 million with 66 positions, of which 35 were limited duration and 31 were permanent. Those Policy Option Packages (POPs) were:

1. Business Process Owners. Five limited-duration positions to continue serving as Business Process Owners (BPO) Team, coordinating the execution and completion of the RIMS Conversion Project (RCP); refining core business operations; and implementing and monitoring process improvements across the agency.
2. Maintenance and Enhancement of Current Service Levels. Twenty-one permanent positions and 23 limited-duration positions to continue to support current service level needs across the agency, including program services for the Individual Account Program (IAP), centralized intake for retirement documents, ongoing and increasing workload in retirement benefit calculations, and improved timeliness for eligibility determinations.
3. Infrastructure Maintenance and Enhancement. Three limited-duration positions to continue addressing document imaging and mailroom and supplies workloads. This Policy Option Package (POP) also included limitation for leased office facilities and maintenance and service charges for leased software and periodic hardware replacement.
4. Enterprise Applications. Four limited-duration positions to support data quality/integrity workload needs and enterprise test and tools development. This Policy Option Package (POP) also included limitation for the RIMS Conversion Project (RCP) and contractor support to screen and prepare data for conversion to the new retirement administration system.
5. Standards, Training, and Certification. Funding limitation to contract for auditing and fiscal reporting services and software.
6. Data Transition and Standard Tool Development. Ten permanent positions to address the agency's challenges in bridging data from the current legacy system to other off-line applications developed to support the new retirement administration system; and develop operational reports to assist in managing data and accounts to incept, calculate, and process benefits and payments.
7. Legal Services. Increased funding limitation for legal services related to PERS Board fiduciary counsel and agency's ongoing need for outside litigation and federal tax counsel.
8. Budget Reconciliation Adjustments (HB 5054). Other Funds reductions of \$2,113,017 to the expenditure of appropriated funds. These reductions included removing salary step increases built into the Governor's Recommended Budget (GRB), a decrease in the Department of Justice's hourly rate, and reductions in the Department of Administrative Services (DAS) assessments and charges.

## BUDGET NARRATIVE

The Legislatively Adopted Budget was increased from \$80.1 million with 362 positions to \$83.2 million with 368 positions by two subsequent budget actions:

1. February 2010 Special Session. The legislature's override of the governor's veto of SB 897 also included the budget authority in that bill, which increased PERS' budget limitation by \$500,000.
2. May 2010 Emergency Board. The legislature's Emergency Board approved an increase in PERS' budget limitation of \$2.6 million and added six positions (two permanent, and four limited duration) for implementing SB 399 and SB 897.

# BUDGET NARRATIVE

## 2009-11 Progress Report

With the combined resources of the agency's base budget and POPs, PERS has made significant progress on the objectives set forth in the Six-Year Strategic Outlook and the Key Performance Measures, as well as in the area of business process improvements. Indicators of that progress are discussed below.

Timely and Accurate Payment of PERS Benefits. The Key Performance Measure is to provide 80 percent of initial retirement payments within 45 days of the member's effective retirement date. PERS has made progress toward this measure, attaining a 59 percent rate for the six-month period of January through June 2010. This upward trend from the 2009 calendar year percentage of 23 percent is attributable to process improvements and focused prioritization. The 2009 rate was also reduced as a result of allocating staff resources to the RIMS Conversion Project to test new system functionality, write procedures, and train staff on new tools and processes. The payoff has been the 2010 resulting improvement as new processes and system functionality have improved service delivery on this measure after successfully working through a deployment and transition period. Eligibility determinations have also been streamlined and moved further up the timeline. PERS also made a process improvement by centralizing the processing of all incoming documents, and better utilizing new automation and workflow tools, which has improved the tracking of applications, separations, and information requests. In addition, PERS has established quality assurance procedures to increase accuracy.

High-Quality Customer Service. PERS' Key Performance Measure is to achieve a customer satisfaction rating of "good" or "excellent" from 80 percent of members and employers. The percentage of members rating our service either "good" or "excellent" increased to 94 percent in 2009 from 83 percent in 2007; employers' ratings went to 78 percent from 58 percent. Adding Retirement Application Assistance Sessions to review retirement applications has reduced the rejection rate to approximately 1 percent compared to a 10 percent rejection rate for applications not reviewed in those sessions. Response times on email and letter inquiries have been reduced to only a few days instead of weeks. Average wait time for the member's phone calls to our Customer Service Center has decreased from 276 seconds in 2007 to 140 seconds in 2009.

Optimize Effectiveness and Efficiency. PERS strives to deliver high-quality, cost-effective service to members and employers. The successful completion of the *Strunk/Eugene* project and the RIMS Conversion Project will help to stabilize PERS' annual operating expenditures. PERS' member to staff ratio increased to 928:1 in Fiscal Year 2010, up from 848:1 in 2009, continuing the trend of member to staff ratios exceeding the Performance Measure over the last three years. This trend shows PERS has been able to provide services to a greater number of members without significantly increasing its staffing levels. Within our current budget, efficiencies have allowed the agency to process more retirements (Tier One/Two, IAP, and OPSRP Pension`), increasing from 9,390 in 2007 to 10,999 in 2009; more withdrawals (from 7,824 in 2007 to 7,883 in 2009), and more member information requests via emails (from 95,108 in 2007 to 138,041 in 2009).

## BUDGET NARRATIVE

Business Process Improvements. The most recent technology improvements implemented in connection with the RIMS Conversion Project continued to expand employer's Web functionality. With the deployment of functionality to the new platform, the Oregon Retirement Information On-line Network (ORION), employers have improved access and are submitting more reports and accomplishing more tasks via the Web interface instead of manually submitting paper documents. Updates to system validation rules continue to enhance the quality of the data submitted. ORION is providing a stronger connection between membership information and benefit payments, thus offering more automated checks and balances. Workflow requirements for cash processing provides greater control over refund processing. Once ORION is fully deployed in 2011, all payments will be generated and disbursed through that new system, offering improved audit controls and discontinuing the practice of paper check requests. Lastly, two final initiatives are creating positive expectations: 1) An update to our financial reporting software will move us from antiquated COBOL code to a new SQL environment. This update will allow more efficient data access, the ability to query fresher data, and to efficiently extract selected transactions. 2) A business case is under development to examine current banking processes and costs, study current banking trends and options, and contemplate greater efficiencies and reduced costs for cash management.

## BUDGET NARRATIVE

### 2011-13 Strategy and Supporting Policy Option Packages (POPS)

The core objective of PERS' two-year business plan is to continue advancing and, where scheduled, complete on-going special projects to facilitate continued structural and operational changes, and to streamline processes within the agency to deliver more accurate and timely customer service to PERS members and employers.

The 2011-13 Agency Request Budget (ARB) and supporting Policy Options Packages (POPs) have been developed with the strategic goal of maintaining a more accurate essential business operations core. Previous budgets included POPs with limited-duration positions while the agency went through a transitional period to complete special projects and adjust to additional programs. As attention turns to the next biennium, several major factors went into defining agency resources needed to sustain current service levels and continue to progress toward achieving strategic objectives and key performance measures:

- Continuing to stabilize the agency's core business operations by requesting that limited-duration positions approved in 2009-11 and identified as essential for maintaining current service levels be approved as permanent positions in 2011-13.
- Maintaining and continuing process improvements implemented during 2009-11. Previous budgets were based on a "just in time" operational paradigm in key areas such as data preparation for eligibility determinations and benefit calculations. This service level is not adequate to accomplish the agency's Key Performance Measures and Strategic Objectives in the areas of timeliness, accuracy, or customer satisfaction or to implement the data verification provisions of SB 897. This budget proposal includes the resources to move that paradigm up in time to better meet these goals and related statutory requirements.
- Maintain no net increase in agency staffing levels above current biennium staffing. Current biennium staff levels include the six additional positions approved at the May 2010 Emergency Board's to begin implementation of SB 897.
- Holding the line by maintaining a 2011-13 operating budget limitation in line with the agency's 2009-11 budget limitation of \$83.2 million, despite significant increases in State Government Service Charges (\$690,000), Legislative Concept fiscal impacts (\$1,075,000), and the costs associated with funding salary adjustments (\$1.2 million).

## BUDGET NARRATIVE

These objectives are supported by the following Policy Option Packages for the 2011-13 biennium:

Policy Option Package (POP) 131 Business Enterprise – Core Business Functions. Requests approximately \$5.1 million in funding for resources needed to continue progress on process improvements PERS initiated during 2009-11, and to maintain service levels achieved as a result of those process improvements.

Policy Option Package (POP) 132 Infrastructure Maintenance and Enhancement. Requests approximately \$2.9 million in funding for basic services and tools that enable agency staff to perform its duties effectively and efficiently. Those basic services and tools include office space and utilities infrastructure, maintenance and enhancement of enterprise systems, disaster recovery infrastructure improvements, production control, and ORION system development and support.

Policy Option Package (POP) 133 Position Reclass. Requests \$186,666 in funding for the reclassification of 20 positions within the Information Services Division (ISD) to align those positions with increasingly complex work duties required to maximize in-house agency support of Information Technology (IT) needs. Those duties include higher-level analysis, planning, and design required to develop and provide technical infrastructure; operational procedures and monitoring to improve system availability; expanded skill sets in enterprise architecture analysis, planning, and design; and improved processes for digitally processing agency data, information, forms, and reports.

Policy Option Package (POP) 134 Legislative Concept: PERS Housekeeping Bill. Requests \$475,600 in funding for system programming upgrades supporting proposed changes to OPSRP Pension program and IAP Employer account vesting provisions.

Policy Option Package (POP) 135 Legislative Concept: Repeal Guarantee of Inaccurate Benefits. Requests \$599,300 in funding for system programming upgrades to remove restrictions on benefit changes based on corrected information received by PERS that results in an adjustment to future benefits.

Policy Option Package (POP) 136 Legislative Concept: OPSRP Pension Withdrawal Restrictions. This is a “placeholder” policy option package for system programming upgrades relating to changes on the withdrawal options available to OPSRP Pension Program members. As submitted, this Legislative Concept would not have a fiscal impact.

# BUDGET NARRATIVE

Budget Form #107BF04c

## Public Employees Retirement System Annual Performance Progress Report (APPR) for Fiscal Year 2010

Original Submission Date: August 16, 2010

Finalized Date: February 2, 2011

2009-11 KPM#	2009-11 Key Performance Measures (KPMs)	Page #
1	TIMELY RETIREMENT PAYMENTS: Percentage of initial service retirements paid within 45 days from retirement date	5
2	TOTAL BENEFIT ADMINISTRATION COSTS: Total benefit administration costs per member	7
3	MEMBER TO STAFF RATIO: Ratio of members to FTE staff	9
4	AVERAGE DOLLARS DEFERRED: Average monthly deferral per state employee deferred compensation participant	11
5	LEVEL OF PARTICIPATION: Percent of state employees participating in the deferred compensation program	13
6	CUSTOMER SERVICE- Percent of 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.	15
7	TIMELY BENEFIT ESTIMATES: Percent of benefit estimates processed within 30 days	17
8	BOARD OF DIRECTORS BEST PRACTICES: Percent of total best practices criteria met by the PERS board	19

## BUDGET NARRATIVE

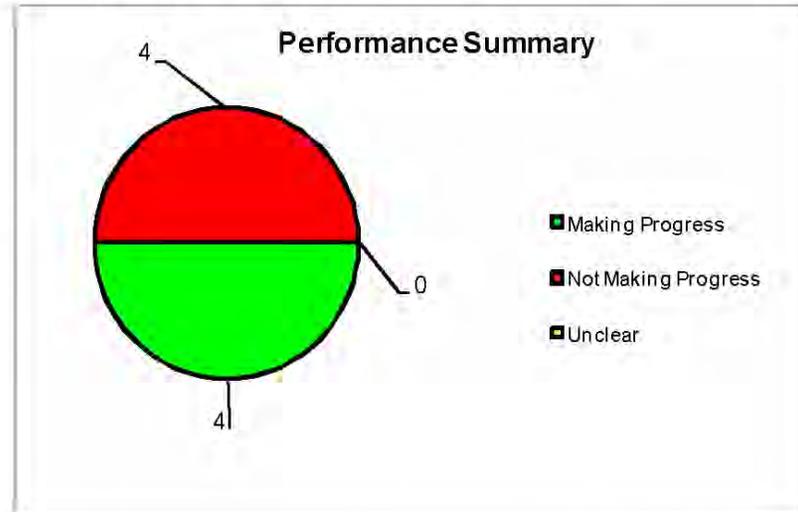
NEW / DELETE	Proposed Key Performance Measure Changes for 2011-13 Biennium
NEW	<p><b>Title:</b> ACCURATE BENEFIT CALCULATIONS: Percent of service retirement monthly benefits accurately calculated to within \$5 per month</p> <p><b>Rationale:</b> PERS' first priority is to deliver benefits to retired members in an accurate and timely manner. The timeliness component is measured and presented with KPM #1, but accuracy is not covered by any of the current set of KPMs. This new KPM would measure and present the accuracy component of PERS' benefit calculations.</p>
DELETE	<p><b>Title:</b> AVERAGE DOLLARS DEFERRED: Average monthly deferral per state employee deferred compensation participant</p> <p><b>Rationale:</b> PERS requests to delete this KPM. The Oregon Savings Growth Plan (OSGP) can be a vital component of a member's financial well-being, along with other retirement benefits and Social Security. So encouraging participation in this program through education and outreach to eligible employees remains a major focus of this program. But performance in this endeavor is already being appropriately measured with KPM #5 – Level of Participation. While the Average Dollars Deferred KPM does measure how much participants are saving, the data will begin to show a decline in conjunction with an expected increase in retirements of long-term employees.</p> <p>As this turnover of many long-term and higher-paid employees occurs, the resulting vacancies will be filled by younger, lower-paid employees. This will, in turn, drive down deferral averages, especially since many of the new participants will decide to defer on a wage percentage basis. This program's effectiveness in encouraging new hires to participate in the OSGP is best captured in the Level of Participation KPM #5. The information derived from the Average Dollars Deferred KPM will be less meaningful in performance management efforts.</p>

# BUDGET NARRATIVE

Contact: Matthew Rickard, Budget Analyst	Phone: (503) 603-7576
Alternate: Kyle Knoll, Budget Officer	Phone: (503) 603-7568

## 1. SCOPE OF REPORT

The Public Employees Retirement System (PERS) provides a full range of retirement services to public employers and public employees throughout the state of Oregon. These services are provided to approximately 900 state and local government entities across the state. The agency administers the Tier One and Tier Two Retirement programs, the Judge’s retirement program, the Oregon Public Service Retirement Plan (or OPSRP) Pension Program, the Individual Account Program (IAP), the Oregon Savings Growth Plan (a deferred compensation program), the Public Employee Benefit Equalization Fund (BEF), the Social Security Administration program, and the Retiree Health Insurance program. With the Debt Service program, PERS also administers the financing of projects that were funded by Certificates of Participation.



## 2. THE OREGON CONTEXT

The program operations of PERS have a significant impact on Oregon’s economy. PERS administers a retirement plan that covers roughly 10 percent of Oregon’s population, and the agency distributes about \$3 billion in benefits annually to Oregonians that served in the public sector. This substantial and widespread distribution of benefit payments (\$250 million each month) is a direct infusion into the Oregon economy.

The Tier One-Tier Two, Judge’s, OPSRP, and IAP programs provide retirement services to approximately 218,000 non-retired members and 116,000 retired members and beneficiaries (including CY09 lump sum retirees and withdrawal recipients). The Retiree Health Insurance program serves as a group sponsor, providing health insurance services to more than 50,000 retirees and dependents. With approximately 10 percent of Oregonians directly participating in PERS programs (and many more who are family members and/or beneficiaries of those participants), the importance of delivering high-quality, cost-efficient services is evident.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

### 3. PERFORMANCE SUMMARY

Four KPMs, Member to Staff Ratio (page 9), Total Benefit Administration Costs (page 7), Customer Service (page 15), and Board Best Practices (page 19) are making progress. Four KPMs, Timely Retirement Payments (page 5), Average Dollars Deferred (page 11), Level of Participation (page 13), and Timely Benefit Estimates (page 17) are not making progress for this period.

### 4. CHALLENGES

There are several key challenges facing the PERS retirement programs. An aging membership, including some 30% of PERS non-retired members who are eligible to retire, increases demands for near-retirement services including the call center, benefit estimates, group presentations, individual session, and the website. Likewise, the number of retired members and beneficiaries who receive regular, recurring contacts and benefit payments continues to grow. There is increased workload resulting from two additional retirement programs added with PERS reform. PERS now administers four major retirement programs, maintains at least two accounts for each member with a combined annual statement, calculates and pays at least two retirement benefits or two withdrawal benefits, and issues at least two 1099-R statements for each benefit recipient.

PERS continues to operate with portions of an outdated information technology system (RIMS) until its IT conversion project has been completed (scheduled for Summer 2011), which can limit the agency's service levels while causing workload backlogs, additional work-arounds, and inefficient utilization of agency resources. While PERS service and efficiency levels have been impacted, the agency has prioritized staffing and allocated resources to ensure that a foundation for rapid improvements is set in place.

One challenge impacting the OSGP deferred compensation program is the large number of soon-to- retire baby boomers. The large number of upcoming retirements will impact the participation level as those people withdraw or roll their accounts to other institutions. This dynamic will also impact the average deferral levels, as younger and lower-paid employees replace those retiring from the workforce, who both participated and deferred at higher levels in the later stages of their careers. Also, the financial impact of the recent economic downturn and wage reductions is being reflected in the average deferrals and participation rates. Despite these challenges, OSGP is taking steps to keep eligible employees and participants educated about the importance and advantages of participating in this supplemental retirement savings program.

### 5. RESOURCES USED AND EFFICIENCY

For FY2010 PERS expended \$40.4 million in administrative and special project expenditures, and \$3.3 billion in total expenditures (this includes benefit payments). Efficiency measures include KPM #2 - Total Benefit Administration Costs per Member, and KPM #3 – Member to Staff Ratio. The performance in these measures reflects that PERS has achieved cost and staff efficiencies during this period.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

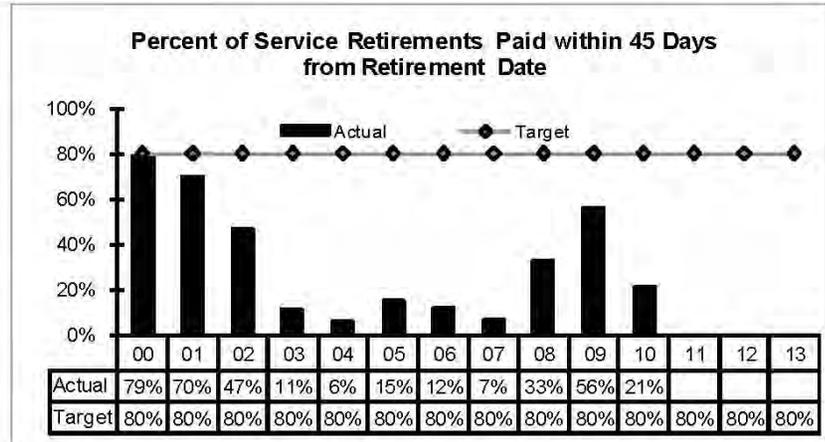
KPM #1	TIMELY RETIREMENT PAYMENTS Percent of initial service retirements paid within 45 days from retirement date	Measure since: 1995
<b>Goal</b>	To deliver retirement benefits effectively and efficiently.	
<b>Oregon Context</b>	Oregon Benchmark #59: Independent Seniors. Encourage member independence and financial well-being into retirement.	
<b>Data source</b>	Benefit Payments Division (BPD) statistics.	
<b>Owner</b>	BPD Administrator Brian Harrington, 503-431-8259	

**1. OUR STRATEGY**

PERS' main priority is delivering benefits to members in an accurate and timely manner. All areas of the agency play a role in this effort, but the Customer Service Division and Benefit Payments Division in particular have been partnering to improve processes and communication to ensure progress is made to reach this performance goal.

**2. ABOUT THE TARGETS**

While statute requires PERS to issue the first benefit payment within 92 days from retirement date, PERS' goal is always to provide the first payment as quickly and accurately as possible. The target of 80% paid within 45 days represents this priority. While this target is ambitious considering pervasive reporting complexities, and the additional programs added in 2003, the goal is still to provide timely and accurate benefits, and PERS believes the goal to be reachable.



**3. HOW WE ARE DOING**

During this reporting period, PERS issued 21% of its benefit inceptions within 45 days of the retirement date, down from 56% in FY2009. This is a deviation from the previous two years when performance had been trending upward toward the targeted 80%, a marked improvement from the trend of lower performance over the preceding five years. The deviation during this year is directly caused by extensive work occurring on the later stages of the agency's RIMS Conversion Project. To support the project, staffing resources were reallocated to project testing work during the busiest time period for retirements, the annual July retirement spike. During this time period, performance toward this KPM dropped to below 5% for four straight months. But performance has rebounded significantly after successfully working through a deployment transition period. In the final quarter of this reporting period, performance was over 56%, and the next period is tracking toward a performance of approximately 60%.

**4. HOW WE COMPARE**

PERS uses the services of a third-party benchmarking firm (CEM Benchmarking, Inc.) to compare its costs, services, and performance to other public retirement systems. According to CEM Benchmarking, Inc., other systems in PERS' peer group were able to pay 91% of benefit inceptions within one month of the final pay check date in FY2009 versus 12% for PERS. While this is significantly higher than PERS' performance, it is important to note that other systems have different statutory requirements and many have fewer program options than PERS. Moreover, public retirement systems in PERS' peer

# BUDGET NARRATIVE

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

group issue 67% of their initial benefit payments based on estimates (making corrections and finalizing the benefit later on), rather than issuing finalized benefit payments as PERS strives to produce (PERS only issued 1% of initial payments based on estimates in FY2009).

### 5. FACTORS AFFECTING RESULTS

During this reporting period, PERS remained engaged in the later stages of its multi-year system replacement project, the RIMS Conversion Project (RCP), and staffing resources have been affected. As necessary, staff members were pulled away from daily production and assigned to test new system functionality, write procedures, and train remaining staff on new IT tools and processes. There are also system functionality and staff productivity gaps between the timing of when portions of the old system are decommissioned and the new portions are deployed and fully functioning with trained staff. As a result, achieving or tracking toward this target will remain more difficult in the short run. But while the numbers for 2009 show a significant decline, many of the factors that are affecting performance are temporary in nature, and the issues will be resolved once RCP has been completed and the transition to new tools and procedures has taken place. The project is slated for completion in Summer 2011.

Other factors that can negatively impact the timeliness of retirement processing include delays in receiving correct final data from employers, applying the eligibility standards to various employment segments, and resolving errors in members' submitted retirement applications. Employers have a benchmark of 30 days following an employee's retirement to send the final data to PERS, a target that is not always reached. With this KPM measuring the standard of retirements processed in 45 days, this leaves a narrow window of time between the employer's timeframe and that of this measure, even when that employer reporting target is hit. Membership data and benefit eligibility have historically not been determined until the time of a retirement or withdrawal, so the member's employment record must be reviewed, verified, and resolved within this span of time.

### 6. WHAT NEEDS TO BE DONE

The most important achievement that will help in performance toward the target of 80% will be completion RCP. Once this IT system upgrade has been fully implemented, benefit payment process will predominantly be streamlined in one integrated system administration application, instead of working across a variety of non-integrated desktop and database systems to process a benefit payment. This will reduce processing time and should return the performance to higher service levels.

PERS continues to cleanse and update data earlier in the member's employment, in partnership with employers and via internal process improvements to facilitate more timely and accurate payments after retirement. Staffing was established in the 2009-11 Legislatively Adopted Budget to help improve the member data and benefit eligibility determination process and help the benefit inception process run more efficiently and quickly. This will allow a continued process improvement approach to progress.

The Benefit Payments Division (BPD) has also instituted a Quality Assurance Program. In addition to working on RCP and increasing timeliness, BPD has also been focused on increasing and assuring accuracy. In this quality assurance endeavor, PERS has requested to add a KPM in 2011-13 to measure the accuracy of benefit calculations.

### 7. ABOUT THE DATA

This measure is based on data for retirements effective April 1, 2009 through March 31, 2010. Prior to Fiscal Year 2009, we had attempted to stick to the Oregon fiscal year period, but the finalization of quarterly data makes it impossible for the final fiscal quarter to be included in the Annual Performance Progress Report that is due by September 30 of each year. For this reason, we have simply shifted the reporting period back by one quarter in order to measure a full 12 month period. This is the reporting cycle we are using for KPM reporting purposes from 2009 forward.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

KPM #2	TOTAL BENEFIT ADMIN COSTS Total benefit administration costs per member	Measure since: 2006
<b>Goal</b>	Reduce administrative costs while maintaining high levels of service to members and employers.	
<b>Oregon Context</b>	Oregon Benchmark #35: Public Management Quality and Benchmark #9c: Cost of Doing Business/ Taxes & Charges. Increase service cost-effectiveness to stakeholders.	
<b>Data source</b>	Budget/personnel statistics, PERS CAFR, PERS membership statistics from actuarial valuation, report from CEM Benchmarking, Inc. comparing PERS to its peers.	
<b>Owner</b>	Fiscal Services Administrator Jon DuFrene, 503-603-7512	

**1. OUR STRATEGY**

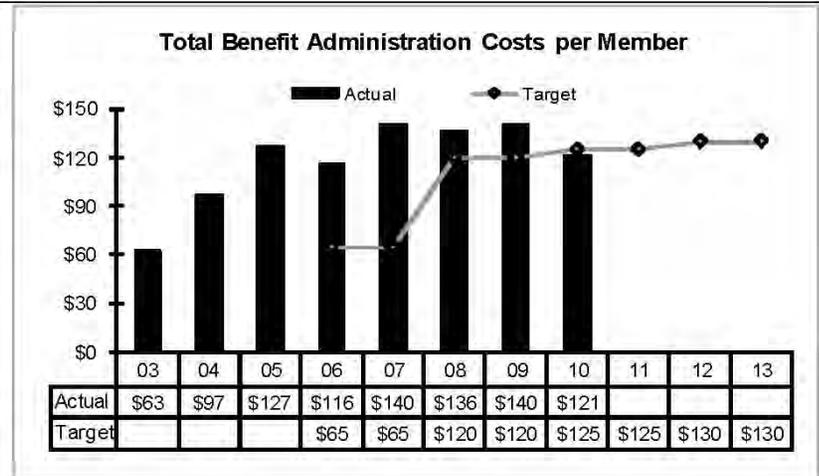
PERS strives to deliver high-quality, cost-effective service to members and employers. PERS administrative costs are funded through investment earnings, which PERS works hard to ensure are expended prudently. The successful completion of the *Strunk/Eugene* project and the Retirement Information Management System (RIMS) Conversion Project will help to stabilize PERS' annual operating expenditures. As evidence of this, the Legislatively Adopted Budget for 2009-11 actually reflects a decrease from the 2007-09 Legislatively Adopted Budget, despite projected inflationary cost increases.

**2. ABOUT THE TARGETS**

For the 2007-09 biennium, PERS implemented data changes with this KPM and the Member to Staff ratio KPM. The data changes will allow PERS to present this KPM reporting the total PERS administrative costs as published in its Comprehensive Annual Financial Report (CAFR) per the total membership. The targets from FY2008 and forward represent a new data structure, and all actual data have been updated to the new data structure. The targets for 2009-11 and 2011-13 include minor inflationary increases. The goal is to keep the costs at or below the targeted level.

**3. HOW WE ARE DOING**

For FY2010, PERS' cost per member is \$121, down significantly from \$140 in FY2009. This represents a decrease in administrative expenses of over \$5.7 million from FY2009 to FY2010. This reduction is primarily due to the completion of the *Strunk/Eugene* project in 2009. It also reflects different accounting of RIMS Conversion Project (RCP) costs, due to GASB 51 accounting rule changes that affect intangible asset project costs that are capitalized instead of expensed. PERS administrative costs increased dramatically in 2004 as a result of the 2003 PERS reform legislation that added the administration of two more retirement programs (bringing the total PERS retirement programs to four), and in 2005 with the addition of the *Strunk/Eugene* and RIMS Conversion projects. The long-range target is to keep overall costs per member stable, while operating in an environment of increasing workload per member and cost inflation.



# BUDGET NARRATIVE

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

### 4. HOW WE COMPARE

PERS uses the services of a third-party benchmarking firm (CEM Benchmarking, Inc.) to compare its costs, services, and performance to other public retirement systems. CEM Benchmarking makes various adjustments in calculating total cost figures to make comparisons among differing systems more realistic. For this reason, PERS focuses on how it compares to its peers on an individual pension administration activity level rather than the adjusted overall cost figure presented by CEM. Since the 2010 CEM Benchmarking Analysis has not yet been published, these comparisons are based on the 2009 analysis report.

For 2009, CEM Benchmarking, Inc. reported that while PERS' costs were higher than its peers for many activities, there were also a number of activities where PERS' costs were lower than those of its peers. When compared to its peer median costs per member or employer served, PERS spent more for activities such as Pension Inceptions (\$340 vs. \$273), Member 1-on-1 Counseling/Application Assistance (\$252 vs. \$136), Employer Billing and Inspection (\$573 vs. \$234), Employer/Member Data (\$21 vs. \$12), Services to Employers (\$2,431 vs. \$597), Refunds (\$117 vs. \$56), Disability (\$4,088 vs. \$1,753), Financial Admin/Governance (\$11 vs. \$5), Rules Design and Interpretation (\$9 vs. \$4) and Major Projects (\$33 vs. \$5). On the other hand, PERS spent less per member/employer served than its peer median for activities like Paying Pensions (\$7 vs. \$16), Member Presentations, Member Contact and Mass Communication to Members (\$29 vs. \$59), and Purchases (\$60 vs. \$411).

### 5. FACTORS AFFECTING RESULTS

Total administrative costs are down by over \$5.7 million from 2009. This was due in part to the completion of the *Strunk/Eugene* project in 2009, but also because of a governmental accounting rule change. Governmental Accounting Standards Board, or GASB, now requires certain project costs that are part of intangible assets (internally developed software) to be capitalized and depreciated over time, rather than expensed in the period they occur, as had been the case in previous years. In PERS' case, approximately \$2.9 million of our RIMS Conversion Project costs in 2010 were capitalized to be depreciated over time, instead of included in this year's administrative expenses.

### 6. WHAT NEEDS TO BE DONE

PERS' benefit processing workload will increase over the next five to ten years with the inevitable retirement of some 67,000 members who are already (or soon will be) eligible to retire. But PERS is committed to limit cost increases in proportion to the workload increase through process and organization efficiencies and improved IT system capabilities. With the policy option packages requested in the 2011-13 Agency Request Budget, PERS has positioned itself to be staffed, organized, and technologically supported to handle the projected increasing workload with a stable workforce and improved efficiency. The goal is to mitigate potential significant cost increases with the IT system conversion, continuous process improvements, and staffing productivity gains and efficiencies.

### 7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period and the calendar year. The cost per member is calculated by dividing the total fiscal year administrative expenses as reported in the PERS Comprehensive Annual Financial Report (CAFR) by the total membership including all active, inactive, and retired members as reported in the calendar year actuarial valuation (plus calendar year lump sum and withdrawal recipients that are not included in the actuarial count).

# BUDGET NARRATIVE

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

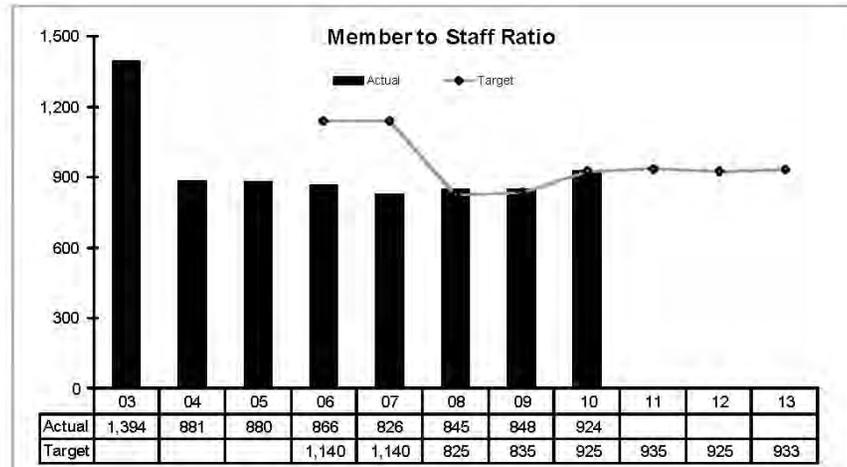
KPM #3	MEMBER TO STAFF RATIO Ratio of members to FTE staff	Measure since: 2006
<b>Goal</b>	Increase productivity of staff to improve service to members and retirees.	
<b>Oregon Context</b>	Oregon Benchmark #35: Public Management Quality. Increase efficiency of service to members.	
<b>Data source</b>	Budget/personnel statistics, PERS membership statistics from actuarial valuation, report from CEM Benchmarking, Inc. comparing PERS to its peers.	
<b>Owner</b>	Fiscal Services Administrator Jon DuFrene, 503-603-7512	

### 1. OUR STRATEGY

PERS aims to deliver high-quality service in a cost-efficient manner. To accomplish this, PERS needs to keep staffing numbers reasonable while continuing to meet statutory obligations and without sacrificing service.

### 2. ABOUT THE TARGETS

The long-range goal is to gradually increase the number of members served per employee through technology enhancements and process improvements to be implemented over the next two biennia. As with the approved 2009-11 targets, the targets for 2011-13 are based on projected membership levels for that biennium, and the staffing requested with the Agency Request Budget. The staffing has increased slightly from the previous 2009-11 projected levels due to the data verification function added by SB 897 (2010). The additional staff has slightly decreased the targets for the 2011-13 biennium. The goal with this KPM is to be at or above the targeted ratio.



### 3. HOW WE ARE DOING

PERS' member to staff ratio increased to 924:1 in FY2010, up from 848:1 in FY2009. This continues the trend of member to staff ratios that have met or exceeded the targeted performance over the last three years. This trend shows that PERS has been able to provide services to a greater number of members without significantly increasing its staffing levels.

### 4. HOW WE COMPARE

When comparing retirement system peers, PERS' benchmarking consultant, CEM Benchmarking, Inc. uses adjusted staffing and membership criteria that differs from the standard system of measurement presented with this KPM. But comparisons to peers can still be drawn on an individual benefit administration activity level. The 2010 CEM Benchmarking Analysis has not yet been published, so these comparisons are based on the 2009 analysis report.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

For Fiscal Year 2009, CEM Benchmarking, Inc. reported that, because of greater system complexity and a greater number of programs administered, PERS is higher staffed (thus serving fewer members per FTE staff) than many of its peers. However, while PERS serves fewer members per FTE for many benefit administration activities, there are also activities that PERS serves more per FTE than its peers. When compared to its peer median, PERS served fewer members per single FTE for activities like Pension Inceptions (344 vs. 497), Member 1-on-1 counseling/application assistance (481 vs. 1,041), Mass Communication (19,834 vs. 36,310), Refunds (1,012 vs. 2,130) and Disability (37 vs. 134). But PERS was able to serve more members per single FTE than its peer median for activities like Paying Pensions (18,801 vs. 12,072), Benefit Estimates (1,550 vs. 1,180), Member Presentations and Member Contacts (29,330 vs. 14,675) and Purchases (2,303 vs. 383).

### 5. FACTORS AFFECTING RESULTS

In considering the peer comparison results listed above, note that PERS was observed to be the second most complex system among 15 other similar sized public retirement systems identified in the CEM Benchmarking, Inc. Benchmarking Analysis for 2009. This complexity is driven by PERS' service to multiple classes of public employees, including part-time employees, the large number of retirement options, multiple retirement benefit calculations, and a number of other benefit add-ons. The complexity has made it difficult to provide enterprise-level, IT-based applications and solutions, particularly given the outmoded nature of the Retirement Information Management System (RIMS), which results in more staff being needed to provide basic services.

The 2003 PERS Reform legislation contributed to increased staffing by adding two new retirement programs (OPSRP and IAP). PERS grew to an agency of 420 positions in FY 03-05 when the reform legislation implementation began and many permanent and limited duration staff were added. PERS' Legislatively Approved Budget for 2009-11 (as of June 30, 2010) includes staffing of 368 positions (362.18 FTE), a 12 percent decrease from the FY 03-05 peak staffing. The 2011-13 Agency Request Budget would stabilize the staffing at 368 positions, including the Data Verification Team to comply with SB 897 (2010). The 2011-13 ARB staffing level also represents a 12 percent decrease from FY 03-05 peak staffing.

### 6. WHAT NEEDS TO BE DONE

Demographic research shows that the next five to ten years will see a dramatically increasing number of members who qualify for retirement benefits. While the rising volume of retirements is an issue facing most public pension systems, PERS is also challenged by an outmoded IT system. This situation is expected to continue until the legacy IT system is fully replaced and the operational demands of statutory changes and program expansions (OPSRP and IAP) are accommodated.

In the long term, projects like the RIMS Conversion Project will lead to more automated-processes, reducing PERS' dependency on staff-intensive desktop applications and allowing the agency to continue to handle increasing workloads with stabilized staffing.

### 7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period and the calendar year. The member per staff ratio is calculated by dividing the total membership including all active, inactive and retired members per the calendar year actuarial valuation (plus calendar year lump sum and withdrawal recipients that are not included in the actuarial count) by total FTE staff per June PICS reports.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

KPM #4	AVERAGE DOLLARS DEFERRED Average monthly deferral per state employee deferred compensation participant	Measure since: 2006
<b>Goal</b>	Increase supplemental retirement savings by members in Deferred Compensation Program	
<b>Oregon Context</b>	Encourage member independence and financial well-being into retirement. Has an effect on Oregon Benchmark #59: Independent Seniors.	
<b>Data source</b>	Deferred Compensation records, along with reports from Oregon Savings Growth Plan (OSGP) third party administrator, Citistreet/ING	
<b>Owner</b>	Deferred Compensation Manager Gay Lynn Bath, 503-378-3730 ext. 86425	

1. **OUR STRATEGY**

**NOTE: PERS is requesting to delete this KPM in 2011-13.** PERS' Deferred Compensation program, the Oregon Savings Growth Plan (OSGP), can be a vital component of a retiree's financial well-being, along with other retirement benefits and Social Security. Encouraging participation in this program through education and outreach to eligible employees remains a key focus. But performance in this endeavor is already being measured with KPM #5 – Level of Participation. While the Average Dollars Deferred KPM does measure how much participants are saving, the data will begin to show a decline resulting from a demographic shift in potential OSGP participants.

2. **ABOUT THE TARGETS**

The annual target increases are based on OSGP's goal to increase average monthly deferrals by 5% each year. No targets have been established for 2011-13 because this KPM has been requested to be deleted.

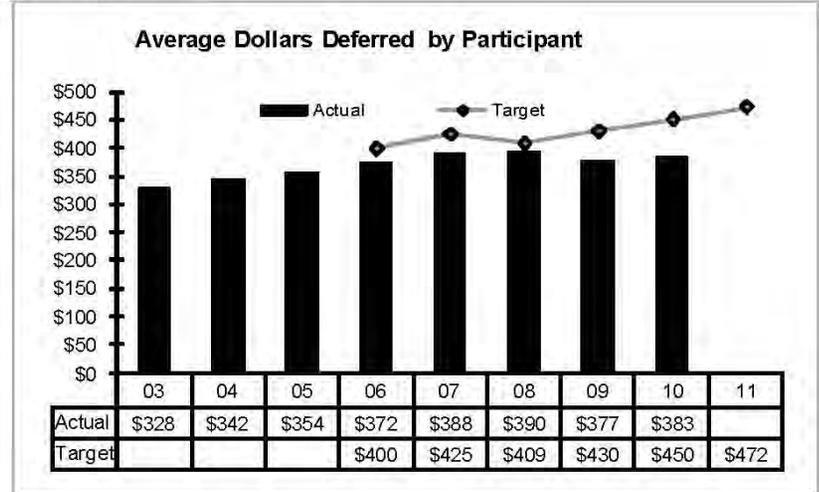
3. **HOW WE ARE DOING**

The average monthly deferral for OSGP participants had been increasing steadily each year until the recent economic downturn. In FY2010, the average monthly deferral increased by 1.6%, up to \$383 per month from \$377 per month in FY2009. This is well behind the targeted increase of 5% per year. This result is evidence of the current economic conditions, which have impacted members' savings rates and financial ability to increase their deferrals.

4. **HOW WE COMPARE**

In 2009, The National Association of Government Defined Contribution Administrators (NAGDCA) conducted a survey of state 457 plans that showed participating state employees deferred \$291 per month on average. The fact that OSGP participants are contributing more dollars on average than their industry peers demonstrates the plan's relatively high perceived value to its members, and the success of OSGP programs in encouraging retirement savings.

5. **FACTORS AFFECTING RESULTS**



# BUDGET NARRATIVE

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

The effects of the severe economic downturn have been felt across many industries, including Oregon's public sector employees and their families. Moreover, the decrease in household income resulting from layoffs and pay reductions like furlough days and cost increases in utilities, health care, food and other consumer needs, have predictably resulted in participants decreasing monthly deferrals to OSGP during the downturn.

In addition, state employee furloughs decrease wages and, since many employees' deferrals are directly tied to a percent of salary, this causes a reduction in the deferral amounts.

Another factor that could affect results over the next several years is the demographic shift as a large number of participants retire. As this departure of many long-term and higher-paid employees occurs, the resulting vacancies will be filled by younger, lower-paid employees. This will in turn drive down deferral averages, especially since many of the new participants will decide to defer on a wage percentage basis. This program's effectiveness in encouraging new hires to participate in the OSGP is best captured in the Level of Participation KPM. The information derived from the Average Dollars Deferred KPM will be more difficult to interpret and less meaningful in performance management efforts. This is a key reason behind PERS' request to delete this KPM.

### 6. WHAT NEEDS TO BE DONE

Educating participants remains the most important strategy for OSGP. One key message aimed at participants is to "stay the course" and continue preparing and saving for a secure financial future. As participants retire, OSGP will need to continue educating the remaining and new participants on the importance of retirement savings. Those education and outreach opportunities include workshops, articles in the newsletter, emails, and targeted mailings.

### 7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period. The data is provided by OSGP's third-party administrator, ING, and is verified by looking at monthly deferral records. This measure was also involved in a KPM audit last year, which successfully verified the data reliability. This measurement factors in deferrals from all state employee groups.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

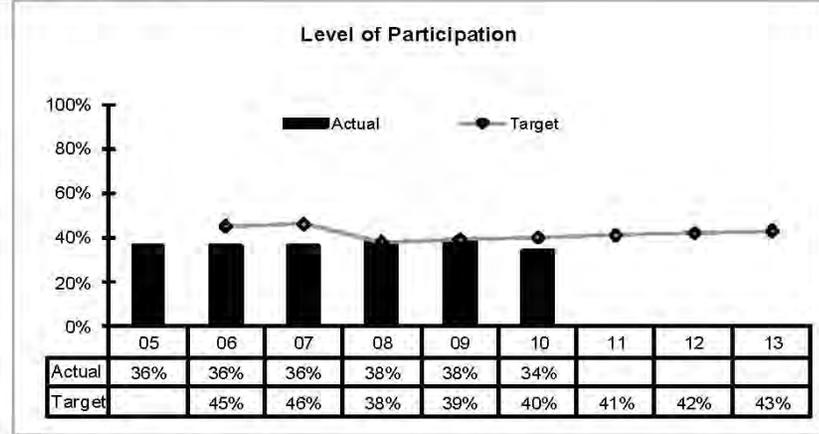
KPM #5	LEVEL OF PARTICIPATION Percent of state employees participating in the deferred compensation program.	Measure since: 2006
<b>Goal</b>	Increase voluntary participation by state employee members in Deferred Compensation Program	
<b>Oregon Context</b>	Encourage member independence and financial well-being into retirement. Has an effect on Oregon Benchmark #59: Independent Seniors.	
<b>Data source</b>	Deferred Compensation records, along with reports from Oregon Savings Growth Plan (OSGP) Third party administrator, Citistreet/ING	
<b>Owner</b>	Deferred Compensation Manager Gay Lynn Bath, 503-378-3730 ext. 86425.	

**1. OUR STRATEGY**

PERS' Deferred Compensation program, the Oregon Savings Growth Plan (OSGP), understands that the financial demands on current and future retirees are increasing. So OSGP aims to provide Oregon public employees with another option to help supplement their PERS benefits and help bridge the gap between retirees' financial needs and their PERS benefits. To remain a valued option for PERS members, OSGP's goal is to provide solid investment options and to educate participants about the importance of retirement preparation through participation in this supplemental savings program.

**2. ABOUT THE TARGETS**

Targets for the 2007-09 biennium forward are based on a data change for this KPM that now only measures participation amongst active state employees. The annual target increases are based on OSGP's goal to gradually increase the participation level by 1% annually.



**3. HOW WE ARE DOING**

State government employee participation in OSGP decreased to 34% of active employees in FY2010, down from 38% of active employees in FY2008 and FY2009.

**4. HOW WE COMPARE**

The National Association of Government Defined Contribution Administrators (NAGDCA) conducts a periodic survey that measures participation in optional state and local government defined contribution plans. In its 2009 survey results, NAGDCA reported that, among the responding state plans, 33% of the eligible employees participated in optional plans like OSGP. So, at 34% participation among Oregon state employees, OSGP is performing ahead of the national average participation rate for similar plans.

**5. FACTORS AFFECTING RESULTS**

Because OSGP is voluntary for state employees, to have both a relatively high rate of penetration and average monthly deferrals reflects that the Deferred Compensation program is both well known and represents an important retirement savings tool for many state employees. Despite this, there are other

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## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

factors that potentially limit the participation rates. There are a large number of baby boomer generation employees who are eligible to retire in the near future. Many of these retirees will withdraw their OSGP accounts or roll them into other retirement accounts and the demographics of their replacements (normally younger and lower paid) will create a challenge for increasing participation rates and deferral amounts.

Because of the current economic recession, OSGP has seen a significant drop-off in the number of new enrollments. The market volatility has kept some employees from enrolling, as they are concerned about risk. Furlough days and step freezes have also impacted employee income levels, and many cannot afford to defer right now. And with high unemployment levels affecting the families of many state employees, there might be less willingness for new eligible employees to participate in an optional program such as the OSGP. These factors may result in a lower participation rate in the coming years as the economy slowly works its way through this recession.

### 6. WHAT NEEDS TO BE DONE

Data shows that participation does not often change drastically from year to year, and the participation rate remains difficult to control or impact. And when factoring in the effect that the many upcoming retirements and the poor economic conditions will have on OSGP participation rates, it will be important for OSGP to educate and remind existing and new employees of the benefits of participating in the program.

One of the tactics OSGP is doing to increase participation is raising awareness of the program through the state library's listserv feature. This recently resulted in 500 emails from state employees, many of whom had never heard about OSGP. Another strategy is for the OSGP staff to meet with HR managers to seek their help in communicating to state employees about OSGP. OSGP's third-party consultant, ING, is also helping to get the word out about OSGP. They are assigning one of their employees to help OSGP with workshops and enrollments, as well as working with OSGP on formulating targeted mailings to help increase participation.

### 7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period. The data is provided by OSGP's third-party administrator, Citistreet (now ING). Because the available records of certain participating employee groups (Higher Ed, miscellaneous small agencies and participating local government entities) are more difficult to verify, only Oregon State Payroll System (OSPS) employees are factored in this measure. OSPS records are easily verifiable and make for stable comparisons from year to year.

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## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

KPM #6	CUSTOMER SERVICE Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information	Measure since: 2006
<b>Goal</b>	To improve customer satisfaction through effective and efficient delivery of retirement benefits.	
<b>Oregon Context</b>	#35: Public Management Quality - Citizen satisfaction with government services.	
<b>Data source</b>	Agency-administered survey (SurveyMonkey.com online tool was used, along with a hard copy provided in the retiree newsletter).	
<b>Owner</b>	Customer Services Division Administrator Yvette Elledge, 503-603-7685	

### 1. OUR STRATEGY

PERS is committed to providing high-quality, cost-effective customer service. The goal is to deliver effective and efficient service to PERS members, employers, and stakeholders.

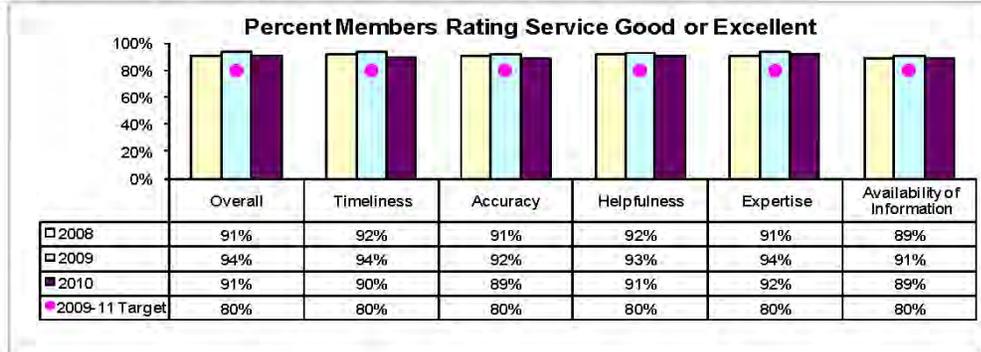
The customer satisfaction surveys help to determine areas of strength and needed improvement. PERS management will make strategic decisions based on the results to place resources and effort where improvement is needed.

### 2. ABOUT THE TARGETS

The current and ongoing goal is to maintain 80% of customers rating their PERS service as good or excellent.

### 3. HOW WE ARE DOING

For the FY2010 member survey, PERS received slightly lower marks in every category from the 2009 levels, when we received the highest marks in the history of this survey. But every service category remained significantly higher than the targeted 80% performance rating, and more than 10% above the target in most cases. PERS scored between 89% and 92% across the categories, with 91% of member and retiree customers rating PERS overall service as "good" or "excellent." Member and retiree customers rated PERS highest in Expertise (92%), and lowest in Availability of Information and Accuracy (89%).



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## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

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In the FY2010 employer survey, the results reflected increased ratings in nearly every category for the fourth straight year. The only two categories that received lower ratings than FY 2009 were Helpfulness (83%) and Expertise (81%), both of which still scored above the targeted 80% performance rating. For the FY2010 employer survey, the employers rated PERS between 72% and 83% “good” or “excellent,” with 79% of employers rating PERS overall service as excellent or good. Employers rated PERS highest in Helpfulness (83%) and lowest in Availability of Information (72%).

### 4. HOW WE COMPARE

PERS does use the services of a benchmarking consultant (CEM Benchmarking, Inc.), but customer satisfaction ratings is not one of the comparators. In accessing a sampling of other state agency customer satisfaction results, the average customer service category satisfaction ratings fell between 51% and 96%, with an average across the sample of about 80%. PERS’ member/retiree ratings would fall at the high end of that range, while the employer ratings would be in line with the sample average.

### 5. FACTORS AFFECTING RESULTS

PERS continues to keep customer service and member/employer satisfaction as a major focus in its agency strategies and staff efforts. Member-oriented services such as the one-on-one retirement application assistance program continue to be very successful. This program has helped dramatically reduce the retirement application rejection rate (1% for members utilizing the program, compared to 10% for those who do not).

PERS has also continued to offer workshops/presentations with individual employers and groups beyond the usual outreach presentations. This effort, along with continued success in its employer advocate program and other training efforts, have helped to bolster customer service to employers.

### 6. WHAT NEEDS TO BE DONE

PERS solicited comments from the member/retiree and employer survey participants and found a few key areas to focus improvement efforts. For the member/retiree survey respondents, key areas of improvement include benefit estimate response timeliness and providing members online access to their PERS information. Both of these needs are being addressed with the current legacy system project, the RIMS Conversion Project (RCP), which is scheduled to be completed in 2011. In the employer survey, PERS found that respondents sought improvement in receiving consistent information responses and in having outdated information removed from the PERS employer website. PERS is continuing to offer staff training in employer issues and will be reviewing the website information on a regular basis in order to address these needs.

### 7. ABOUT OUR CUSTOMER SERVICE SURVEY

The member satisfaction survey was conducted by PERS staff using the online SurveyMonkey.com tool and hard copy surveys included in the agency’s *Perspectives* newsletter mailed to retirees. The survey was open from August 1 through 31, 2010. The population is consumers, since members and retirees are end users of PERS services. For the sampling frame, PERS left the survey open to all members (active and inactive) and retirees. The survey was advertised in the *Perspectives* newsletter (a PERS newsletter sent to all members and retirees), which listed the web link to take part in the survey. The survey link was also posted in a prominent location on the PERS website homepage for all members and retirees to view. Since PERS left the survey open to the full population of members and retirees, the sampling procedure could be considered a passive census. Out of approximately 330,000 members and retirees, PERS received 1,921 responses. There was no weighting involved with the tabulation of results.

The employer survey was also conducted by PERS staff using the online SurveyMonkey.com tool. The survey was open from August 1 through 31, 2010. The employer population could be considered clients, and for the sampling frame, PERS left the survey open to all employers. The survey link was emailed to all employers, and posted on the employer portion of the PERS website. The sampling procedure would be considered a census. Out of approximately 900 employers, PERS received 256 responses.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

KPM #7	TIMELY BENEFIT ESTIMATES Percent of benefit estimates processed within 30 days	Measure since: 2008
<b>Goal</b>	To prepare and deliver benefit estimates effectively and efficiently.	
<b>Oregon Context</b>	Oregon Benchmark #59: Independent Seniors. Encourage member independence and financial well-being into retirement.	
<b>Data source</b>	Customer Service Division (CSD) statistics	
<b>Owner</b>	Customer Services Division Administrator Yvette Elledge, 503-603-7685	

**1. OUR STRATEGY**

**NOTE: The FY2010 data reported here represents only the final six months of the fiscal year. Because of key process changes resulting from stage deployment in the RIMS Conversion Project (RCP), data for July through December 2009 was not available.**

PERS understands that receiving timely and accurate benefit estimates is a crucial component of retirement planning. To make sure members have all available information they need to properly plan for retirement, PERS is focused on providing member benefit estimates within 30 days of a qualified request.

**2. ABOUT THE TARGETS**

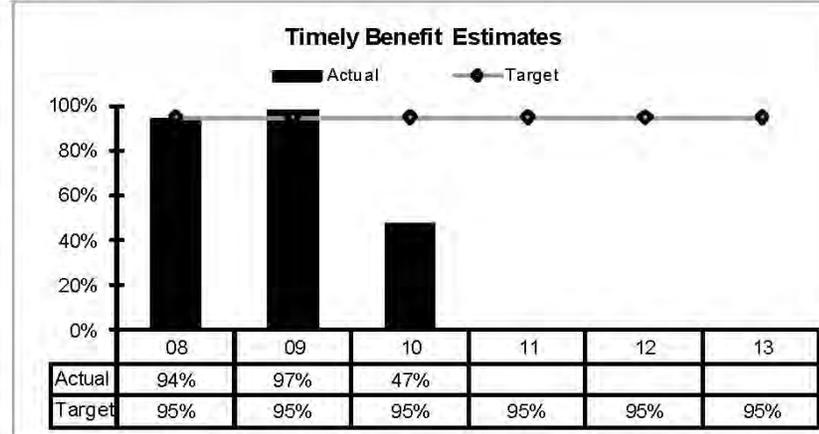
This was a new KPM for the 2007-09 biennium. With no extensive trend line, the target of 95% was established for 2007-09. PERS' continued goal is to deliver benefit estimates within 30 days at least 95% of the time, and this targeted level of service has been continued through 2009-11.

**3. HOW WE ARE DOING**

For FY2010, PERS provided member benefit estimates within 30 days 47% of the time. This is a decrease from the FY2009 performance of 97%, which is mainly due to significant process changes and backlogs that resulted when a key stage was deployed in our RCP project.

**4. HOW WE COMPARE**

Using the services of a third-party benchmarking consultant (CEM Benchmarking, Inc.), PERS is able to compare its performance with that of its peers. According to CEM Benchmarking, Inc., the average rate for preparing benefit estimates among PERS' peers was five days in fiscal year 2009 (CEM's 2010 report is not yet published). By comparison, PERS processed its benefit estimates in an average of eight days during FY2009. But PERS also provides 15 different benefit option scenarios with each estimate, as compared to an average of only 3.4 amongst its peers. So despite offering a more complicated benefit estimate than that of its peers, PERS is staying relatively on par with peer performance in this function.



# BUDGET NARRATIVE

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

### 5. FACTORS AFFECTING RESULTS

At the beginning of FY2009, PERS had a major stage deployment in its RCP project. This had far-ranging effects on many processes, including the benefit estimate process. While the system upgrades will help with process and performance improvements in the long run, the stage deployment has slowed the benefit estimate processing time significantly for the short term. When deployment occurred, PERS was unable to process any benefit estimates for a three week period, which created a backlog. The deployment involved some significant changes to the benefit estimate processes, which took staff some time to learn and become proficient. There were many system fixes that needed to be done to the new Generate Benefit Estimate (GBE) tool rolled out in the deployment. Each of these fixes required workarounds in the short term until the system could be fixed, resulting in many time-consuming manual calculations during this period. All in all, the new process learning curve, benefit estimate backlogs, and manual calculations caused performance to dip significantly in FY2010.

### 6. WHAT NEEDS TO BE DONE

To address the backlog, PERS added temporary staff. The backlog has since been reduced so that dedicated staff could become more efficient at working through the new processes. As some of the GBE tool system fixes are completed through the progression of the RCP project, many of the manual calculation workarounds can be eliminated and the more efficient benefit estimate processes can be used as designed.

### 7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period. For fiscal year 2010, the data in this report is based on performance from January 1, 2010 through June 30, 2010. The most recent stage deployment of PERS' RIMS Conversion Project occurred June 5, 2009, and the data from July through December 2009 is unavailable for inclusion in this report. The data is based on tracked performance statistics provided by the Customer Service Division at PERS.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

KPM #8	BEST PRACTICES: Percent of best practices met by Board/Commission.	Measure since: 2008
<b>Goal</b>	To achieve best practices in governance of PERS	
<b>Oregon Context</b>	#35: Public Management Quality - Citizen satisfaction with government services.	
<b>Data source</b>	Annual self-administered survey.	
<b>Owner</b>	Executive Director Paul Cleary, 503-603-7711	

**1. OUR STRATEGY**

The PERS Board is committed to working with the Executive Director and the Executive Management team to implement best practices in the governance of agency operations. In the initial self-assessment last year, the Board considered the 15 DAS-assigned best practices criteria and added 3 additional criteria they felt would also be beneficial to consider. These additional criteria are not scored for purposes of this KPM. This format will continue to be applied each year.

**2. ABOUT THE TARGETS**

The PERS Board's goal is to meet 100% of the best practices criteria for this measure.

**3. HOW WE ARE DOING**

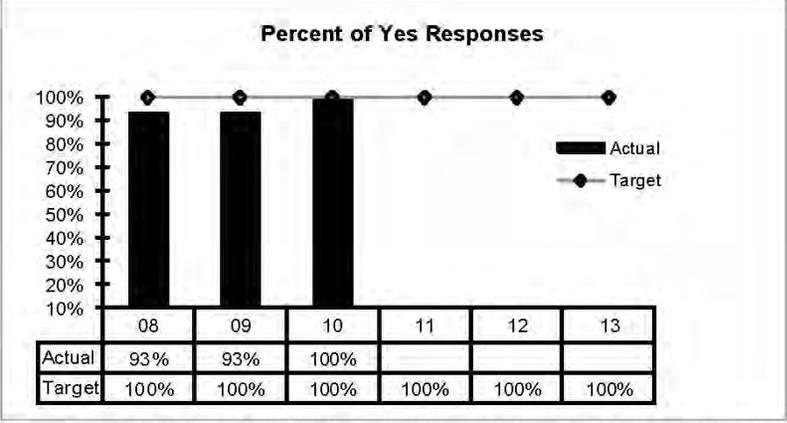
The PERS Board completed the self assessment survey process using the online SurveyMonkey.com tool in September 2010. The results were presented at their September 24, 2010 public board meeting. Continuing the approach used in 2008 and 2009, the Board assessed their FY2010 performance in three categories: fully meets, meets but needs improvement, or does not meet. For KPM purposes, the Board concluded that the "meets but needs improvement" and the "meets" responses would be rated as a "yes" for this KPM. The results of the survey showed the Board had satisfactorily met all 15 best practices criteria.

**4. HOW WE COMPARE**

In a sampling of the Annual Performance Progress Reports of ten other similar state agency boards, the scores fell between 87% and 100%, with an average of about 98%. The PERS Board is in line with this scoring with a 100% rating in 2010.

**5. FACTORS AFFECTING RESULTS**

The PERS Board recognizes the importance of providing strategic guidance, budget and financial control, customer service emphasis, improved communications with stakeholders, and maintaining agency focus on cost effective and efficient operations. This emphasis has resulted in increased attention at the staff level on operational best practices, which takes on increasing importance in periods of economic downturn. The Board and agency management will continue to support this best practices focus through their activities and discussions at Board and Audit Committee meetings.



# BUDGET NARRATIVE

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## II. KEY MEASURE ANALYSIS

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

### 6. WHAT NEEDS TO BE DONE

While the PERS Board did realize a 100% rating in FY2010, there were a couple of criteria that received votes of “meets but needs improvement.” Criteria 5, “the Board is appropriately involved in review of the Agency’s key communications” received a single “meets but needs improvement” vote, while Criteria 14, “Board members identify and attend appropriate training sessions,” received three “meets but needs improvement” votes. The PERS Board will work to maintain and enhance their overall performance on these best practices criteria whenever possible. PERS staff can assist the Board in this endeavor by communicating and sharing training opportunities with the Board on topics such as governance and benefit administration. PERS staff will continue to provide timely and accurate reports so Board decisions are based on the most current information available. The Chair of the Board will work with the Executive Director to identify specific areas of improvement and possible courses of action to make those improvements. At the same time, the Board will continue to focus on their full range of governance responsibilities and regularly review and implement all the identified Board best practices.

### 7. ABOUT THE DATA

This measure is based on data for the Oregon fiscal year period. The PERS Board completed the annual self assessment in September 2010.

# BUDGET NARRATIVE

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

## III. USING PERFORMANCE DATA

Agency Mission: We are a well-respected organization that serves our members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

Contact: Matthew Rickard, Budget Analyst	Phone: (503) 603-7576
Alternate: Kyle Knoll, Budget Officer	Phone: (503) 603-7568

The following questions indicate how performance measures and data are used for management and accountability purposes.

<p><b>1 INCLUSIVITY</b> Describe the involvement of the following groups in the development of the agency's performance measures.</p>	<ul style="list-style-type: none"> <li>Staff: The 2009-11 approved KPMs were developed by PERS staff and executive management and reviewed by the PERS Board.</li> <li>Elected Officials: Elected officials have reviewed and approved the 2009-11 KPMs and targets as a part of the Ways and Means process.</li> <li>Stakeholders: Staff met with key management and stakeholders to determine how each measured success. The KPMs were then formed using strict selection criteria to ensure accuracy, longevity, and applicability to each program.</li> <li>Citizens: While citizens are not involved in the KPM formation process, the annual results are posted on the DAS Budget and Management KPM and PERS websites for the general public to view.</li> </ul>
<p><b>2 MANAGING FOR RESULTS</b> How are performance measures used for management of the agency? What changes have been made in the past year?</p>	<p>The results are used to gauge PERS' progress versus previous performance, as well as its peers. The results are also used in the formation of business plans and in development of the agency's biennial budget. There is one new KPM being requested in 2011-13: Accurate Benefit Calculations. This proposed KPM will help measure the accuracy of the service retirement monthly benefit calculations. The agency's six-year strategic plan and two-year tactical plan are also linked to the performance measures to guide longer-term management of the agency. One positive effect of analyzing the previous results involves the improved focus on customer service, and the resulting higher member and employer ratings each year.</p>
<p><b>3 STAFF TRAINING</b> What training has staff had in the past year on the practical value and use of performance measures?</p>	<p>In the KPM formulation process, meetings with managers and stakeholders have taken place to educate them on the KPM process and to help them understand how the measures can be useful in program and agency management. Staff working directly with the KPMs also have attended statewide KPM trainings and participated in most of the KPM quarterly roundtables and informational meetings.</p>
<p><b>4 COMMUNICATING RESULTS</b> How does the agency communicate performance results to each of the following audiences and for what purpose?</p>	<ul style="list-style-type: none"> <li>Staff: Results are posted on PERS' internal network, included along with sectional budget execution reports for managers, posted on the PERS website for general staff, and reviewed by the PERS Board.</li> <li>Elected Officials: Results are communicated through the Annual Performance Progress Report and as part of the agency's biennial budget request.</li> <li>Stakeholders: Results are reported directly to the PERS Board and posted on the PERS website for other stakeholders.</li> <li>Citizens: The results are posted on the DAS website and the PERS website.</li> </ul>

# BUDGET NARRATIVE

## Legislatively Approved 2011-2013 Key Performance Measures

### Legislatively Approved 2011-2013 Key Performance Measures

**Agency:** PUBLIC EMPLOYEES RETIREMENT SYSTEM, OREGON

**Mission:** We are a well-respected organization that serves its members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - TIMELY RETIREMENT PAYMENTS: Percent of initial service retirements paid within 45 days from retirement date.		Approved KPM	21.00	80.00	80.00
2 - TOTAL BENEFIT ADMIN COSTS: Total benefit administration costs per member.		Approved KPM	121.00	130.00	130.00
3 - MEMBER TO STAFF RATIO: Ratio of members to FTE staff.		Approved KPM	924.00	925.00	933.00
4 - ACCURATE BENEFIT CALCULATIONS: Percent of service retirement monthly benefits accurately calculated to within \$5 per-month.		Approved KPM			
5 - LEVEL OF PARTICIPATION: Percent of state employees participating in the deferred compensation program.		Approved KPM	34.00	42.00	43.00
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.		Approved KPM		95.00	95.00
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.	Accuracy	Approved KPM	89.00	95.00	95.00
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.	Availability of Information	Approved KPM	89.00	95.00	95.00
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.	Expertise	Approved KPM	92.00	95.00	95.00

Print Date: 5/26/2011

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# BUDGET NARRATIVE

**Agency:** PUBLIC EMPLOYEES RETIREMENT SYSTEM, OREGON

**Mission:** We are a well-respected organization that serves its members by enabling informed retirement and health benefit decisions and delivering retirement and health benefits effectively and efficiently.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
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 KPM	91.00	95.00	95.00
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.	Overall	Approved KPM	91.00	95.00	95.00
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.	Timeliness	Approved KPM	90.00	95.00	95.00
7 - TIMELY BENEFIT ESTIMATES: Percent of benefit estimates processed within 30 days.		Approved KPM	47.00	95.00	95.00
8 - BOARD OF DIRECTORS BEST PRACTICES: Percent of total best practices criteria met by the PERS board.		Approved KPM	100.00	100.00	100.00
4 - AVERAGE DOLLARS DEFERRED: Average monthly deferral per state employee deferred compensation participant		Legislative Delete	383.00		

**LFO Recommendation:**

Approve the Key Performance Measures as proposed by the Public Employees Retirement System, with the following modification: Increase 2012 and 2013 targets for KPM #6 - Customer Service from 80 to 95.

**Sub-Committee Action:**

The Subcommittee approved the Legislative Fiscal Office recommendation.

Print Date: 5/26/2011

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# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

### Summary of 2011-13 Biennium Budget

Public Employees Retirement System, Oregon Leg. Adopted Budget  
 Public Employees Retirement System, Oregon Cross Reference Number: 45900-000-00-00-00000  
 2011-13 Biennium

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2009-11 Leg Adopted Budget	362	361.55	6,558,469,367	-	-	81,583,703	-	6,476,885,664	-
2009-11 Emergency Boards	-	-	500,000	-	-	500,000	-	-	-
<b>2009-11 Leg Approved Budget</b>	<b>362</b>	<b>361.55</b>	<b>6,558,969,367</b>	<b>-</b>	<b>-</b>	<b>82,083,703</b>	<b>-</b>	<b>6,476,885,664</b>	<b>-</b>
<b>2011-13 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(37)	(37.05)	298,066	-	-	298,066	-	-	-
Estimated Cost of Merit Increase	-	-	1,200,800	-	-	1,200,800	-	-	-
Base Debt Service Adjustment	-	-	(4,475)	-	-	(4,475)	-	-	-
Base Nonlimited Adjustment	-	-	957,126,646	-	-	-	-	957,126,646	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2011-13 Base Budget</b>	<b>325</b>	<b>324.50</b>	<b>7,517,590,404</b>	<b>-</b>	<b>-</b>	<b>83,578,094</b>	<b>-</b>	<b>7,434,012,310</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	25,458	-	-	25,458	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	310,294	-	-	310,294	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>335,752</b>	<b>-</b>	<b>-</b>	<b>335,752</b>	<b>-</b>	<b>-</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in									
022 - Phase-out Pgm & One-time Costs	-	-	(9,367,730)	-	-	(9,367,730)	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>(9,367,730)</b>	<b>-</b>	<b>-</b>	<b>(9,367,730)</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	645,135	-	-	645,135	-	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	690,617	-	-	690,617	-	-	-

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# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

Public Employees Retirement System, Oregon  
 Public Employees Retirement System, Oregon  
 2011-13 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 45900-000-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal	-	-	1,335,752	-	-	1,335,752	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2011-13 Current Service Level</b>	<b>325</b>	<b>324.50</b>	<b>7,509,894,178</b>	<b>-</b>	<b>-</b>	<b>75,881,868</b>	<b>-</b>	<b>7,434,012,310</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

Public Employees Retirement System, Oregon  
 Public Employees Retirement System, Oregon  
 2011-13 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 45900-000-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2011-13 Current Service Level</b>	325	324.50	7,509,894,178	-	-	75,881,868	-	7,434,012,310	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2011-13 Current Service Level</b>	325	324.50	7,509,894,178	-	-	75,881,868	-	7,434,012,310	-
080 - E-Boards									
081 - May 2010 E-Board	6	6.00	752,213	-	-	752,213	-	-	-
082 - June/July 2010 E-Board	-	-	-	-	-	-	-	-	-
083 - September 2010 E-Board	-	-	-	-	-	-	-	-	-
084 - December E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	6	6.00	752,213	-	-	752,213	-	-	-
Policy Packages									
085 - 2009-11 Allotment Reduction roll-ups	-	-	-	-	-	-	-	-	-
086 - Eliminate Inflation	-	-	(636,012)	-	-	(636,012)	-	-	-
087 - Personal Service Adjustments	-	-	(2,991,702)	-	-	(2,991,702)	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Revenue Solutions	-	-	-	-	-	-	-	-	-
092 - Fund Shifts/Sweeps	-	-	-	-	-	-	-	-	-
801 - Targeted Statewide Adjustments	-	-	(1,398,249)	-	-	(1,398,249)	-	-	-
802 - Vacant Position Savings	(1)	(0.17)	(13,352)	-	-	(13,352)	-	-	-
803 - Statewide Assessment Adjustments	-	-	-	-	-	-	-	-	-
805 - Budget Reconciliation Adjustments (SB 5508)	-	-	(34,511)	-	-	(34,511)	-	-	-
810 - LFO Analyst Adjustments	-	-	-	-	-	-	-	-	-
819 - Supplemental Statewide Ending Balance	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

Public Employees Retirement System, Oregon  
Public Employees Retirement System, Oregon  
2011-13 Biennium

Leg. Adopted Budget  
Cross Reference Number: 45900-000-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
840 - HB 2113 - PERS Housekeeping	-	-	475,600	-	-	475,600	-	-	-
841 - HB 2456 - Prohibit Tax Remedy for Nonresidents	1	0.75	570,412	-	-	570,412	-	-	-
131 - Business Enterprise-Core Business Functions	30	30.00	4,062,717	-	-	4,062,717	-	-	-
132 - Infrastructure Maintenance & Enhancement	3	3.00	2,705,752	-	-	2,705,752	-	-	-
133 - Position Reclass/Realignment	-	-	54,684	-	-	54,684	-	-	-
134 - Legislative Concept; PERS Housekeeping Bill	-	-	-	-	-	-	-	-	-
135 - Leg Concept: Repeal Guarantee of Inaccurate Benefits	-	-	-	-	-	-	-	-	-
136 - Leg Concept: OPSRP Pension Withdrawal Restrictions	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	<b>33</b>	<b>33.58</b>	<b>2,795,339</b>	<b>-</b>	<b>-</b>	<b>2,795,339</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total 2011-13 Leg Adopted Budget</b>	<b>364</b>	<b>364.08</b>	<b>7,513,441,730</b>	<b>-</b>	<b>-</b>	<b>79,429,420</b>	<b>-</b>	<b>7,434,012,310</b>	<b>-</b>
Percentage Change From 2009-11 Leg Approved Budget	0.60%	0.70%	14.60%	-	-	-3.20%	-	14.80%	-
Percentage Change From 2011-13 Current Service Level	12.00%	12.20%	-	-	-	4.70%	-	-	-

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# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

**Public Employees Retirement System, Oregon  
Tier One and Tier Two Plan  
2011-13 Biennium**

**Leg. Adopted Budget  
Cross Reference Number: 45900-100-00-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2009-11 Leg Adopted Budget	-	-	6,278,531,664	-	-	-	-	6,278,531,664	-
2009-11 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2009-11 Leg Approved Budget</b>	-	-	<b>6,278,531,664</b>	-	-	-	-	<b>6,278,531,664</b>	-
<b>2011-13 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	947,305,146	-	-	-	-	947,305,146	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2011-13 Base Budget</b>	-	-	<b>7,225,836,810</b>	-	-	-	-	<b>7,225,836,810</b>	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	-	-	-	-	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2011-13 Current Service Level</b>	-	-	<b>7,225,836,810</b>	-	-	-	-	<b>7,225,836,810</b>	-

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# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

**Public Employees Retirement System, Oregon  
Tier One and Tier Two Plan  
2011-13 Biennium**

**Leg. Adopted Budget  
Cross Reference Number: 45900-100-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2011-13 Current Service Level</b>	-	-	7,225,836,810	-	-	-	-	7,225,836,810	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2011-13 Current Service Level</b>	-	-	7,225,836,810	-	-	-	-	7,225,836,810	-
080 - E-Boards									
081 - May 2010 E-Board	-	-	-	-	-	-	-	-	-
082 - June/July 2010 E-Board	-	-	-	-	-	-	-	-	-
083 - September 2010 E-Board	-	-	-	-	-	-	-	-	-
084 - December E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
085 - 2009-11 Allotment Reduction roll-ups	-	-	-	-	-	-	-	-	-
086 - Eliminate Inflation	-	-	-	-	-	-	-	-	-
087 - Personal Service Adjustments	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Revenue Solutions	-	-	-	-	-	-	-	-	-
092 - Fund Shifts/Sweeps	-	-	-	-	-	-	-	-	-
801 - Targeted Statewide Adjustments	-	-	-	-	-	-	-	-	-
802 - Vacant Position Savings	-	-	-	-	-	-	-	-	-
803 - Statewide Assessment Adjustments	-	-	-	-	-	-	-	-	-
805 - Budget Reconciliation Adjustments (SB 5508)	-	-	-	-	-	-	-	-	-
810 - LFO Analyst Adjustments	-	-	-	-	-	-	-	-	-
819 - Supplemental Statewide Ending Balance	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

**Public Employees Retirement System, Oregon  
Tier One and Tier Two Plan  
2011-13 Biennium**

**Leg. Adopted Budget  
Cross Reference Number: 45900-100-00-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
840 - HB 2113 - PERS Housekeeping	-	-	-	-	-	-	-	-	-
841 - HB 2456 - Prohibit Tax Remedy for Nonresidents	-	-	-	-	-	-	-	-	-
131 - Business Enterprise-Core Business Functions	-	-	-	-	-	-	-	-	-
132 - Infrastructure Maintenance & Enhancement	-	-	-	-	-	-	-	-	-
133 - Position Reclass/Realignment	-	-	-	-	-	-	-	-	-
134 - Legislative Concept: PERS Housekeeping Bill	-	-	-	-	-	-	-	-	-
135 - Leg Concept: Repeal Guarantee of Inaccurate Benefits	-	-	-	-	-	-	-	-	-
136 - Leg Concept: OPSRP Pension Withdrawal Restrictions	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	-	-	-	-	-	-	-
<b>Total 2011-13 Leg Adopted Budget</b>	-	-	<b>7,225,836,810</b>	-	-	-	-	<b>7,225,836,810</b>	-
Percentage Change From 2009-11 Leg Approved Budget	-	-	15.10%	-	-	-	-	15.10%	-
Percentage Change From 2011-13 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

**Public Employees Retirement System, Oregon  
Oregon Public Service Retirement Plan  
2011-13 Biennium**

**Leg. Adopted Budget  
Cross Reference Number: 45900-200-00-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2009-11 Leg Adopted Budget	-	-	198,354,000	-	-	-	-	198,354,000	-
2009-11 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2009-11 Leg Approved Budget</b>	-	-	<b>198,354,000</b>	-	-	-	-	<b>198,354,000</b>	-
<b>2011-13 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	9,821,500	-	-	-	-	9,821,500	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2011-13 Base Budget</b>	-	-	<b>208,175,500</b>	-	-	-	-	<b>208,175,500</b>	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	-	-	-	-	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2011-13 Current Service Level</b>	-	-	<b>208,175,500</b>	-	-	-	-	<b>208,175,500</b>	-

# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

Public Employees Retirement System, Oregon  
 Oregon Public Service Retirement Plan  
 2011-13 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 45900-200-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2011-13 Current Service Level</b>	-	-	208,175,500	-	-	-	-	208,175,500	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2011-13 Current Service Level</b>	-	-	208,175,500	-	-	-	-	208,175,500	-
080 - E-Boards									
081 - May 2010 E-Board	-	-	-	-	-	-	-	-	-
082 - June/July 2010 E-Board	-	-	-	-	-	-	-	-	-
083 - September 2010 E-Board	-	-	-	-	-	-	-	-	-
084 - December E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
085 - 2009-11 Allotment Reduction roll-ups	-	-	-	-	-	-	-	-	-
086 - Eliminate Inflation	-	-	-	-	-	-	-	-	-
087 - Personal Service Adjustments	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Revenue Solutions	-	-	-	-	-	-	-	-	-
092 - Fund Shifts/Sweeps	-	-	-	-	-	-	-	-	-
801 - Targeted Statewide Adjustments	-	-	-	-	-	-	-	-	-
802 - Vacant Position Savings	-	-	-	-	-	-	-	-	-
803 - Statewide Assessment Adjustments	-	-	-	-	-	-	-	-	-
805 - Budget Reconciliation Adjustments (SB 5508)	-	-	-	-	-	-	-	-	-
810 - LFO Analyst Adjustments	-	-	-	-	-	-	-	-	-
819 - Supplemental Statewide Ending Balance	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

Public Employees Retirement System, Oregon  
Oregon Public Service Retirement Plan  
2011-13 Biennium

Leg. Adopted Budget  
Cross Reference Number: 45900-200-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
840 - HB 2113 - PERS Housekeeping	-	-	-	-	-	-	-	-	-
841 - HB 2456 - Prohibit Tax Remedy for Nonresidents	-	-	-	-	-	-	-	-	-
131 - Business Enterprise-Core Business Functions	-	-	-	-	-	-	-	-	-
132 - Infrastructure Maintenance & Enhancement	-	-	-	-	-	-	-	-	-
133 - Position Reclass/Realignment	-	-	-	-	-	-	-	-	-
134 - Legislative Concept: PERS Housekeeping Bill	-	-	-	-	-	-	-	-	-
135 - Leg Concept: Repeal Guarantee of Inaccurate Benefits	-	-	-	-	-	-	-	-	-
136 - Leg Concept: OPSRP Pension Withdrawal Restrictions	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	-	-	-	-	-	-	-
<b>Total 2011-13 Leg Adopted Budget</b>	-	-	208,175,500	-	-	-	-	208,175,500	-
Percentage Change From 2009-11 Leg Approved Budget	-	-	5.00%	-	-	-	-	5.00%	-
Percentage Change From 2011-13 Current Service Level	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

**Public Employees Retirement System, Oregon  
Operations  
2011-13 Biennium**

**Leg. Adopted Budget  
Cross Reference Number: 45900-300-00-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2009-11 Leg Adopted Budget	362	361.55	80,160,628	-	-	80,160,628	-	-	-
2009-11 Emergency Boards	-	-	500,000	-	-	500,000	-	-	-
<b>2009-11 Leg Approved Budget</b>	<b>362</b>	<b>361.55</b>	<b>80,660,628</b>	<b>-</b>	<b>-</b>	<b>80,660,628</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2011-13 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(37)	(37.05)	298,066	-	-	298,066	-	-	-
Estimated Cost of Merit Increase	-	-	1,200,800	-	-	1,200,800	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2011-13 Base Budget</b>	<b>325</b>	<b>324.50</b>	<b>82,159,494</b>	<b>-</b>	<b>-</b>	<b>82,159,494</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Essential Packages</b>									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	25,458	-	-	25,458	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	310,294	-	-	310,294	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>335,752</b>	<b>-</b>	<b>-</b>	<b>335,752</b>	<b>-</b>	<b>-</b>	<b>-</b>
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(9,367,730)	-	-	(9,367,730)	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>(9,367,730)</b>	<b>-</b>	<b>-</b>	<b>(9,367,730)</b>	<b>-</b>	<b>-</b>	<b>-</b>
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	645,135	-	-	645,135	-	-	-
State Gov't & Services Charges Increase/(Decrease)	-	-	690,617	-	-	690,617	-	-	-

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# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

**Public Employees Retirement System, Oregon  
Operations  
2011-13 Biennium**

**Leg. Adopted Budget  
Cross Reference Number: 45900-300-00-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
Subtotal	-	-	1,335,752	-	-	1,335,752	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2011-13 Current Service Level</b>	<b>325</b>	<b>324.50</b>	<b>74,463,268</b>	<b>-</b>	<b>-</b>	<b>74,463,268</b>	<b>-</b>	<b>-</b>	<b>-</b>

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# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

**Public Employees Retirement System, Oregon  
Operations  
2011-13 Biennium**

**Leg. Adopted Budget  
Cross Reference Number: 45900-300-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2011-13 Current Service Level</b>	325	324.50	74,463,268	-	-	74,463,268	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2011-13 Current Service Level</b>	325	324.50	74,463,268	-	-	74,463,268	-	-	-
080 - E-Boards									
081 - May 2010 E-Board	6	6.00	752,213	-	-	752,213	-	-	-
082 - June/July 2010 E-Board	-	-	-	-	-	-	-	-	-
083 - September 2010 E-Board	-	-	-	-	-	-	-	-	-
084 - December E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	6	6.00	752,213	-	-	752,213	-	-	-
Policy Packages									
085 - 2009-11 Allotment Reduction roll-ups	-	-	-	-	-	-	-	-	-
086 - Eliminate Inflation	-	-	(636,012)	-	-	(636,012)	-	-	-
087 - Personal Service Adjustments	-	-	(2,991,702)	-	-	(2,991,702)	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Revenue Solutions	-	-	-	-	-	-	-	-	-
092 - Fund Shifts/Sweeps	-	-	-	-	-	-	-	-	-
801 - Targeted Statewide Adjustments	-	-	(1,398,249)	-	-	(1,398,249)	-	-	-
802 - Vacant Position Savings	(1)	(0.17)	(13,352)	-	-	(13,352)	-	-	-
803 - Statewide Assessment Adjustments	-	-	-	-	-	-	-	-	-
805 - Budget Reconciliation Adjustments (SB 5508)	-	-	(34,511)	-	-	(34,511)	-	-	-
810 - LFO Analyst Adjustments	-	-	-	-	-	-	-	-	-
819 - Supplemental Statewide Ending Balance	-	-	-	-	-	-	-	-	-

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# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

**Public Employees Retirement System, Oregon  
Operations  
2011-13 Biennium**

**Leg. Adopted Budget  
Cross Reference Number: 45900-300-00-00-00000**

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
840 - HB 2113 - PERS Housekeeping	-	-	475,600	-	-	475,600	-	-	-
841 - HB 2456 - Prohibit Tax Remedy for Nonresidents	1	0.75	570,412	-	-	570,412	-	-	-
131 - Business Enterprise-Core Business Functions	30	30.00	4,062,717	-	-	4,062,717	-	-	-
132 - Infrastructure Maintenance & Enhancement	3	3.00	2,705,752	-	-	2,705,752	-	-	-
133 - Position Reclass/Realignment	-	-	54,684	-	-	54,684	-	-	-
134 - Legislative Concept: PERS Housekeeping Bill	-	-	-	-	-	-	-	-	-
135 - Leg Concept: Repeal Guarantee of Inaccurate Benefits	-	-	-	-	-	-	-	-	-
136 - Leg Concept: OPSRP Pension Withdrawal Restrictions	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	<b>33</b>	<b>33.58</b>	<b>2,795,339</b>	<b>-</b>	<b>-</b>	<b>2,795,339</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total 2011-13 Leg Adopted Budget</b>	<b>364</b>	<b>364.08</b>	<b>78,010,820</b>	<b>-</b>	<b>-</b>	<b>78,010,820</b>	<b>-</b>	<b>-</b>	<b>-</b>
Percentage Change From 2009-11 Leg Approved Budget	0.60%	0.70%	-3.30%	-	-	-3.30%	-	-	-
Percentage Change From 2011-13 Current Service Level	12.00%	12.20%	4.80%	-	-	4.80%	-	-	-

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\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

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# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

Public Employees Retirement System, Oregon  
 Debt Service  
 2011-13 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 45900-400-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
2009-11 Leg Adopted Budget	-	-	1,423,075	-	-	1,423,075	-	-	-
2009-11 Emergency Boards	-	-	-	-	-	-	-	-	-
<b>2009-11 Leg Approved Budget</b>	-	-	<b>1,423,075</b>	-	-	<b>1,423,075</b>	-	-	-
<b>2011-13 Base Budget Adjustments</b>									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	(4,475)	-	-	(4,475)	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
<b>Subtotal 2011-13 Base Budget</b>	-	-	<b>1,418,600</b>	-	-	<b>1,418,600</b>	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase-in	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	-	-	-	-	-	-	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
<b>Subtotal: 2011-13 Current Service Level</b>	-	-	<b>1,418,600</b>	-	-	<b>1,418,600</b>	-	-	-

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# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

**Public Employees Retirement System, Oregon  
Debt Service  
2011-13 Biennium**

Leg. Adopted Budget  
Cross Reference Number: 45900-400-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
<b>Subtotal: 2011-13 Current Service Level</b>	-	-	1,418,600	-	-	1,418,600	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
<b>Modified 2011-13 Current Service Level</b>	-	-	1,418,600	-	-	1,418,600	-	-	-
080 - E-Boards									
081 - May 2010 E-Board	-	-	-	-	-	-	-	-	-
082 - June/July 2010 E-Board	-	-	-	-	-	-	-	-	-
083 - September 2010 E-Board	-	-	-	-	-	-	-	-	-
084 - December E-Board	-	-	-	-	-	-	-	-	-
<b>Subtotal Emergency Board Packages</b>	-	-	-	-	-	-	-	-	-
Policy Packages									
085 - 2009-11 Allotment Reduction roll-ups	-	-	-	-	-	-	-	-	-
086 - Eliminate Inflation	-	-	-	-	-	-	-	-	-
087 - Personal Service Adjustments	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Revenue Solutions	-	-	-	-	-	-	-	-	-
092 - Fund Shifts/Sweeps	-	-	-	-	-	-	-	-	-
801 - Targeted Statewide Adjustments	-	-	-	-	-	-	-	-	-
802 - Vacant Position Savings	-	-	-	-	-	-	-	-	-
803 - Statewide Assessment Adjustments	-	-	-	-	-	-	-	-	-
805 - Budget Reconciliation Adjustments (SB 5508)	-	-	-	-	-	-	-	-	-
810 - LFO Analyst Adjustments	-	-	-	-	-	-	-	-	-
819 - Supplemental Statewide Ending Balance	-	-	-	-	-	-	-	-	-

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BDV104 - Biennial Budget Summary  
BDV104

# BUDGET NARRATIVE

## Summary of 2011-13 Biennium Budget

Public Employees Retirement System, Oregon  
 Debt Service  
 2011-13 Biennium

Leg. Adopted Budget  
 Cross Reference Number: 45900-400-00-00-00000

Description	Positions	Full-Time Equivalent (FTE)	ALL FUNDS	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds
840 - HB 2113 - PERS Housekeeping	-	-	-	-	-	-	-	-	-
841 - HB 2456 - Prohibit Tax Remedy for Nonresidents	-	-	-	-	-	-	-	-	-
131 - Business Enterprise-Core Business Functions	-	-	-	-	-	-	-	-	-
132 - Infrastructure Maintenance & Enhancement	-	-	-	-	-	-	-	-	-
133 - Position Reclass/Realignment	-	-	-	-	-	-	-	-	-
134 - Legislative Concept: PERS Housekeeping Bill	-	-	-	-	-	-	-	-	-
135 - Leg Concept: Repeal Guarantee of Inaccurate Benefits	-	-	-	-	-	-	-	-	-
136 - Leg Concept: OPSRP Pension Withdrawal Restrictions	-	-	-	-	-	-	-	-	-
<b>Subtotal Policy Packages</b>	-	-	-	-	-	-	-	-	-
<b>Total 2011-13 Leg Adopted Budget</b>	-	-	1,418,600	-	-	1,418,600	-	-	-
Percentage Change From 2009-11 Leg Approved Budget	-	-	-0.30%	-	-	-0.30%	-	-	-
Percentage Change From 2011-13 Current Service Level	-	-	-	-	-	-	-	-	-

# BUDGET NARRATIVE

## Program Prioritization for 2011-13

### PROGRAM PRIORITIZATION FOR 2011-13

Public Employees Retirement System 2011-13 Biennium Retirement, Death & Disability Program														Agency Number: 45900							
Program/Division Priorities for 2011-13 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, F, O, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgm/ Div			1- Retirement, Disability & Death Program (detail listed in Detail Cross Reference Number (DCR) order)																	
1	1	PERS	CH 238	Tier One and Tier Two Programs	KPM #1, 2, 3, 5, 6, 7 & 8	4			6,873,000,000			\$ 6,873,000,000				N	C	Article 1	See below	No Changes to CSL-	
1	1	PERS	OPSRP-IAP	Individual Account Program	KPM #1, 2, 3, 5, 6, 7 & 8	4			201,500,000			\$ 201,500,000				N	C	Article 1	See below	No Changes to CSL-	
1	1	PERS	OPSRP-DB	Pension Program	KPM #1, 2, 3, 5, 6, 7 & 8	4			2,000,000			\$ 2,000,000				N	C	Article 1	See below	No Changes to CSL-	
			OPSRP-IAP	Third Party Administration	KPM #1, 2, 3, 5, 6, 7 & 8	4			4,675,500			\$ 4,675,500				N	S	ORS 236 A		No Changes to CSL-	
			Admin	Central Administration	KPM #1, 2, 3, 5, 6, 7 & 8	4		5,400,224				\$ 5,400,224	23	23.00		Y	S	ORS 237,238, & 238A		No Changes to CSL-	
			BPD	Benefit Payments Division	KPM #1, 2, 3, 5, 6, 7 & 8	4		11,154,028				\$ 11,154,028	70	70.00		Y	S	ORS 237,238, & 238A		ARB Policy Pkg. 131	
			FSD	Fiscal Services Division	KPM #1, 2, 3, 4, 5, 6, 7 & 8	4		13,133,250				\$ 13,133,250	34	30.75		Y	S	ORS 237,238, & 238A		ARB Policy Pkg. 132	
			ISD	Information Services Division	KPM #1, 2, 3, 5, 6, 7 & 8	4		21,497,216				\$ 21,497,216	74	74.00		Y	S	ORS 237,238, & 238A		ARB Policy Pkg. 132, 133, 134, 135 & 136	
			CSD	Customer Services Division	KPM #1, 2, 3, 5, 6, 7 & 8	4		15,984,518				\$ 15,984,518	100	99.50		Y	S	ORS 237,238, & 238A		ARB Policy Pkg. 131	
			PLPAD	Policy Planning Legislative Analysis Division	KPM #1, 2, 3, 5, 6, 7 & 8	4		4,561,229				\$ 4,561,229	12	12.00		Y	S	ORS 237,238, & 238A		ARB Policy Pkg. 131	
								71,730,465	7,081,175,500			\$ 7,152,905,965	313	309.25							

**7. Primary Purpose Program/Activity Exists**

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

**19. Legal Requirement Code**

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITs

Document criteria used to prioritize activities:

PERS administers a single integrated system of retirement, disability and death benefits for employees of public employers throughout Oregon. Business processes, service delivery and support functions for the Retirement, Disability and Death Program are integrated across the divisions (detailed cross references) of the agency. Oregon courts have established that members have a contract right to these benefit programs and, as such, those rights cannot be impaired by law, in accordance with the Oregon Constitution's Article 1. The Retirement, Disability and Death Program is the agency's top priority.

This program frees public employers from the administrative burden of administering individual retirement plans. Economy of scale savings produced. Single plan across the state provides mobility for trained public servants. Provides the Oregon Legislature with the ability to influence public pension policy on a statewide basis.

**ORS 237, 238, 238A** To ensure the PERS retirement plan remains in compliance with federally mandated pension plan standards, **ORS 238.630(3)(g)** directs the PERS Board, "Shall adopt rules and take all actions necessary to maintain qualification of the Public Employees Retirement System and the Public Employees Retirement Fund as a qualified governmental retirement plan and trust under the Internal Revenue Code and under regulations adopted pursuant to the Internal Revenue Code. Rules under this paragraph may impose limits on contributions to the system, limits on benefits payable from the system and other limitations or procedures required or imposed under federal law or regulation for the purpose of qualification of the Public Employees Retirement System and Public Employees Retirement Fund under the Internal Revenue Code as a governmental plan and trust."

# BUDGET NARRATIVE

## PROGRAM PRIORITIZATION FOR 2011-13

Public Employees Retirement System																			Agency Number: 45900		
2011-13 Biennium																					
PERS Retiree Health Insurance Program																					
Program/Division Priorities for 2011-13 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgm/ Div		2-PERS Retiree Health Insurance Programs (detail listed in Detail Cross Reference Number (DCR) order)																		
2	2	PERS	RHIA	Retirement Health Insurance Account	KPM # 2, 3, 5 & 7	4			60,606,800			\$ 60,606,800				N	S	ORS 238.420		No Changes to CSL -	
2	2	PERS	RHIPA	Retirement Health Insurance Premium Account	KPM # 2, 3, 5 & 7	4			5,412,017			\$ 5,412,017				N	S	ORS 238.415		No Changes to CSL -	
2	2	PERS	SRHIA	Standard Retiree Health Insurance Account	KPM # 2, 3, 5 & 7	4			280,044,694			\$ 280,044,694				N	S	ORS 238.410		No Changes to CSL -	
			Admin	Third Party Administration	KPM # 2, 3, 5 & 7	4			6,773,299			\$ 6,773,299				N	S	ORS 237.238, & 238A		No Changes to CSL -	
			FSD	Fiscal Services Division	KPM # 2, 3, 5 & 7	4			692,509			\$ 692,509	2	4.00		Y	S	ORS 237.238, & 238A		No Changes to CSL -	
									692,509			\$ 692,509									
									352,836,810			\$ 352,836,810									
												\$ 353,529,319	2	4.00							

### 7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

### 19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

#### Document criteria used to prioritize activities:

The PERS Retiree Health Insurance Programs provide health care insurance protection to eligible members. A Medicare health insurance supplement is also provided. Business processes, service delivery and support functions for the Retiree Health Insurance Program are integrated across the divisions (detailed cross references) of the agency. The Health Insurance Program is the agency's second priority.

This program frees public employers from the administrative burden of administering individual retirement plans with specialized health insurance rules. Economy of scale savings produced. Single plan across the state provides mobility for trained public servants. Provides the Oregon Legislature with the ability to influence public employee health insurance policy on a statewide basis.

**ORS 238.410, .415, .420** To ensure the Health Insurance plan remains in compliance with federally mandated pension plan standards ORS 238.630(3)(g) directs the PERS Board, "Shall adopt rules and take all actions necessary to maintain qualification of the Public Employees Retirement System and the Public Employees Retirement Fund as a qualified governmental retirement plan and trust under the Internal Revenue Code and under regulations adopted pursuant to the Internal Revenue Code. Rules under this paragraph may impose limits on contributions to the system, limits on benefits payable from the system and other limitations or procedures required or imposed under federal law or regulation for the purpose of qualification of the Public Employees Retirement System and Public Employees Retirement Fund under the Internal Revenue Code as a governmental plan and trust."

# BUDGET NARRATIVE

## PROGRAM PRIORITIZATION FOR 2011-13

Public Employees Retirement System																			Agency Number: 45900			
2011-13 Biennium																						
Deferred Compensation Program																						
Program/Division Priorities for 2011-13 Biennium																						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description		Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgm/ Div		3 - Deferred Compensation Program (detail listed in Detail Cross Reference Number (DCR) order)																			
3		PERS	OSGP	Deferred Compensation Program - Oregon Savings Growth Plan (OSGP)	KPM # 2, 3 & 4	4							\$ -					S	ORS 243.401 - 243.507		<b>ORS 243.472 - See explanation below</b>	
			FSD	Fiscal Services Division	KPM # 2, 3 & 4	4			1,794,565				\$ 1,794,565	9	10.00		Y	ORS 243.401 - 243.507		No Changes to CSL -		
													\$ -									
													\$ -									
													\$ -									
									1,794,565				\$ 1,794,565	9	10.00							

**7. Primary Purpose Program/Activity Exists**

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

**19. Legal Requirement Code**

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

**Document criteria used to prioritize activities:**

**ORS 243.401 - 243.507** The Deferred Compensation Program provides an IRS approved plan for deferral of compensation payable to participants and deferral of income taxes on that compensation. This program is fully funded by the Deferred Compensation Fund. Fund dollars come solely from participant contributions. Administrative costs outside the Deferred Compensation Section are recovered from the fund. The Deferred Compensation Program is the agency's third budget priority.

PERS annually processes \$52.9 million in deferred compensation benefits and \$70.5 million in deferred compensation contributions. Statute directs the plan to be run for benefit of members with as low of fees as possible. A supplemental retirement plan, providing this service through PERS assists members in better planning for their financial needs in retirement.

A total of 22,712 members and their dependents directly benefit from this program. A total of 98,001 State and Local employees indirectly benefit from the availability of this program. In addition to the State of Oregon, 116 local government employers also benefit by having PERS provide this supplemental plan for the benefit of their employees, removing the administrative burden from the employer while providing additional retirement services to the employer's staff.

**ORS 243.472** Deferred compensation benefit payments, and amounts payable as refunds, shall not for any purpose be deemed expenses of the board and shall not be included in its biennial departmental budget.





# BUDGET NARRATIVE

## PROGRAM PRIORITIZATION FOR 2011-13

Public Employees Retirement System																	Agency Number: 45900				
2011-13 Biennium																					
Agency-Wide Priorities for 2011-13 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request	
Agcy	Prgm/ Div																				
1	1	FERS		Retirement, Death & Disability Program	KPM #1, 2, 3, 5, 6, 7 & 8	4		71,730,465	7,081,175,500			\$ 7,152,905,965	313	309.25		Y	C	Article 1		ARB Policy Pkg. 131, 132, 133, 134, 135 & 136	
2	2	FERS		PERS Retiree Health Insurance Program	KPM # 2, 3, 5 & 7	4		892,509	352,836,810			\$ 353,528,319	2	4.00		Y	S	ORS 238.410, 415, & 420		No Changes to CSL -	
3	3	FERS	OSGP	Deferred Compensation Program	KPM # 2, 3 & 4	4		1,784,565				\$ 1,794,565	9	10.00		Y	S	ORS 243.401 - 243.507		No Changes to CSL -	
4	4	FERS		Social Security Coverage Program	KPM # 2, 3 & 7	4		245,729				\$ 245,729	1	1.25		Y	FM	Fed Reg Title 20, 404.1204		No Changes to CSL -	
				Debt Service	KPM # 2	4		1,418,600				\$ 1,418,600	0	0.00		N	D			No Changes to CSL -	
												\$									
												\$									
												\$									
								75,881,868	7,434,012,310			\$ 7,509,884,178	325	324.50							

**7. Primary Purpose Program/Activity Exists**

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice

**19. Legal Requirement Code**

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

See criteria discussion at the Program/Activity priorities level.

Prioritize each program activity for the Agency as a whole

- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

Document criteria used to prioritize activities:

## BUDGET NARRATIVE

### 10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
1. Eliminate toll-free telephone line	Eliminates toll-free telephone line, requiring members, employers and retirees outside of the Portland area to personally incur long-distance charges for contacting PERS by telephone. (Amount based on 160,000 calls averaging 10 minutes per call, at \$.06 per minute)	\$96,000 Other Funds	Toll-free telephone line is provided to facilitate customer service for statewide population of members, employers and retirees. Eliminating the toll-free number will not change the nature of the service customers receive, but will hamper customer access to that service, challenging this Agency's Key Performance Measure (KPM) #6 - 80% of customers rating service as "good" or "excellent."
2. Eliminate printed newsletter to active members via employers.	Eliminates publication and mailing of Agency newsletter to active members.	\$20,000 Other Funds	Eliminates a cost-effective communication tool that pushes information to active members in furtherance of this Agency's KPM #6 - Customer Service. The Newsletter would continue to be available on the PERS website for those with Internet access.
3. Reduce employee overtime, and use of temporary staffing	Reduces overtime and use of temporary staffing by 50% supporting Customer Services program.	\$137,273 Other Funds	Increases time needed for work completion and response time to the Agency's customers and business lines, hindering the Agency's ability to achieve KPM #6 - Customer Service.

# BUDGET NARRATIVE

## 10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
4. Reduce AG fees	Limits legal sufficiency review to contracts over \$100,000 (per OAR 137-045-0030 requirements), and decreases litigation support.	\$107,281 Other Funds	Decreased legal sufficiency review and DOJ litigation support will increase risk to the Agency. Staff will provide policy direction and contract services without complete resolution of legal issues, or in a less timely manner, resulting in reduced Customer Service (KPM #6), and making achievement of KPM #8 (meeting 100% of Board Best Practice criteria) less likely.
5. Reduce IT contracting budget and professional services.	Reduces IT contracting budget and professional services for Agency projects by 50%.	\$1,067,218 Other Funds	Decreases the Agency's timeliness and efficiency in implementing IT modifications, such as in response to legislative changes or process improvements, increasing Total Benefit Costs (KPM #2), and hindering achievement of KPM #8 - Board Best Practices.,
6. Reduce IT systems and equipment upgrades	Reduces system modifications / upgrades, scheduled replacement of IT hardware, software and ancillary equipment.	\$287,166 Other Funds	Increases risk of failed network and desktop equipment, and service delays, hindering the Agency's ability to achieve KPM #6 – Customer Service.
7. Reduce Information Technology training plan	Eliminates training not related to support and maintenance of jClarety.	\$98,614 Other Funds	Reduces consistent and up-to-date training, increasing the risk of inconsistent or inaccurate Agency processes. Impedes progress on KPM #8 - Board Best Practices.

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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## BUDGET NARRATIVE

### 10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
8. Reduce office supplies (S&S)	Reduces office supplies support to all divisions and sections.	\$50,000 Other Funds	Challenges the Agency's ability to meet customers and business lines' needs, hindering the Agency's ability to achieve KPM #6 - Customer Service.
9. Reduce expert witness and Independent Medical Exam (IME) support	Reduces professional services, expert witness, and independent medical exam contract budget for disability claim review / determination.	\$153,522 Other Funds	Forces Agency to be more reliant on member's medical evaluations instead of independent reviews, leading to increased potential for fraud or abuse. Inconsistent with KPM #8 - Board Best Practices.
10. Reduce Communications Program support	Eliminates PERS website and information support position, including support for Employer Data Exchange User Guide, Employer Handbook, Judge Member Handbook, and A-Z quick answers index. (1 position - 1.00 FTE)	\$76,520 Other Funds	Web and information support duties will transfer to managers, requiring longer lead time for work completion and decreasing service levels to information users. This increases KPM #2 - Total Benefit Costs, and hinders the Agency's ability to achieve KPM #6 - Customer Service.
11. Reduce centrally coordinated mail services and supply ordering/delivery	Eliminates position supporting mail services, supply ordering and delivery. (1 position - 1.00 FTE)	\$108,947 Other Funds	Decreases mail and supply delivery, increases Agency response time to customer correspondence, and increases risk of inconsistent ordering practices and outcomes. Hinders the Agency's ability to achieve KPM #1 - 80% of initial benefit payment within 45 days, KPM #7 - 95% of benefit estimates within 30 days, and KPM #6 - Customer Service.

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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## BUDGET NARRATIVE

### 10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
12. Reduce Agency training support	Eliminates 1 position responsible for coordination and delivery of training plans and materials. (1 position - 1.00 FTE)	\$181,670 Other Funds	Reduces consistent and up-to-date training, increasing the risk of inconsistent or inaccurate Agency processes. Impedes progress on KPM #8 - Board Best Practices.
13. Reduce disability program support	Eliminates 2 positions processing IME documentation and disability claims (2 position – 2.00 FTE)	\$247,980 Other Funds	Increases risk of inappropriate claim determinations, and costs that could lead to benefit fraud or abuse, as well as increasing the time needed for disability claim processing. Hinders the Agency’s ability to achieve KPM #1 - Timely Retirement Payments, KPM #6 - Customer Service, and KPM #7 - Timely Benefit Estimates.
14. Reduce divorce section program support	Eliminates 1 position processing divorce decrees. (1 position – 1.00 FTE)	\$131,380 Other Funds	Increases time needed for disability claim processing and customer response time, hindering the Agency’s ability to achieve KPM #1 - Timely Retirement Payments, KPM #6 - Customer Service, and KPM #7 - Timely Benefit Estimates.
15. Eliminate Health Insurance Program administrative support	Eliminates 1 position providing administrative support to Health Insurance Program Manager. (1 position – 1.00 FTE)	\$115,482 Other Funds	Increases response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #1 - Timely Retirement Payments, and KPM #6 - Customer Service.

## BUDGET NARRATIVE

### 10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
16. Eliminate Customer Services Division administrative support	Eliminates 2 positions providing administrative support for Customer Services Division. (2 positions – 2.00 FTE)	\$241,946 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #6 - Customer Service.
17. Eliminate Fiscal Services Division executive support	Eliminates 1 position providing executive support to Chief Financial Officer, Fiscal Services Division managers and staff. (1 positions – 1.00 FTE)	\$122,842 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #6 – Customer Service.
18. Eliminate Deputy Director executive support	Eliminates 1 position providing executive support to Deputy Director. (1 position – 1.00 FTE)	\$145,344 Other Funds	Increases time needed for work completion and response time to the Agency’s customers and business lines, hindering the Agency’s ability to achieve KPM #6 - Customer Service.
19. Reduce Social Security Program support	Eliminates 1 position responsible for Social Security Program support for employers regarding Program updates, changes in regulations, and new rules. (1 position – 1.00 FTE)	\$168,472 Other Funds	Eliminates FTE used to support state’s responsibility to administer federal Social Security program. Position functions would be spread among Agency staff or directed to another Agency, increasing benefit administration costs counter to KPM #2 - Total Benefit Costs, and hindering the Agency’s ability to achieve KPM #6 - Customer Service.

## BUDGET NARRATIVE

### 10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
20. Reduce IT quality assurance and metrics engineering program support	Eliminates 1 Quality Assurance Project Manager position, and 1 IT metrics engineering position. (2 positions – 2.00 FTE)	\$431,830 Other Funds	Eliminates resources used to improve Agency quality and accountability on operations and projects. Prevents efforts to reduce Agency costs in support of KPM #2 - Total Benefit Costs, and impedes progress on KPM #8 - Board Best Practices.
21. Eliminate Deferred Compensation Program support in Salem	Eliminates 2 program support positions, closes Salem office, and reassigns staff to Tigard office. (2 positions – 2.00 FTE)	\$447,759 Other Funds	Increases time needed to complete work and response time to the Agency's customers, risks limiting the Deferred Compensation Program's growth, and eliminates local presence and direct customer service in Salem. Impedes efforts to achieve KPM #5 - Increase participation to 39%, as well as hindering progress on KPM #6 - Customer Service.
22. Reduce IT systems development support	Eliminates 3 developer positions supporting Agency projects. (3 positions – 3.00 FTE)	\$549,424 Other Funds	Decreases Agency timeliness and efficiency in implementing IT modifications, such as in response to legislative changes or process improvements, increasing Total Benefit Costs (KPM #2), hindering achievement of KPM #8 - Board Best Practices.

# BUDGET NARRATIVE

## 10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
23. Reduce fiscal services program support	Eliminates 1 accounting position supporting general ledger transactions, journal entries for jClarety activity, and reconciliation of employer and member accounts. (1 position – 1.00 FTE)	\$140,564 Other Funds	Increases time needed to complete work, response time to customers, and file audit risks, hindering progress on KPM #8 - Board Best Practices.
24. Reduce tax accounting program support	Eliminates 1 accountant position supporting financial reporting, and federal and state tax compliance. (1 positions – 1.00 FTE)	\$145,863 Other Funds	Increases time needed to complete work, and risks of untimely tax compliance, reporting, and remittance, contrary to KPM #8 - Board Best Practices.
25. Discontinue specialized judge retirement program support	Eliminates 1 counselor/specialist processing judge retirements. (1 position – 1.00 FTE)	\$131,380 Other Funds	Increase time needed to complete work, and risks associated with decreased level of expertise processing judge retirements, hindering the Agency's ability to achieve KPM #6 – Customer Service.
26. Reduce Contracts and Procurement program support	Eliminates 1 procurement assistant support position. (1 position – 1.00 FTE)	\$145,863 Other Funds	Increases time needed to complete work, response time to customers and contract file audit risks, hindering progress on KPM #8 – Board Best Practices.
27. Reduce IT application / software engineering program support	Eliminates 1 position supporting IT applications, and 1 position supporting Agency-wide software configuration engineering. (2 positions – 2.00 FTE)	\$381,807 Other Funds	Increases time needed to complete work, and risks for the Agency's business lines related to systems and desktop performance, as well as increases administration costs, contrary to KPM #2.

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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## BUDGET NARRATIVE

### 10% Reductions Options (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
28. Reduce imaging and records management program support	Eliminates 2 imaging and records management positions. (2 positions – 2.00 FTE)	\$193,108 Other Funds	Increases time needed for work completion and response time to the Agency's customers and business lines, hindering the Agency's ability to achieve KPM #6 - Customer Service.
29. Reduce program management and IT systems technical support	Eliminates 3 positions supporting Customer Services program management, productivity enhancements problem resolution / troubleshooting. (3 positions – 3.00 FTE)	\$493,110 Other Funds	Increases time needed for work completion and response time to the Agency's customers and business lines, hindering the Agency's ability to achieve KPM #6 - Customer Service.
30. Reduce benefit estimate and data validation program support	Eliminates 1 position supporting benefit estimates, and 1 position supporting data validation. (2 positions – 2.00 FTE)	\$265,466 Other Funds	Increases time needed for work completion and response time to the Agency's customers and business lines, hindering the Agency's ability to achieve KPM #6 - Customer Service.
31. Reduce business rules coordination program support	Eliminates 1 position providing Agency-wide coordination of business rules. (1 position – 1.00 FTE)	\$204,192 Other Funds	Increases time needed for work completion and response time to the Agency's customers and business lines, hindering the Agency's ability to achieve KPM #8 - Board Best Practices.
32. Reduce BAIP Tech Team	Eliminates 1 position supporting calculation of death benefits to beneficiaries. (1 position – 1.00 FTE)	\$161,172 Other Funds	Eliminates resources used to improve Agency quality and accountability. Prevents efforts to reduce Agency costs in support of KPM #2 - Total Benefit Costs, and conform to KPM #8 - Board Best Practices.

## BUDGET NARRATIVE

### *10% Reductions Options (ORS 291.216)*

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
33. Reduce Actuarial service program support	Eliminates 1 position supporting employer contribution rates and liabilities. (1 position – 1.00 FTE)	\$212,611 Other Funds	Increases time needed to complete work, response time to customers, and file audit risks, hindering progress on KPM #8 - Board Best Practices.
Totals	(35 positions –35.00 FTE)	\$7,461,806	

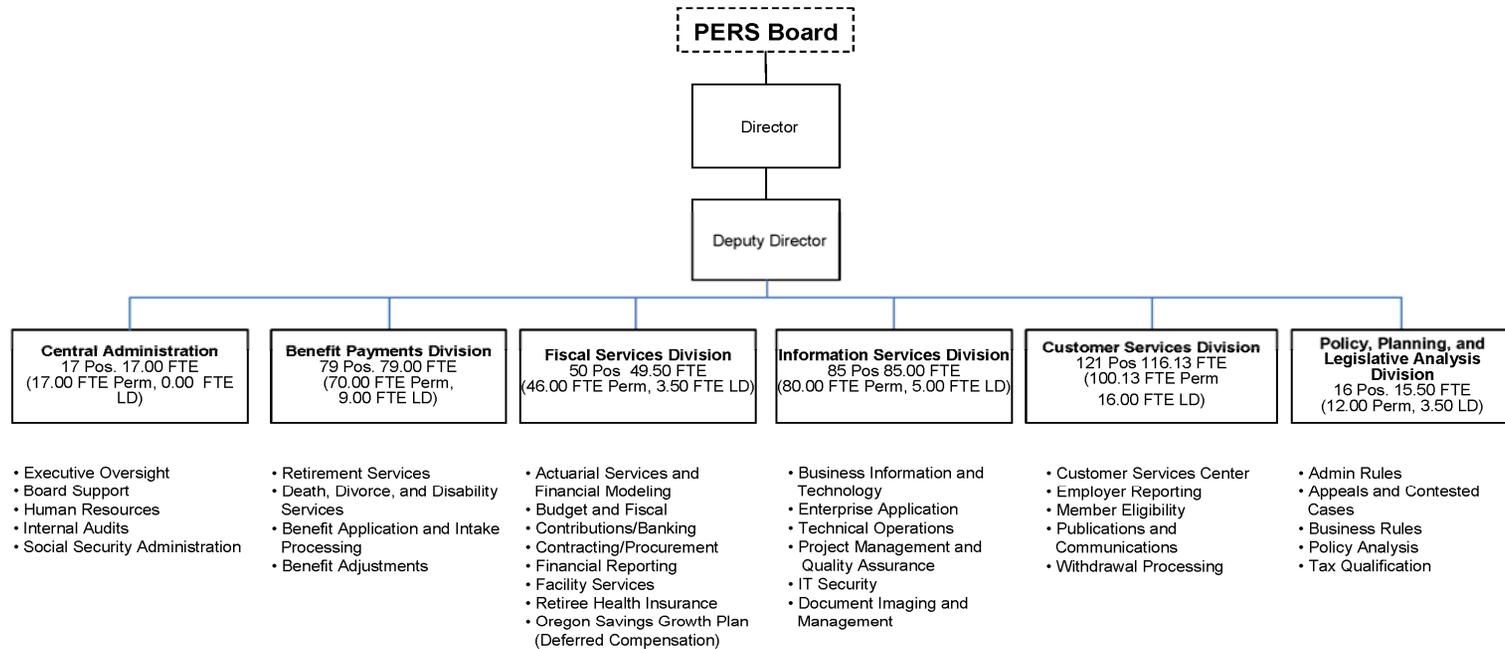
# BUDGET NARRATIVE

## 2009-11 Organization Chart

### Public Employees Retirement System 2009-11 Legislatively Approved Budget

368 Positions (includes six positions approved at the May 2010 Emergency Board)

362.13 FTE (includes 1.63 FTE approved at the May 2010 Emergency Board)



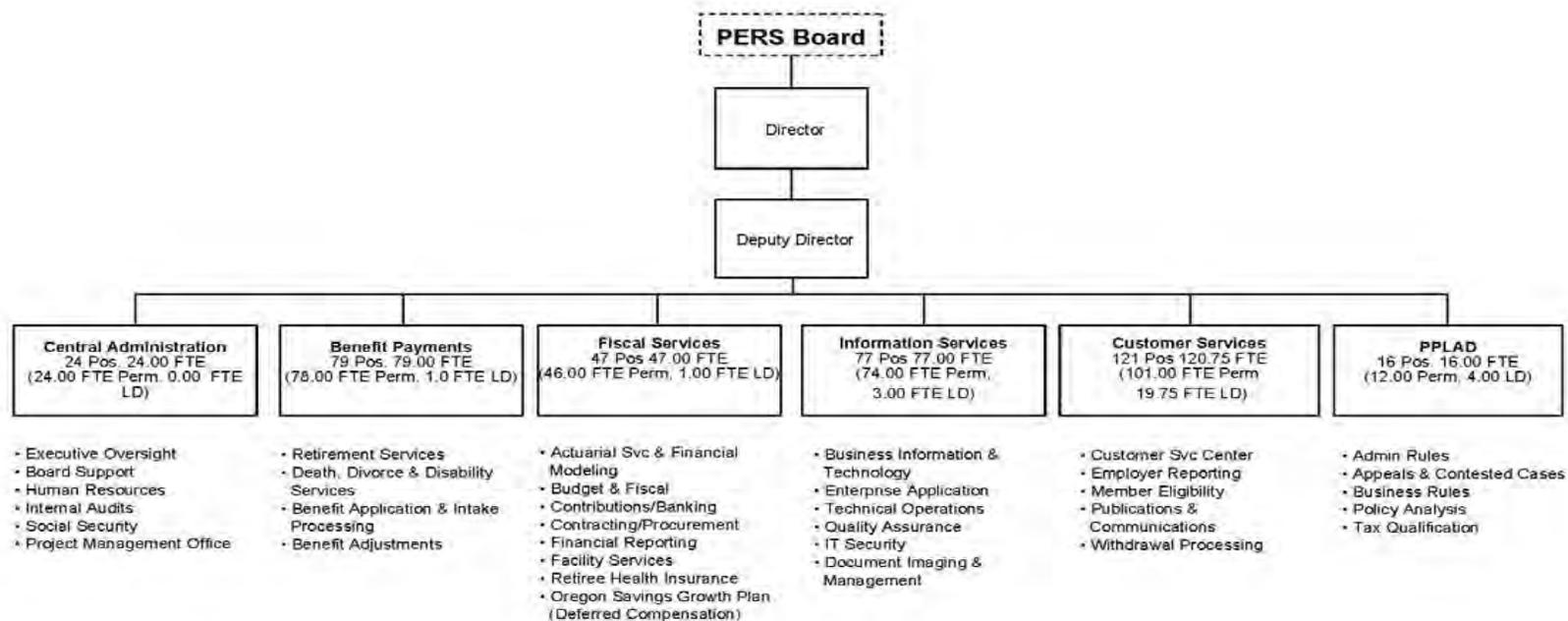
# BUDGET NARRATIVE

## 2011-13 Organization Chart

### Public Employees Retirement System 2011-13 Legislatively Adopted Budget

364 Positions

364.08 FTE (363.75 FTE in PICS due to Nov. 2010 Permanent Finance Plan)



# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2011-13 Biennium**

**Version: Z - 01 - Leg. Adopted Budget**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>LIMITED BUDGET (Excluding Packages)</b>						
Other Funds	77,385,163	80,160,628	80,660,628	82,159,494	82,159,494	82,159,494
AUTHORIZED POSITIONS	394	362	362	325	325	325
AUTHORIZED FTE	393.50	361.55	361.55	324.50	324.50	324.50
<b>LIMITED BUDGET (Essential Packages)</b>						
010-NON-PICS PSNL SVC / VACANCY FACTOR						
Other Funds	-	-	-	335,752	335,752	335,752
022-PHASE-OUT PGM & ONE-TIME COSTS						
Other Funds	-	-	-	(9,367,730)	(9,367,730)	(9,367,730)
031-STANDARD INFLATION						
Other Funds	-	-	-	1,213,888	1,213,888	1,213,888
032-ABOVE STANDARD INFLATION						
Other Funds	-	-	-	119,986	119,986	119,986
033-EXCEPTIONAL INFLATION						
Other Funds	-	-	-	1,878	1,878	1,878
<b>TOTAL LIMITED BUDGET (Essential Packages)</b>						
Other Funds	-	-	-	(7,696,226)	(7,696,226)	(7,696,226)
<b>LIMITED BUDGET (Current Service Level)</b>						
Other Funds	77,385,163	80,160,628	80,660,628	74,463,268	74,463,268	74,463,268
AUTHORIZED POSITIONS	394	362	362	325	325	325
AUTHORIZED FTE	393.50	361.55	361.55	324.50	324.50	324.50
<b>LIMITED BUDGET (Policy Packages)</b>						
081-MAY 2010 E-BOARD- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	301,775	752,213	752,213

2011-13 Biennium

Agencywide Appropriated Fund Group - BPR001

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2011-13 Biennium**

**Version: Z - 01 - Leg. Adopted Budget**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
Authorized Positions	-	-	-	2	6	6
Authorized FTE	-	-	-	2.00	6.00	6.00
086-ELIMINATE INFLATION- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(636,012)	(636,012)
087-PERSONAL SERVICE ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(2,991,702)	(2,991,702)
801-TARGETED STATEWIDE ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(1,398,249)
802-VACANT POSITION SAVINGS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(13,352)
Authorized Positions	-	-	-	-	-	(1)
Authorized FTE	-	-	-	-	-	(0.17)
805-BUDGET RECONCILIATION ADJUSTMENTS (SB 5508)- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(34,511)
840-HB 2113 - PERS HOUSEKEEPING- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	475,600
841-HB 2456 - PROHIBIT TAX REMEDY FOR NONRESIDENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	570,412
Authorized Positions	-	-	-	-	-	1
Authorized FTE	-	-	-	-	-	0.75
131-BUSINESS ENTERPRISE-CORE BUSINESS FUNCTIONS- RANK 1 - 300-00-00-00000						
Other Funds	-	-	-	5,117,677	4,383,516	4,062,717
Authorized Positions	-	-	-	37	33	30
Authorized FTE	-	-	-	37.00	33.00	30.00

2011-13 Biennium

Agencywide Appropriated Fund Group - BPR001

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2011-13 Biennium**

**Version: Z - 01 - Leg. Adopted Budget**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
132-INFRASTRUCTURE MAINTENANCE & ENHANCEMENT- RANK 2 - 300-00-00-00000						
Other Funds	-	-	-	2,874,205	2,839,771	2,705,752
Authorized Positions	-	-	-	4	4	3
Authorized FTE	-	-	-	4.00	4.00	3.00
133-POSITION RECLASS/REALIGNMENT- RANK 3 - 300-00-00-00000						
Other Funds	-	-	-	186,666	176,399	54,684
134-LEGISLATIVE CONCEPT: PERS HOUSEKEEPING BILL- RANK 4 - 300-00-00-00000						
Other Funds	-	-	-	475,600	475,600	-
135-LEG CONCEPT: REPEAL GUARANTEE OF INACCURATE BENEFI- RANK 5 - 300-00-00-00000						
Other Funds	-	-	-	599,300	-	-
136-LEG CONCEPT: OPSRP PENSION WITHDRAWAL RESTRICTIONS- RANK 6 - 300-00-00-00000						
Other Funds	-	-	-	1	1	-
<b>TOTAL LIMITED BUDGET (Policy Packages)</b>						
Other Funds	-	-	-	9,555,224	4,999,786	3,547,552
AUTHORIZED POSITIONS	-	-	-	43	43	39
AUTHORIZED FTE	-	-	-	43.00	43.00	39.58
<b>TOTAL LIMITED BUDGET (Including Packages)</b>						
Other Funds	77,385,163	80,160,628	80,660,628	84,018,492	79,463,054	78,010,820
AUTHORIZED POSITIONS	394	362	362	368	368	364
AUTHORIZED FTE	393.50	361.55	361.55	367.50	367.50	364.08
<b>NONLIMITED BUDGET (Excluding Packages)</b>						
Other Funds	6,085,705,691	6,476,885,664	6,476,885,664	7,434,012,310	7,434,012,310	7,434,012,310
<b>NONLIMITED BUDGET (Current Service Level)</b>						
Other Funds	6,085,705,691	6,476,885,664	6,476,885,664	7,434,012,310	7,434,012,310	7,434,012,310

2011-13 Biennium

Agencywide Appropriated Fund Group - BPR001

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2011-13 Biennium**

**Version: Z - 01 - Leg. Adopted Budget**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>TOTAL NONLIMITED BUDGET (Including Packages)</b>						
Other Funds	6,085,705,691	6,476,885,664	6,476,885,664	7,434,012,310	7,434,012,310	7,434,012,310
<b>OPERATING BUDGET (Excluding Packages)</b>						
Other Funds	6,163,090,854	6,557,046,292	6,557,546,292	7,516,171,804	7,516,171,804	7,516,171,804
AUTHORIZED POSITIONS	394	362	362	325	325	325
AUTHORIZED FTE	393.50	361.55	361.55	324.50	324.50	324.50
<b>OPERATING BUDGET (Essential Packages)</b>						
010-NON-PICS PSNL SVC / VACANCY FACTOR						
Other Funds	-	-	-	335,752	335,752	335,752
022-PHASE-OUT PGM & ONE-TIME COSTS						
Other Funds	-	-	-	(9,367,730)	(9,367,730)	(9,367,730)
031-STANDARD INFLATION						
Other Funds	-	-	-	1,213,888	1,213,888	1,213,888
032-ABOVE STANDARD INFLATION						
Other Funds	-	-	-	119,986	119,986	119,986
033-EXCEPTIONAL INFLATION						
Other Funds	-	-	-	1,878	1,878	1,878
<b>TOTAL OPERATING BUDGET (Essential Packages)</b>						
Other Funds	-	-	-	(7,696,226)	(7,696,226)	(7,696,226)
<b>OPERATING BUDGET (Current Service Level)</b>						
Other Funds	6,163,090,854	6,557,046,292	6,557,546,292	7,508,475,578	7,508,475,578	7,508,475,578
AUTHORIZED POSITIONS	394	362	362	325	325	325
AUTHORIZED FTE	393.50	361.55	361.55	324.50	324.50	324.50
<b>OPERATING BUDGET (Policy Packages)</b>						

2011-13 Biennium

Agencywide Appropriated Fund Group - BPR001

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2011-13 Biennium**

**Version: Z - 01 - Leg. Adopted Budget**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
081-MAY 2010 E-BOARD- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	301,775	752,213	752,213
Authorized Positions	-	-	-	2	6	6
Authorized FTE	-	-	-	2.00	6.00	6.00
086-ELIMINATE INFLATION- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(636,012)	(636,012)
087-PERSONAL SERVICE ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(2,991,702)	(2,991,702)
801-TARGETED STATEWIDE ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(1,398,249)
802-VACANT POSITION SAVINGS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(13,352)
Authorized Positions	-	-	-	-	-	(1)
Authorized FTE	-	-	-	-	-	(0.17)
805-BUDGET RECONCILIATION ADJUSTMENTS (SB 5508)- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(34,511)
840-HB 2113 - PERS HOUSEKEEPING- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	475,600
841-HB 2456 - PROHIBIT TAX REMEDY FOR NONRESIDENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	570,412
Authorized Positions	-	-	-	-	-	1
Authorized FTE	-	-	-	-	-	0.75
131-BUSINESS ENTERPRISE-CORE BUSINESS FUNCTIONS- RANK 1 - 300-00-00-00000						
Other Funds	-	-	-	5,117,677	4,383,516	4,062,717

2011-13 Biennium

Agencywide Appropriated Fund Group - BPR001

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2011-13 Biennium**

**Version: Z - 01 - Leg. Adopted Budget**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
Authorized Positions	-	-	-	37	33	30
Authorized FTE	-	-	-	37.00	33.00	30.00
132-INFRASTRUCTURE MAINTENANCE & ENHANCEMENT- RANK 2 - 300-00-00-00000						
Other Funds	-	-	-	2,874,205	2,839,771	2,705,752
Authorized Positions	-	-	-	4	4	3
Authorized FTE	-	-	-	4.00	4.00	3.00
133-POSITION RECLASS/REALIGNMENT- RANK 3 - 300-00-00-00000						
Other Funds	-	-	-	186,666	176,399	54,684
134-LEGISLATIVE CONCEPT: PERS HOUSEKEEPING BILL- RANK 4 - 300-00-00-00000						
Other Funds	-	-	-	475,600	475,600	-
135-LEG CONCEPT: REPEAL GUARANTEE OF INACCURATE BENEFI- RANK 5 - 300-00-00-00000						
Other Funds	-	-	-	599,300	-	-
136-LEG CONCEPT: OPSRP PENSION WITHDRAWAL RESTRICTIONS- RANK 6 - 300-00-00-00000						
Other Funds	-	-	-	1	1	-
<b>TOTAL OPERATING BUDGET (Policy Packages)</b>						
Other Funds	-	-	-	9,555,224	4,999,786	3,547,552
AUTHORIZED POSITIONS	-	-	-	43	43	39
AUTHORIZED FTE	-	-	-	43.00	43.00	39.58
<b>TOTAL OPERATING BUDGET (Including Packages)</b>						
Other Funds	6,163,090,854	6,557,046,292	6,557,546,292	7,518,030,802	7,513,475,364	7,512,023,130
AUTHORIZED POSITIONS	394	362	362	368	368	364
AUTHORIZED FTE	393.50	361.55	361.55	367.50	367.50	364.08
<b>DEBT SERVICE (Excluding Packages)</b>						
Other Funds	5,709,200	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600

2011-13 Biennium

Agencywide Appropriated Fund Group - BPR001

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2011-13 Biennium**

**Version: Z - 01 - Leg. Adopted Budget**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>DEBT SERVICE (Current Service Level)</b>						
Other Funds	5,709,200	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600
<b>TOTAL DEBT SERVICE (Including Packages)</b>						
Other Funds	5,709,200	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600
<b>TOTAL BUDGET (Excluding Packages)</b>						
Other Funds	6,168,800,054	6,558,469,367	6,558,969,367	7,517,590,404	7,517,590,404	7,517,590,404
AUTHORIZED POSITIONS	394	362	362	325	325	325
AUTHORIZED FTE	393.50	361.55	361.55	324.50	324.50	324.50
<b>TOTAL BUDGET (Essential Packages)</b>						
010-NON-PICS PSNL SVC / VACANCY FACTOR						
Other Funds	-	-	-	335,752	335,752	335,752
022-PHASE-OUT PGM & ONE-TIME COSTS						
Other Funds	-	-	-	(9,367,730)	(9,367,730)	(9,367,730)
031-STANDARD INFLATION						
Other Funds	-	-	-	1,213,888	1,213,888	1,213,888
032-ABOVE STANDARD INFLATION						
Other Funds	-	-	-	119,986	119,986	119,986
033-EXCEPTIONAL INFLATION						
Other Funds	-	-	-	1,878	1,878	1,878
<b>TOTAL BUDGET (Essential Packages)</b>						
Other Funds	-	-	-	(7,696,226)	(7,696,226)	(7,696,226)
<b>TOTAL BUDGET (Current Service Level)</b>						
Other Funds	6,168,800,054	6,558,469,367	6,558,969,367	7,509,894,178	7,509,894,178	7,509,894,178
AUTHORIZED POSITIONS	394	362	362	325	325	325

2011-13 Biennium

Agencywide Appropriated Fund Group - BPR001

\_\_\_ Agency Request

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2011-13 Biennium**

**Version: Z - 01 - Leg. Adopted Budget**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
AUTHORIZED FTE	393.50	361.55	361.55	324.50	324.50	324.50
<b>TOTAL BUDGET (Policy Packages)</b>						
081-MAY 2010 E-BOARD- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	301,775	752,213	752,213
Authorized Positions	-	-	-	2	6	6
Authorized FTE	-	-	-	2.00	6.00	6.00
086-ELIMINATE INFLATION- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(636,012)	(636,012)
087-PERSONAL SERVICE ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	(2,991,702)	(2,991,702)
801-TARGETED STATEWIDE ADJUSTMENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(1,398,249)
802-VACANT POSITION SAVINGS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(13,352)
Authorized Positions	-	-	-	-	-	(1)
Authorized FTE	-	-	-	-	-	(0.17)
805-BUDGET RECONCILIATION ADJUSTMENTS (SB 5508)- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	(34,511)
840-HB 2113 - PERS HOUSEKEEPING- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	475,600
841-HB 2456 - PROHIBIT TAX REMEDY FOR NONRESIDENTS- RANK 0 - 300-00-00-00000						
Other Funds	-	-	-	-	-	570,412
Authorized Positions	-	-	-	-	-	1
Authorized FTE	-	-	-	-	-	0.75

2011-13 Biennium

Agencywide Appropriated Fund Group - BPR001

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

  X   Legislatively Adopted

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Appropriated Fund Group  
2011-13 Biennium**

**Version: Z - 01 - Leg. Adopted Budget**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
131-BUSINESS ENTERPRISE-CORE BUSINESS FUNCTIONS- RANK 1 - 300-00-00-00000						
Other Funds	-	-	-	5,117,677	4,383,516	4,062,717
Authorized Positions	-	-	-	37	33	30
Authorized FTE	-	-	-	37.00	33.00	30.00
132-INFRASTRUCTURE MAINTENANCE & ENHANCEMENT- RANK 2 - 300-00-00-00000						
Other Funds	-	-	-	2,874,205	2,839,771	2,705,752
Authorized Positions	-	-	-	4	4	3
Authorized FTE	-	-	-	4.00	4.00	3.00
133-POSITION RECLASS/REALIGNMENT- RANK 3 - 300-00-00-00000						
Other Funds	-	-	-	186,666	176,399	54,684
134-LEGISLATIVE CONCEPT: PERS HOUSEKEEPING BILL- RANK 4 - 300-00-00-00000						
Other Funds	-	-	-	475,600	475,600	-
135-LEG CONCEPT: REPEAL GUARANTEE OF INACCURATE BENEFI- RANK 5 - 300-00-00-00000						
Other Funds	-	-	-	599,300	-	-
136-LEG CONCEPT: OPSRP PENSION WITHDRAWAL RESTRICTIONS- RANK 6 - 300-00-00-00000						
Other Funds	-	-	-	1	1	-
<b>TOTAL BUDGET (Policy Packages)</b>						
Other Funds	-	-	-	9,555,224	4,999,786	3,547,552
AUTHORIZED POSITIONS	-	-	-	43	43	39
AUTHORIZED FTE	-	-	-	43.00	43.00	39.58
<b>TOTAL BUDGET (Including Packages)</b>						
Other Funds	6,168,800,054	6,558,469,367	6,558,969,367	7,519,449,402	7,514,893,964	7,513,441,730
AUTHORIZED POSITIONS	394	362	362	368	368	364
AUTHORIZED FTE	393.50	361.55	361.55	367.50	367.50	364.08

2011-13 Biennium

Agencywide Appropriated Fund Group - BPR001

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

  X   Legislatively Adopted

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Agencywide Program Unit Summary  
2011-13 Biennium

Version: Z - 01 - Leg. Adopted Budget

Summary Cross Reference Number	Cross Reference Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
100-00-00-00000	Tier One and Tier Two Plan						
	Other Funds	5,976,479,107	6,278,531,664	6,278,531,664	7,225,836,810	7,225,836,810	7,225,836,810
200-00-00-00000	Oregon Public Service Retirement Plan						
	Other Funds	109,226,584	198,354,000	198,354,000	208,175,500	208,175,500	208,175,500
300-00-00-00000	Operations						
	Other Funds	77,385,163	80,160,628	80,660,628	84,018,492	79,463,054	78,010,820
400-00-00-00000	Debt Service						
	Other Funds	5,709,200	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600
<b>TOTAL AGENCY</b>							
	Other Funds	6,168,800,054	6,558,469,367	6,558,969,367	7,519,449,402	7,514,893,964	7,513,441,730

2011-13 Biennium

Agencywide Program Unit Summary - BPR010

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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# BUDGET NARRATIVE

## Revenues

### *Revenue Forecast Discussion*

#### **Revenue Discussion**

PERS provides administrative support to a number of programs and related retirement activities. Every program account and activity has dedicated revenue sources authorized by statute. Revenue streams for several of the programs and activities are combined for revenue projection purposes because the revenue sources are similar. Revenues for the Public Employees Retirement Fund (PERF) (ORS Chapter 238), Oregon Public Service Retirement Plan (OPSRP) (ORS Chapter 238A), Benefit Equalization Fund (BEF) (ORS 238.485), Retirement Health Insurance Account (RHIA) (ORS 238.420), and Retirement Health Insurance Premium Account (RHIPA) (ORS 238.415) are combined. The Deferred Compensation Program (State) (ORS Chapter 243) and the Standard Retiree Health Insurance Account (SRHIA) (ORS 238.410(7)) have different funding sources and are discussed separately.

PERS expects adequate revenues for all programs and activities during the 2011-13 biennium.

#### **Source of Funds**

Revenue sources include investment earnings, contributions, and fees from employers and public employees (members). Primary revenue sources for SRHIA are investment earnings and contributions from retirees or a spouse or dependent of a deceased retired member. PERS derives revenues to fund administrative activities for the Deferred Compensation Program primarily through a participant fee. All revenue is Other Funds and no matching funds are required.

#### **Defined Benefit and Post Employment Health Care Revenue**

Oregon PERS has two defined benefit pension programs—Chapter 238, also known as Tier One/Tier Two, and Oregon Public Service Retirement Program (OPSRP)—and two post employment health care programs—(Retiree Health Insurance Account (RHIA) and Retiree Health Insurance Premium Account (RHIPA)). All members serving in active public employment since January 1, 2004, also participate in the Individual Account Program (IAP). Revenues for these programs, which currently make up 97 percent of PERS' revenues, are to be used solely for the benefit of the PERS members as described in ORS 238.660(2) and ORS 238A.025.

#### ***Investment Earnings***

Historically, investment earnings have provided the largest single source of system revenues. If investment earnings less administrative expenses are below the assumed earnings rate at the end of the calendar year, the regular account of those people who established membership in the system before January 1, 1996, and alternate payees of those members will be credited the assumed rate and the difference made up from the Tier One Rate Guarantee Reserve. Any earnings in excess of the assumed earnings rate shall first be deposited in that reserve until the reserve is fully funded, as determined by the PERS Board based on advice from the PERS' actuary.

## BUDGET NARRATIVE

Both earnings and losses are distributed to members' accounts in the variable annuity accounts (ORS 238.260) and/or Tier Two members' regular accounts for those who became members on or after January 1, 1996 and their alternate payees. The Board may draw out of interest and investment income an amount to remain in the Fund and constitute one or more reserve accounts (ORS 238.670). Each member's Individual Account, as described in ORS 238A.350, is adjusted annually in accordance with rules adopted by the Board to reflect any net earnings or losses less administrative costs of maintaining the program. Investment earnings, after adjustment for administrative costs, are also credited to the OPSRP and Chapter 238 employer and retiree (Benefits In Force) reserves.

***Employee/Employer Contributions***

Beginning January 1, 2004, all member contributions, except for contributions by judge members, were prospectively placed in the Individual Account Program (IAP). Member contributions prior to January 1, 2004 were credited to members' regular or variable accounts as directed by ORS 238.250 and 238.260. The employee contribution rate for PERS is 6 percent of PERS-covered salary (judge members' rate is 7 percent).

Employer contributions are credited to the individual employer's accounts or to the account of the pool in which the employer participates. A portion of employer Program contributions is credited to the RHIA and RHIPA post-employment health care programs in accordance with ORS 238.415 and ORS 238.420. Employer contribution rates effective July 2009 were based on the December 31, 2007 actuarial valuation; employer contribution rates effective July 2011 are based on the December 31, 2009 actuarial valuation. Employer rates, as a percent of PERS-covered salary, effective July 1, 2009 and July 1, 2011 are:

<b>PERS Chapter 238 Program</b>	<b>July 2009*</b>	<b>July 2011*</b>
State Agencies	3.36%	11.2%
State and Local Government Rate Pool	11.40%	15.8%
School Pool	14.30%	19.5%
Political Subdivisions (non-pooled)	10.70%	14.6%
Judiciary	14.95%	18.3%
 <b>OPSRP Chapter 238A Program</b>		
General Service Pool (all employers)	5.73%	6.21%
Police and Fire Pool (all employers)	8.44%	8.92%

\*Except for State agencies, the rates listed are gross employer rates. Certain schools, community colleges, and political subdivisions have made Unfunded Actuarial Liability (UAL) payments. Their contribution rates have been reduced by offsets from those UAL payments and are lower than the rates shown above. July 2011 rates are estimated for all employer groups and both 2009 and 2011 State agency rates reflect the offset from the UAL payment made in 2003.

## BUDGET NARRATIVE

### **Benefit Equalization Fund (BEF) and Social Security Program**

The revenues for the administration of the Benefit Equalization Fund (BEF) and the Social Security Program are derived from fees assessed to those employers receiving services from these programs. Administrative fees are reviewed and adjusted annually based on expected numbers of participating employers and projected administrative expenses. Currently, the employers of the Benefit Equalization Fund are charged \$110 per month per participant (retirees receiving benefits in excess of IRS limits) and a one-time initial setup fee of \$700 per participant. Employers of the Social Security Program are charged an annual administration fee of \$0.50 per employee or \$15 minimum, whichever is higher.

### **Standard Retiree Health Insurance Account Revenue**

Revenues for the Standard Retiree Health Insurance Account (SRHIA) are received from plan participants and used by the Board only to pay the cost of health insurance coverage and to pay the administrative costs incurred by the Board in administering health insurance coverage for eligible persons as defined in 238.410(b). The plan participants are the source of all revenue received, less the amount subsidized by the RHIA and RHIPA health insurance accounts that were established to help provide health insurance benefits.

The PERS' Retiree Health Insurance Program offers a variety of medical health insurance carriers and two dental plan carriers for both Medicare healthcare plans and non-Medicare healthcare plans. Rates vary depending on the plan option selected by the participants. The non-Medicare plan premiums are approximately three times the cost of the Medicare plan premiums. However, the premium costs for both types of plans are increasing on both an absolute and after subsidy basis.

### **Deferred Compensation Program**

PERS may assess a charge to the participants not to exceed 2 percent on amounts deferred, both contributions and investment earnings, to cover costs incurred for administering the program. The annual participant fee is currently .08 percent (.0008) of participant assets held in the trust. At this time, PERS does not anticipate a fee increase in the 2011-13 biennium. All administrative revenue is Other Funds and no matching funds are required.

ORS 243.411 requires that all earnings of the Deferred Compensation Fund must be credited to the fund and moneys in the fund may be used solely for the purposes of implementing and administering the Deferred Compensation Program.

# BUDGET NARRATIVE

## Basis for 2011-13 Revenue Estimates

Projected investment income is based on taking into consideration several factors—the late 2008 – early 2009 market downturn, the recession related prolonged period of slow economic growth, and the actuarial-assumed future earnings rate of 8 percent annually once economic growth has returned. Using trend analysis of employer and employee contributions, and separately analyzing employer prepayments funding the Unfunded Actuarial Liability (UAL), PERS projected future total contributions based on a systemwide rate average. PERS separated the 6 percent employee contribution into the Individual Account Program (IAP) from these total projected contributions beginning January 2004. An 8 percent turnover rate, one of PERS’ actuarial assumptions, was used to project the number of participants establishing membership in the system on or after August 29, 2003. Projections for future growth in the three health insurance accounts (SRHIA, RHIA, and RHIPA) were provided by the PERS Health Insurance program manager, assisted by outside health insurance consultants.

<b>Public Employees Retirement System Revenues by Source (in millions)</b>				
Fiscal Year	Employee and Member Contributions	Employer Contributions	Net Investment Income or (Loss) and Other Income	Total
1999	338.9	510.4	3,492.6	4,341.9
2000	385.1	1,063.9 *	6,690.1	8,139.1
2001	415.7	682.5 *	(3,468.4)	(2,370.2)
2002	443.8	1,030.7 *	(2,425.6)	(951.1)
2003	467.4	2,621.8 *	1,469.5	4,558.7
2004	459.9	3,209.9 *	7,205.7	10,875.5
2005	458.3	855.5 *	5,756.7	7,070.5
2006	512.8	824.3 *	7,083.3	8,420.4
2007	542.2	640.9 *	10,939.7	12,122.8
2008	581.4	792.7 *	(2,869.3)	(1,495.2)
2009	619.8	680.5 *	(13,509.9)	(12,209.6)
2010	646.5	457.1	7,705.7	8,809.3

\* Employer contributions for fiscal years 2000 and thereafter include employer prepayments of unfunded liabilities.

Source of Information: Oregon Public Employees Retirement System, an Agency of the State of Oregon, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2010.

## BUDGET NARRATIVE

### Other Charges for Services

ORS 237.420 allows PERS to set a rate to cover the costs of administering the Social Security Program. That rate is currently 50 cents per employee per year or \$15, whichever is higher. A total of \$316,428 Other Funds Limited is projected for the 2011-13 biennium.

Employers are invoiced a fee consisting of a \$700 initial set-up charge and a \$110 monthly ongoing administrative fee per participant to fund the administrative costs of the Benefit Equalization Fund (BEF). A total of \$248,500 Other Funds Limited is projected for the 2011-13 biennium.

ORS 238.465(9) charges both the member and the alternate payee an administrative expense in an amount not more than \$300 in total for related costs of obtaining data or making calculations necessitated by a court-ordered divorce judgment, order, or agreement. PERS estimates a total of \$50,000 Other Funds Limited and \$140,000 Other Funds Non-Limited in the 2011-13 biennium.

ORS 238.610 allows the PERS Board, by rule, to establish procedures for recovering administrative costs from members for services provided in estimating retirement benefit amounts and processing payments if the Board determines the services requested by an individual member result in extraordinary costs to the system. Effective January 1, 2004, PERS established a new charge to the member of \$60 per additional estimate to cover administrative costs of providing members additional retirement benefit estimates after two are provided at no cost. PERS estimates a total of \$4,000 Other Funds Limited in benefit estimate service charges in the 2011-13 biennium.

PERS collects fees for various other services provided. PERS estimates a total of \$2,000 Other Funds Limited in the 2011-13 biennium based on historical trend analysis.

Projected revenue for the Deferred Compensation Program in the 2011-13 biennium is based on historical data. The participant fee will remain the same and the amount collected is not anticipated to vary significantly from historical patterns. The Local Government Deferred Compensation (ORS 243.474-243.478) and State Deferred Compensation Programs are projected as a single amount, although the revenue sources associated with the Local Government Deferred Compensation Program is insignificant as compared to the State Deferred Compensation program. The total projected revenue is \$1,802,000 in the 2011-13 biennium.

## BUDGET NARRATIVE

### Other Revenue

ORS 238.705 allows PERS to charge employers that are delinquent in remitting contributions 1 percent per month on the total amount of contributions due. Employers that are delinquent in providing annual reports or supplying annual employee information are charged a penalty of the lesser of \$2,000 or 1 percent of the total annual contributions for each month they are late. PERS estimates a total of \$165,500 Other Funds Limited for all employer penalty fees in the 2011-13 biennium. The estimates for the current biennium will be lower because PERS temporarily shut off the penalty charges when PERS discovered an error in the jClarety program.

Retirees can participate in a Long Term Health Insurance program and a small portion of the premiums is collected to cover administration costs of open enrollment and other miscellaneous costs. The projected revenue is \$45,000 Other Funds Limited in the 2011-13 biennium.

Other revenue also consists of prior period reductions of expense, surplus sales, MICR errors, total of checks that have been outstanding for over two years and are no longer negotiable, prior-period adjustments, and other revenue. PERS projects revenue from these sources of \$880,000 Other Funds Non-Limited and \$13,000 Other Funds Limited in the 2011-13 biennium.

# BUDGET NARRATIVE

## DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Public Employees Retirement System, Oregon  
2011-13 Biennium

Agency Number: 45900  
Cross Reference Number: 45900-000-00-00-00000

Source	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>Other Funds</b>						
Charges for Services	2,181,108	7,648,000	7,648,000	2,422,928	2,422,928	2,422,928
Interest Income	2,007,285	2,880,000	2,880,000	1,566,500	1,566,500	1,566,500
Other Revenues	168,668	529,500	529,500	223,500	223,500	223,500
Transfer In - Intrafund	148,569,404	77,994,127	78,494,127	79,172,851	74,617,413	73,165,179
Transfer Out - Intrafund	(68,950,935)	(4,198,012)	(4,198,012)	(1,752,391)	(1,752,391)	(1,752,391)
Tsfr To Governor, Office of the	-	(79,500)	(79,500)	(79,500)	(79,500)	(79,500)
<b>Total Other Funds</b>	<b>\$83,975,530</b>	<b>\$84,774,115</b>	<b>\$85,274,115</b>	<b>\$81,553,888</b>	<b>\$76,998,450</b>	<b>\$75,546,216</b>
<b>Nonlimited Other Funds</b>						
Charges for Services	109,432	-	-	140,000	140,000	140,000
Interest Income	(556,993,194)	5,945,100,000	5,945,100,000	7,127,404,900	7,127,404,900	7,127,404,900
Retirement System Contribution	2,718,796,511	3,389,600,000	3,389,600,000	3,074,179,800	3,074,179,800	3,074,179,800
Other Revenues	405,926	775,000	775,000	800,000	800,000	800,000
Transfer In - Intrafund	23,335	-	-	-	-	-
Transfer Out - Intrafund	(79,641,804)	(73,796,115)	(74,296,115)	(77,420,460)	(72,865,022)	(71,412,788)
<b>Total Nonlimited Other Funds</b>	<b>\$2,082,700,206</b>	<b>\$9,261,678,885</b>	<b>\$9,261,178,885</b>	<b>\$10,125,104,240</b>	<b>\$10,129,659,678</b>	<b>\$10,131,111,912</b>

2011-13 Biennium

Detail of LF, OF, and FF Revenues - BPR012

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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## BUDGET NARRATIVE

### Detail of Lottery Funds, Other Funds, and Federal Funds Revenue

Source	Fund	ORBITS Revenue Acct	2007-2009 Actual	2009-11		2011-13		
				Legislatively Adopted	2009-11 Estimated	Agency Request	Governor's Recommended	Legislatively Adopted
<b>Limited Other Funds:</b>								
Charges for Services	Limited Other	Charges for Services	2,181,108	7,648,000	2,133,430	2,422,928	2,422,928	2,422,928
Interest and Investment Earnings	Limited Other	Interest Income	2,007,285	2,880,000	1,608,500	1,566,500	1,566,500	1,566,500
Other	Limited Other	Other Revenues	168,668	529,500	214,778	223,500	223,500	223,500
<b>Non-limited Other Funds:</b>								
Charges for Services	Nonlimited Other	Charges for Services	109,432	0	153,994	140,000	140,000	140,000
Interest and Investment Earnings	Nonlimited Other	Interest Income	(556,993,194)	5,945,100,000	6,424,557,341	7,127,404,900	7,127,404,900	7,127,404,900
Donations and Contributions	Nonlimited Other	Retirement System Contribution	2,718,796,511	3,389,600,000	2,467,428,290	3,074,179,800	3,074,179,800	3,074,179,800
Other	Nonlimited Other	Other Revenues	405,926	775,000	1,339,173	800,000	800,000	800,000

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\_\_\_\_ Agency Request

\_\_\_\_ Governor's Balanced Budget

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# BUDGET NARRATIVE

## Agencywide Revenues and Disbursements Summary

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Agencywide Revenues and Disbursements Summary  
2011-13 Biennium

Version: Z-01-Leg. Adopted Budget

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
Other Funds	67,419,419,727	75,018,418,869	46,116,854,988	48,904,338,621	48,904,338,621	48,904,338,621
0030 Beginning Balance Adjustment						
Other Funds	(17,300,440,421)	(27,919,293,688)	-	-	-	-
<b>TOTAL BEGINNING BALANCE</b>						
Other Funds	50,118,979,306	47,099,125,181	46,116,854,988	48,904,338,621	48,904,338,621	48,904,338,621
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
Other Funds	2,290,540	7,648,000	7,648,000	2,562,928	2,562,928	2,562,928
<b>INTEREST EARNINGS</b>						
0605 Interest Income						
Other Funds	(554,985,909)	5,947,980,000	5,947,980,000	7,128,971,400	7,128,971,400	7,128,971,400
<b>DONATIONS AND CONTRIBUTIONS</b>						
0915 Retirement System Contribution						
Other Funds	2,718,796,511	3,389,600,000	3,389,600,000	3,074,179,800	3,074,179,800	3,074,179,800
<b>OTHER</b>						
0975 Other Revenues						
Other Funds	574,594	1,304,500	1,304,500	1,023,500	1,023,500	1,023,500
<b>TRANSFERS IN</b>						

2011-13 Biennium

Agencywide Revenues and Disbursements Summary - BPR011

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Agencywide Revenues and Disbursements Summary  
2011-13 Biennium**

**Version: Z-01-Leg. Adopted Budget**

<i>Description</i>	<i>2007-09 Actuals</i>	<i>2009-11 Leg Adopted Budget</i>	<i>2009-11 Leg Approved Budget</i>	<i>2011-13 Agency Request Budget</i>	<i>2011-13 Governor's Rec. Budget</i>	<i>2011-13 Leg Adopted Budget</i>
<b>1010 Transfer In - Intrafund</b>						
Other Funds	148,592,739	77,994,127	78,494,127	79,172,851	74,617,413	73,165,179
<b>TOTAL REVENUES</b>						
Other Funds	2,315,268,475	9,424,526,627	9,425,026,627	10,285,910,479	10,281,355,041	10,279,902,807
<b>TRANSFERS OUT</b>						
<b>2010 Transfer Out - Intrafund</b>						
Other Funds	(148,592,739)	(77,994,127)	(78,494,127)	(79,172,851)	(74,617,413)	(73,165,179)
<b>2121 Tsfr To Governor, Office of the</b>						
Other Funds	-	(79,500)	(79,500)	(79,500)	(79,500)	(79,500)
<b>TOTAL TRANSFERS OUT</b>						
Other Funds	(148,592,739)	(78,073,627)	(78,573,627)	(79,252,351)	(74,696,913)	(73,244,679)
<b>AVAILABLE REVENUES</b>						
Other Funds	52,285,655,042	56,445,578,181	55,463,307,988	59,110,996,749	59,110,996,749	59,110,996,749
<b>EXPENDITURES</b>						
Other Funds	6,168,800,054	6,558,469,367	6,558,969,367	7,519,449,402	7,514,893,964	7,513,441,730
<b>ENDING BALANCE</b>						
Other Funds	46,116,854,988	49,887,108,814	48,904,338,621	51,591,547,347	51,596,102,785	51,597,555,019

2011-13 Biennium

Agencywide Revenues and Disbursements Summary - BPR011

\_\_\_ Agency Request

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# BUDGET NARRATIVE

## Program Units

### *Tier One and Tier Two Programs*

#### **Overview**

More than 880 public employers, employing approximately 95 percent of all public employees in Oregon, participate in PERS death, disability, retirement, and retiree health care benefit programs. These include all state agencies; universities and community colleges; all public school districts; and almost all cities, counties, and other local government units. As of December 31, 2009, there are approximately 150,000 non-retired members and approximately 111,000 retirees and beneficiaries receiving monthly retirement benefits from both programs. In addition, 1,336 retired members and beneficiaries received a lump-sum payment in the calendar year ended December 2009.

These programs were closed to new members August 29, 2003, corresponding to the passage of House Bill 2020 (Chapter 733, Oregon Laws 2003), which created a new retirement program, Oregon Public Service Retirement Plan (OPSRP), for members hired after that date.

The Tier One and Tier Two programs include employer and member contributions and investment earnings related to Tier One and Tier Two members and employer accounts and reflect the retirement payments made to Tier One and Tier Two retirees and beneficiaries. As of January 1, 2004, all member contributions have been directed to the Individual Account Program (IAP).

This program unit is made up entirely of Other Funds, Non-limited.

#### **Base Budget Adjustments**

Changes have been made to both revenues and expenditures to reflect updated projections. The contracted services expenditure for the administration of health care programs has been updated based on the projected number of participants and inflation.

# BUDGET NARRATIVE

## DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

<i>Source</i>	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>Nonlimited Other Funds</b>						
Charges for Services	95,185	-	-	120,000	120,000	120,000
Interest Income	(470,826,600)	5,540,400,000	5,540,400,000	6,537,404,900	6,537,404,900	6,537,404,900
Retirement System Contribution	1,561,654,597	2,210,100,000	2,210,100,000	1,544,179,800	1,544,179,800	1,544,179,800
Other Revenues	247,517	775,000	775,000	800,000	800,000	800,000
Transfer In - Intrafund	20,781	-	-	-	-	-
Transfer Out - Intrafund	(53,393,301)	(45,528,574)	(46,023,974)	(41,890,847)	(39,425,980)	(38,495,388)
<b>Total Nonlimited Other Funds</b>	<b>\$1,037,798,179</b>	<b>\$7,705,746,426</b>	<b>\$7,705,251,026</b>	<b>\$8,040,613,853</b>	<b>\$8,043,078,720</b>	<b>\$8,044,009,312</b>

2011-13 Biennium

Detail of LF, OF, and FF Revenues - BPR012

\_\_\_ Agency Request

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**BUDGET NARRATIVE**

**DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE**

Source	Fund	ORBITS Revenue Acct	2007-09 Actual	2009-11 Legislatively Adopted	2009-11 Estimated	2011-13		
						Agency Request	Governor's Recommended	Legislatively Adopted
Charges for Services	Nonlimited Other	Charges for Services	95,185	0	137,430	120,000	120,000	120,000
Interest Earnings	Nonlimited Other	Interest Income	(470,826,600)	5,540,400,000	6,048,906,719	6,537,404,900	6,537,404,900	6,537,404,900
Donations and Contributions	Nonlimited Other	Retirement System Contribution	1,561,654,597	2,210,100,000	1,088,144,658	1,544,179,800	1,544,179,800	1,544,179,800
Other	Nonlimited Other	Other Revenues	247,517	775,000	1,339,173	800,000	800,000	800,000

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**107BF07**

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Program Unit Appropriated Fund Group and Category Summary  
 2011-13 Biennium  
 Tier One and Tier Two Plan

Version: Z - 01 - Leg. Adopted Budget  
 Cross Reference Number: 45900-100-00-00-00000

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>NONLIMITED BUDGET (Excluding Packages)</b>						
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	6,023,374	5,993,664	5,993,664	6,773,299	6,773,299	6,773,299
<b>SPECIAL PAYMENTS</b>						
Other Funds	5,970,455,733	6,272,538,000	6,272,538,000	7,219,063,511	7,219,063,511	7,219,063,511
<b>TOTAL NONLIMITED BUDGET (Excluding Packages)</b>						
Other Funds	5,976,479,107	6,278,531,664	6,278,531,664	7,225,836,810	7,225,836,810	7,225,836,810
<b>NONLIMITED BUDGET (Current Service Level)</b>						
Other Funds	5,976,479,107	6,278,531,664	6,278,531,664	7,225,836,810	7,225,836,810	7,225,836,810
<b>TOTAL NONLIMITED BUDGET (Including Packages)</b>						
Other Funds	5,976,479,107	6,278,531,664	6,278,531,664	7,225,836,810	7,225,836,810	7,225,836,810
<b>OPERATING BUDGET</b>						
Other Funds	5,976,479,107	6,278,531,664	6,278,531,664	7,225,836,810	7,225,836,810	7,225,836,810
<b>TOTAL BUDGET</b>						
Other Funds	5,976,479,107	6,278,531,664	6,278,531,664	7,225,836,810	7,225,836,810	7,225,836,810

2011-13 Biennium

Program Unit Appropriated Fund and Category Summary- BPR007A

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

  X   Legislatively Adopted

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## BUDGET NARRATIVE

### ***Oregon Public Service Retirement Plan***

#### **Overview**

The 2003 Legislature created the Oregon Public Service Retirement Plan (OPSRP) via passage of House Bill 2020 (2003). OPSRP is a hybrid retirement program with two components: the Pension Program and the Individual Account Program (IAP). The OPSRP Pension Program is funded solely by employer contributions and investment earnings. Generally, the program is designed to provide a benefit that approximates 45 percent of a member's final average salary for a 30-year public service career (general services). The IAP has no guaranteed payment or return. Members make contributions; employers may or may not also make contributions. When a member retires, he/she receives the contributions plus any accrued earnings (or losses). The IAP requires PERS members to contribute an amount equal to six percent of eligible salary to an IAP account. At retirement, members will receive the balance of this account, including accrued earnings while the account is active, either as a lump-sum or in equal installments over a specified period of their choice.

Employers participating in PERS as of August 28, 2003, must participate in OPSRP. If an employer had a class of employees not participating in PERS as of August 28, 2003, it need not offer OPSRP membership to those employees. As of December 31, 2009, there are approximately 69,000 non-retired OPSRP members and 30 retired OPSRP members receiving monthly retirement benefits.

Beginning January 1, 2004, Tier One and Tier Two Program member contributions also go into the IAP. Tier One and Tier Two members retain their existing PERS accounts, but member contributions are now deposited in the member's IAP, not into the member's Tier One or Tier Two account.

A provision contained in Senate Bill 897, February 2010 Legislative Session, allows retired members of OPSRP and their eligible dependents to participate, at their own expense, in the PERS Health Insurance Program.

This program also includes member contributions into the IAP, employer contributions into the OPSRP Pension Plan, and IAP account withdrawals and distributions to Tier One, Tier Two, and OPSRP members. The program unit also outlines the fund transfer from plan assets to the operations program unit to pay for program administrative activities.

This program unit is made up entirely of Other Funds, Non-limited.

#### **Base Budget Adjustments**

Changes have been made to both revenues and expenditures to reflect updated projections. Contracted services for third party administration of the IAP Program have been updated based on the projected number of participants and inflation.

# BUDGET NARRATIVE

## DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Public Employees Retirement System, Oregon  
2011-13 Biennium

Agency Number: 45900  
Cross Reference Number: 45900-200-00-00-00000

Source	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>Nonlimited Other Funds</b>						
Charges for Services	14,247	-	-	20,000	20,000	20,000
Interest Income	(86,166,594)	404,700,000	404,700,000	590,000,000	590,000,000	590,000,000
Retirement System Contribution	1,157,141,914	1,179,500,000	1,179,500,000	1,530,000,000	1,530,000,000	1,530,000,000
Other Revenues	158,409	-	-	-	-	-
Transfer In - Intrafund	2,554	-	-	-	-	-
Transfer Out - Intrafund	(26,248,503)	(28,267,541)	(28,272,141)	(35,529,613)	(33,439,042)	(32,917,400)
<b>Total Nonlimited Other Funds</b>	<b>\$1,044,902,027</b>	<b>\$1,555,932,459</b>	<b>\$1,555,927,859</b>	<b>\$2,084,490,387</b>	<b>\$2,086,580,958</b>	<b>\$2,087,102,600</b>

2011-13 Biennium

Detail of LF, OF, and FF Revenues - BPR012

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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**BUDGET NARRATIVE**

**DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE**

Source	Fund	ORBITS Revenue Acct	2007-09 Actual	2009-11 Legislatively Adopted	2009-11 Estimated	2011-13		
						Agency Request	Governor's Recommended	Legislatively Adopted
Charges for Services	Nonlimited Other	Charges for Services	14,247	0	16,564	20,000	20,000	20,000
Interest Earnings	Nonlimited Other	Interest Income	(86,166,594)	404,700,000	375,650,622	590,000,000	590,000,000	590,000,000
Donations and Contributions	Nonlimited Other	Retirement System Contribution	1,157,141,914	1,179,500,000	1,379,283,632	1,530,000,000	1,530,000,000	1,530,000,000
Other	Nonlimited Other	Other Revenues	158,409	0	0	0	0	0

2011-13

**107BF07**

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Program Unit Appropriated Fund Group and Category Summary  
2011-13 Biennium  
Oregon Public Service Retirement Plan**

**Version: Z - 01 - Leg. Adopted Budget  
Cross Reference Number: 45900-200-00-00-00000**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>NONLIMITED BUDGET (Excluding Packages)</b>						
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	3,985,228	4,754,000	4,754,000	4,675,500	4,675,500	4,675,500
<b>SPECIAL PAYMENTS</b>						
Other Funds	105,241,356	193,600,000	193,600,000	203,500,000	203,500,000	203,500,000
<b>TOTAL NONLIMITED BUDGET (Excluding Packages)</b>						
Other Funds	109,226,584	198,354,000	198,354,000	208,175,500	208,175,500	208,175,500
<b>NONLIMITED BUDGET (Current Service Level)</b>						
Other Funds	109,226,584	198,354,000	198,354,000	208,175,500	208,175,500	208,175,500
<b>TOTAL NONLIMITED BUDGET (Including Packages)</b>						
Other Funds	109,226,584	198,354,000	198,354,000	208,175,500	208,175,500	208,175,500
<b>OPERATING BUDGET</b>						
Other Funds	109,226,584	198,354,000	198,354,000	208,175,500	208,175,500	208,175,500
<b>TOTAL BUDGET</b>						
Other Funds	109,226,584	198,354,000	198,354,000	208,175,500	208,175,500	208,175,500

2011-13 Biennium

Program Unit Appropriated Fund and Category Summary- BPR007A

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

  X   Legislatively Adopted

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# BUDGET NARRATIVE

## **Operations**

### **Overview**

As previously stated, PERS administers a number of retirement related programs for more than 880 public employers in Oregon, including all state agencies, all public school districts, and the majority of local government entities. The five-member Public Employee Retirement Board (PERB) provides governance administrative oversight for all PERS programs.

PERS' operations employs a common pyramid-style organizational structure. The agency is functionally separated into six divisions to reduce overlap and clearly designate responsibilities. Within the divisions, sections exist that focus upon specific activities in agency and program support. The major areas of activity are employer reporting, customer service, retirement benefits, withdrawals, death benefits, disability benefits, sponsorship of group health insurance plans, Deferred Compensation (Oregon Savings Growth Plan), and Social Security coverage.

PERS orders its divisions as follows: Central Administration, Benefit Payments Division (BPD), Fiscal Services Division (FSD), Information Services Division (ISD), Customer Services Division (CSD), and Policy, Planning, and Legislative Analysis Division (PPLAD).

### **Central Administration**

Central Administration, in conjunction with the PERS Board, provides the central direction, planning, and leadership for PERS. The division consists of the executive director, deputy director, Human Resources, Internal Audits and Social Security Program. Beginning with the 2011-13 biennium, the agency will relocate the Project Management Office to this division.

### **Benefit Payments Division**

The Benefit Payments Division (BPD) houses the Benefit Application and Intake and Processing section, as well as the Retirement Services and Specialty Services sections. BPD is responsible for processing all incoming benefit applications and related documents and for calculating and establishing service retirement, disability, and death benefits. Responsibilities also include determining eligibility for disability retirements, administering divorce decrees, and validating beneficiaries.

### **Fiscal Services Division**

The Fiscal Services Division (FSD) provides comprehensive financial and administrative services to the agency. This includes financial accounting, reporting, and tax services for all PERS' Trust and agency fund activities, including the Retirement Fund, Deferred Compensation funds, Benefit Equalization Fund, health insurance programs, and Social Security Program. FSD is responsible for agency fiscal operations duties, including the receipt, posting, and deposit of over \$1.3 billion annually in member and employer contributions and the disbursement of approximately \$3 billion annually in member and beneficiary benefits.

## BUDGET NARRATIVE

Other fiscal activities include preparation, maintenance, and reporting of the agency's biennial budget, coordination of actuarial services, fiscal analysis, accounts receivable, accounts payable, contracts, and procurement. FSD also contains the Facilities Services Section that manages office supplies, general building maintenance, shipping and receiving, and other various ancillary tasks. Retiree Health Insurance and Deferred Compensation (OSGP) programs are also located within FSD.

### Information Services Division

The Information Services Division (ISD) provides technical support to all divisions of the agency. ISD ensures agency staff have the appropriate tools and automation necessary to perform their duties and provide customer service to members, employers, and other stakeholders. The division supervises the development and operation of PERS' complex IT systems and supports the many desktop computers used by staff. Help Desk support, installation and training, software development, application support, database management, network support, and quality assurance all fall under ISD's responsibilities. In addition, the Imaging and Information Management unit within the Business Information and Technology section maintains records from numerous sources.

### Customer Services Division

The Customer Services Division (CSD) provides the window for member, employer, and public interaction with PERS. One of the larger PERS' divisions, CSD answers member queries; conducts group and individual counseling; coordinates communications through print, the Internet and other media; and produces benefit estimates and member account statements. CSD also houses the Membership and Employer Relations section (MERS). MERS enrolls and manages member data and accounts and also handles employer reporting, training, outreach and communication, and the annual reconciliation process.

### Policy, Planning and Legislative Analysis Division

Policy Planning Legislative Analysis Division (PPLAD) facilitates PERS' legislative, rulemaking, legal services, and agency determination review and contested case activities. PPLAD drafts administrative rules, coordinates legal counsel, and ensures compliance with state and federal statutes, rules, and court decisions.

### Base Budget Adjustments

The 2009-11 Other Funds Limitation base budget is adjusted upward by \$298,066 Other Funds due to the phase-out of 35 limited-duration positions and an increase in Other Payroll Expenses (OPE). The largest increase in OPE was due to the PERS contribution net rate increase of 6.19 percent. The base budget was also adjusted upward by \$1,200,800 Other Funds for estimated cost of 2011-13 Merit Increase. The services and supplies expenditures associated with these limited-duration positions and various other one-time costs and projects associated with 2003 PERS Reform are contained in the Package 022 Phase-out Program and One-time Costs.

## BUDGET NARRATIVE

### Package 010 Non-PICS Personal Services/Vacancy Factor

#### Package Description

This package contains a total increase of \$335,752 Other Funds. The increase is due primarily to the net increase of \$296,956 for the PERS portion of the pension obligation bond. This package includes standard inflation of 2.4 percent on non-PICS personal service expenses such as temporary employees, overtime, shift and other differentials, and unemployment compensation; this accounts for \$28,592 including other payroll expenses. There is a reduction of (\$15,254) for mass transit taxes. Vacancy savings is increased by \$25,458 when compared to the 2009-11 biennium.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Personal Services</b>							
Temporary Appointments	-	-	3,992	-	-	-	3,992
Overtime Payments	-	-	13,749	-	-	-	13,749
Shift Differential	-	-	50	-	-	-	50
All Other Differential	-	-	5,325	-	-	-	5,325
Public Employees' Retire Cont	-	-	2,756	-	-	-	2,756
Pension Bond Contribution	-	-	296,956	-	-	-	296,956
Social Security Taxes	-	-	1,769	-	-	-	1,769
Unemployment Assessments	-	-	951	-	-	-	951
Mass Transit Tax	-	-	(15,254)	-	-	-	(15,254)
Vacancy Savings	-	-	25,458	-	-	-	25,458
<b>Total Personal Services</b>	-	-	<b>\$335,752</b>	-	-	-	<b>\$335,752</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	335,752	-	-	-	335,752
<b>Total Expenditures</b>	-	-	<b>\$335,752</b>	-	-	-	<b>\$335,752</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(335,752)	-	-	-	(335,752)
<b>Total Ending Balance</b>	-	-	<b>(\$335,752)</b>	-	-	-	<b>(\$335,752)</b>

# BUDGET NARRATIVE

## Package 022 Phase-out Program and One-time Costs

### Package Description

Total reductions of (\$9,367,730) include scheduled one-time costs and phase-outs for projects approved during the last legislative session. The detail of the total reduction is as follows:

Pkg. 101 Business Process Owners .....	\$ (35,000)
Pkg. 102 Maintenance and Enhancements of Current Service Levels .....	(138,675)
Pkg. 103 Infrastructure Maintenance and Enhancement .....	(915,111)
Pkg. 104 Enterprise Applications .....	(7,668,944)
Pkg. 105 Standards, Training, and Certification.....	(110,000)
February 2010 Legislative Session – SB 897 Account Validation.....	(500,000)
<b>Total one-time costs and phase-outs.....</b>	<b>\$(9,367,730)</b>

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Employee Training	-	-	(40,150)	-	-	-	(40,150)
Office Expenses	-	-	(297,336)	-	-	-	(297,336)
Professional Services	-	-	(110,000)	-	-	-	(110,000)
IT Professional Services	-	-	(8,064,244)	-	-	-	(8,064,244)
Facilities Rental and Taxes	-	-	(775,000)	-	-	-	(775,000)
Expendable Prop 250 - 5000	-	-	(2,000)	-	-	-	(2,000)
IT Expendable Property	-	-	(79,000)	-	-	-	(79,000)
<b>Total Services &amp; Supplies</b>	-	-	<b>(\$9,367,730)</b>	-	-	-	<b>(\$9,367,730)</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	(9,367,730)	-	-	-	(9,367,730)
<b>Total Expenditures</b>	-	-	<b>(\$9,367,730)</b>	-	-	-	<b>(\$9,367,730)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	9,367,730	-	-	-	9,367,730
<b>Total Ending Balance</b>	-	-	<b>\$9,367,730</b>	-	-	-	<b>\$9,367,730</b>

2011-13 Biennium

Essential and Policy Package Fiscal Impact Summary - BPR013

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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# BUDGET NARRATIVE

## Package 031 Standard Inflation

### Package Description as modified in the Governor's Recommended Budget

The total cost of goods and services and capital outlay increases by \$1,213,888 Other Funds. The Department of Administrative Services (DAS) Price List of Goods and Services and the standard inflation factor are the basis for calculating cost increases in services, supplies, and capital outlay. Biennial inflation factors used is the standard 2.4 percent. Non-state employee personnel costs (contract providers) rate as applied to the Professional Services line items is 3.1 percent. Attorney General expenditures increase by \$115,344, reflecting a composite 11 percent increase based on the mix of services utilized by PERS.

The DAS Price List includes assessment charges by DAS and the Secretary of State as well as costs for central services and other selected items totaling an increase of \$690,617 in State Government Service Charges. Treasury charges are based on a user fee price list and are part of State Government Service Charges.

The Essential and Policy Package Fiscal Impact Summary – BPR013 is on pages 158 and 159.

## BUDGET NARRATIVE

### State Government Service Charges

The total increase of \$690,617 in State Government Service Charges, as reflected in Package 031 is detailed below:

	<b>2009-11</b>	<b>2011-13</b>	
	<b>LAB</b>	<b>ARB</b>	<b>Difference</b>
Central Government Service Charge .....	\$ 270,945	\$ 311,531	\$ 40,586
DAS Service Charges (various assessments).....	668,624	588,467	(80,157)
DAS User Fees – State Controller’s Division (SCD) .....	110,714	40,989	(69,725)
Minority, Women, and Emerging Small Business.....	13,771	11,963	( 1,808)
Oregon Government Ethics Commission .....	6,483	5,607	( 876)
Risk Combined Property, Liability, and Workers' Comp	286,657	1,037,226	750,569
Secretary of State – Administrative Rules .....	4,454	4,834	380
Secretary of State – Audits Division.....	510,000	554,956	44,956
Secretary of State – Archives Division.....	0	9,622	9,622
Oregon State Library Assessment.....	110,370	103,569	( 6,801)
State of Oregon Law Library .....	27,954	27,525	( 429)
State Treasury Charges (based on user fee).....	186,763	191,175	4,412
State Treasury/Debt Management (COP) Charges .....	1,559	1,447	( 112)
<b>Total State Government Service Charges.....</b>	<b>\$2,198,294</b>	<b>\$2,888,911</b>	<b>\$690,617</b>

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 031 - Standard Inflation

Cross Reference Name: Operations  
Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	5,144	-	-	-	5,144
Out of State Travel	-	-	283	-	-	-	283
Employee Training	-	-	15,918	-	-	-	15,918
Office Expenses	-	-	45,770	-	-	-	45,770
Telecommunications	-	-	12,808	-	-	-	12,808
State Gov. Service Charges	-	-	690,617	-	-	-	690,617
Data Processing	-	-	89,965	-	-	-	89,965
Publicity and Publications	-	-	6,170	-	-	-	6,170
Professional Services	-	-	103,040	-	-	-	103,040
IT Professional Services	-	-	60,368	-	-	-	60,368
Attorney General	-	-	115,344	-	-	-	115,344
Dispute Resolution Services	-	-	2,056	-	-	-	2,056
Employee Recruitment and Develop	-	-	1,476	-	-	-	1,476
Dues and Subscriptions	-	-	1,290	-	-	-	1,290
Facilities Rental and Taxes	-	-	4,505	-	-	-	4,505
Fuels and Utilities	-	-	4,097	-	-	-	4,097
Facilities Maintenance	-	-	23,032	-	-	-	23,032
Other Services and Supplies	-	-	69	-	-	-	69
Expendable Prop 250 - 5000	-	-	2,053	-	-	-	2,053
IT Expendable Property	-	-	15,638	-	-	-	15,638
<b>Total Services &amp; Supplies</b>	-	-	<b>\$1,199,643</b>	-	-	-	<b>\$1,199,643</b>
<b>Capital Outlay</b>							
Office Furniture and Fixtures	-	-	785	-	-	-	785
Telecommunications Equipment	-	-	1,596	-	-	-	1,596

2011-13 Biennium

Essential and Policy Package Fiscal Impact Summary - BPR013

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 031 - Standard Inflation

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Capital Outlay</b>							
Data Processing Software	-	-	2,645	-	-	-	2,645
Data Processing Hardware	-	-	9,219	-	-	-	9,219
<b>Total Capital Outlay</b>	-	-	<b>\$14,245</b>	-	-	-	<b>\$14,245</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	1,213,888	-	-	-	1,213,888
<b>Total Expenditures</b>	-	-	<b>\$1,213,888</b>	-	-	-	<b>\$1,213,888</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(1,213,888)	-	-	-	(1,213,888)
<b>Total Ending Balance</b>	-	-	<b>(\$1,213,888)</b>	-	-	-	<b>(\$1,213,888)</b>

# BUDGET NARRATIVE

## Package 032 Above Standard Inflation

### Package Description

The total cost of goods and services increases by \$119,986 Other Funds. This total is primarily due to an increase in Facilities Maintenance. PERS received approval for the following:

- an increase of \$8,547 in Dispute Resolution Services to reflect increased usage charges of the Office of Administrative Hearings,
- an increase of \$109,216 in Facilities Maintenance for Department of Administrative Services agreements and in self support rent, and
- an increase of \$2,223 in Professional Services for medical services related to PERS disability claims and contested cases. (This increase is the difference between the medical services inflation factor of 3.9 percent and the standard inflation factor of 2.4 percent.)

The Essential and Policy Package Fiscal Impact Summary – BPR013 is on page 161.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Operations  
Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Professional Services	-	-	2,223	-	-	-	2,223
Dispute Resolution Services	-	-	8,547	-	-	-	8,547
Facilities Maintenance	-	-	109,216	-	-	-	109,216
<b>Total Services &amp; Supplies</b>	-	-	<b>\$119,986</b>	-	-	-	<b>\$119,986</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	119,986	-	-	-	119,986
<b>Total Expenditures</b>	-	-	<b>\$119,986</b>	-	-	-	<b>\$119,986</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(119,986)	-	-	-	(119,986)
<b>Total Ending Balance</b>	-	-	<b>(\$119,986)</b>	-	-	-	<b>(\$119,986)</b>

# BUDGET NARRATIVE

## Package 033 Exceptions

### Package Description

The total cost of and goods and services increases by \$1,878 Other Funds in Fuels and Utilities due to increased cost of fuel. An exception was approved at a total inflation rate of 3.5 percent. This increase amount is the difference between the exception rate of 3.5 percent and the 2.4 percent standard inflation rate reflected in package 031.

The Essential and Policy Package Fiscal Impact Summary – BPR013 is on page 163

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 033 - Exceptional Inflation

Cross Reference Name: Operations  
Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Fuels and Utilities	-	-	1,878	-	-	-	1,878
<b>Total Services &amp; Supplies</b>	-	-	<b>\$1,878</b>	-	-	-	<b>\$1,878</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	1,878	-	-	-	1,878
<b>Total Expenditures</b>	-	-	<b>\$1,878</b>	-	-	-	<b>\$1,878</b>
<b>Ending Balance</b>							
Ending Balance	-	-	(1,878)	-	-	-	(1,878)
<b>Total Ending Balance</b>	-	-	<b>(\$1,878)</b>	-	-	-	<b>(\$1,878)</b>

## BUDGET NARRATIVE

### Package 081 May 2010 Emergency Board

#### Package Description as modified in the Governor's Balanced Budget

**Purpose:** PERS requests \$752,213 Other Funds and the continuation of six positions (6.00 FTE) to continue the 2009-11 biennium increase in limitation and authorization of two permanent positions and to replace four current limited duration positions approved by the May 2010 Legislative Emergency Board to administer the verification provision within SB 897. The provision allows members to request data verification for certain information prior to retirement. An estimated 80,000 members will be eligible to request data verification by July 1, 2011. To handle the increased workload, the agency established a new Data Verification Team consisting of the two permanent positions and four limited-duration positions, which were also authorized by the Emergency Board. In the current biennium, this team will provide staff training and will develop and test the data verification program and procedures.

**How Achieved:** In Package 131, Data Verification Team (see page 181), the agency requests authorization of three new permanent positions. These positions and six permanent positions requested in this package make up the Data Verification Team.

#### Staffing Impact:

- One permanent Principal Executive/Manager B position (1.00 FTE), position number 1189701
- One permanent Operations and Policy Analyst 2 position (1.00 FTE), position number 1189702
- Two permanent Retirement Counselor 1 (2.00 FTE), position 1313120 and 131321
- Two permanent Retirement Counselor 2 (2.00 FTE), position 1313123 and 131324

#### *Modifications Included in Legislatively Adopted Budget*

- Changed the two permanent Retirement Counselor 1 positions (2.00 FTE) and the two permanent Retirement Counselor 2 positions (2.00 FTE) to limited-duration full-time positions.

#### Quantifying Results:

- Use monthly production performance reports, quarterly Board reports, and a new annual Key Performance Measure (KPM) that measures accuracy of benefit calculations to compare past and present performance and workload
- Use Internal Audits and quality assurance reviews
- Accuracy KPM milestones:
  - 80 percent of monthly benefit service retirements are calculated to within \$5 per month by December 2011
  - 100 percent of monthly benefit service retirements are calculated to within \$5 per month by July 2012

\_\_\_\_ Agency Request      \_\_\_\_ Governor's Balanced Budget       X  Legislatively Adopted

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## BUDGET NARRATIVE

**Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

**2013-15 Fiscal Impact:** The anticipated impact to 2013-15 is estimated to be approximately the same amount since this request is for permanent financing.

*Modifications Included in Legislatively Adopted Budget*

- Funding for the two permanent positions were approved at a total cost of \$301,775.
- Funding for the two Retirement Counselor 1 positions and the two Retirement Counselor 2 positions were approved as limited duration positions at a total cost of \$450,438. These four limited duration positions and associated costs will phase-out in the 2013-15 Current Service Level.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 081 - May 2010 E-Board

Cross Reference Name: Operations  
Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	752,213	-	-	-	752,213
<b>Total Revenues</b>	-	-	<b>\$752,213</b>	-	-	-	<b>\$752,213</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	469,488	-	-	-	469,488
Empl. Rel. Bd. Assessments	-	-	246	-	-	-	246
Public Employees' Retire Cont	-	-	67,654	-	-	-	67,654
Social Security Taxes	-	-	35,916	-	-	-	35,916
Worker's Comp. Assess. (WCD)	-	-	354	-	-	-	354
Mass Transit Tax	-	-	2,817	-	-	-	2,817
Flexible Benefits	-	-	180,576	-	-	-	180,576
Reconciliation Adjustment	-	-	(41,638)	-	-	-	(41,638)
<b>Total Personal Services</b>	-	-	<b>\$715,413</b>	-	-	-	<b>\$715,413</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	6,800	-	-	-	6,800
Office Expenses	-	-	30,000	-	-	-	30,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$36,800</b>	-	-	-	<b>\$36,800</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	752,213	-	-	-	752,213
<b>Total Expenditures</b>	-	-	<b>\$752,213</b>	-	-	-	<b>\$752,213</b>

2011-13 Biennium

Essential and Policy Package Fiscal Impact Summary - BPR013

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 081 - May 2010 E-Board

Cross Reference Name: Operations  
Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							6
<b>Total Positions</b>	-	-	-	-	-	-	6
<b>Total FTE</b>							
Total FTE							6.00
<b>Total FTE</b>	-	-	-	-	-	-	6.00

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

DEPT. OF ADMIN. SVCS. — PPDB PICS SYSTEM

2011-13

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 PROD FILE

PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 081 - May 2010 E-Board

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1189701	MMS X7002 AA	PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	02	3,855.00		92,520 50,606			92,520 50,606
1189702	OA C0871 AA	OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	3,903.00		93,672 50,860			93,672 50,860
1313120	OA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,816.00		67,584 45,105			67,584 45,105
1313121	OA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,816.00		67,584 45,105			67,584 45,105
1313123	OA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	02	3,086.00		74,064 46,535			74,064 46,535
1313124	OA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	02	3,086.00		74,064 46,535			74,064 46,535
TOTAL PICS SALARY									469,488			469,488
TOTAL PICS OPE									284,746			284,746
TOTAL PICS PERSONAL SERVICES			6	6.00	144.00				754,234			754,234

## BUDGET NARRATIVE

### Package 086 Eliminate Inflation

Package Description as modified in the Governor's Balanced Budget

#### Package Description

**Purpose:** This package is used on a statewide basis to eliminate standard inflation, Attorney General Inflation, and to adjust State Government Service Charges.

**How Achieved:** This package eliminates \$402,235 standard inflation from essential packages in the Current Service Level budget. This reduction applies to standard accounts only. Inflation in Essential Package 032, Above Standard Inflation, and in Essential Package 033, Exceptional Inflation, were not eliminated. This package reduced Attorney General budget line item by \$115,344 and reduced State Government Service Charges by \$118,433.

#### Staffing Impact:

- None

#### Quantifying Results:

- Reductions in spending corresponding with the budget reductions

**Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

**2013-15 Fiscal Impact:** Not applicable.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 086 - Eliminate Inflation

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	(636,012)	-	-	-	(636,012)
<b>Total Revenues</b>	-	-	<b>(\$636,012)</b>	-	-	-	<b>(\$636,012)</b>
<b>Personal Services</b>							
Temporary Appointments	-	-	(3,992)	-	-	-	(3,992)
Overtime Payments	-	-	(8,136)	-	-	-	(8,136)
Shift Differential	-	-	(50)	-	-	-	(50)
All Other Differential	-	-	(5,325)	-	-	-	(5,325)
Public Employees' Retire Cont	-	-	(1,948)	-	-	-	(1,948)
Social Security Taxes	-	-	(1,342)	-	-	-	(1,342)
Unemployment Assessments	-	-	(951)	-	-	-	(951)
Mass Transit Tax	-	-	(103)	-	-	-	(103)
Reconciliation Adjustment	-	-	2	-	-	-	2
<b>Total Personal Services</b>	-	-	<b>(\$21,845)</b>	-	-	-	<b>(\$21,845)</b>
<b>Services &amp; Supplies</b>							
Instate Travel	-	-	(5,144)	-	-	-	(5,144)
Out of State Travel	-	-	(283)	-	-	-	(283)
Employee Training	-	-	(15,918)	-	-	-	(15,918)
Office Expenses	-	-	(45,770)	-	-	-	(45,770)
Telecommunications	-	-	(12,808)	-	-	-	(12,808)
State Gov. Service Charges	-	-	(118,433)	-	-	-	(118,433)
Data Processing	-	-	(89,965)	-	-	-	(89,965)
Publicity and Publications	-	-	(6,170)	-	-	-	(6,170)

2011-13 Biennium

Essential and Policy Package Fiscal Impact Summary - BPR013

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 086 - Eliminate Inflation

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Services &amp; Supplies</b>							
Professional Services	-	-	(103,040)	-	-	-	(103,040)
IT Professional Services	-	-	(60,368)	-	-	-	(60,368)
Attorney General	-	-	(115,344)	-	-	-	(115,344)
Dispute Resolution Services	-	-	(2,056)	-	-	-	(2,056)
Employee Recruitment and Develop	-	-	(1,476)	-	-	-	(1,476)
Dues and Subscriptions	-	-	(1,290)	-	-	-	(1,290)
Fuels and Utilities	-	-	(4,097)	-	-	-	(4,097)
Other Services and Supplies	-	-	(69)	-	-	-	(69)
Expendable Prop 250 - 5000	-	-	(2,053)	-	-	-	(2,053)
IT Expendable Property	-	-	(15,638)	-	-	-	(15,638)
<b>Total Services &amp; Supplies</b>	<b>-</b>	<b>-</b>	<b>(\$599,922)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$599,922)</b>
<b>Capital Outlay</b>							
Office Furniture and Fixtures	-	-	(785)	-	-	-	(785)
Telecommunications Equipment	-	-	(1,596)	-	-	-	(1,596)
Data Processing Software	-	-	(2,645)	-	-	-	(2,645)
Data Processing Hardware	-	-	(9,219)	-	-	-	(9,219)
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>(\$14,245)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$14,245)</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	(636,012)	-	-	-	(636,012)
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>(\$636,012)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(\$636,012)</b>

2011-13 Biennium

Essential and Policy Package Fiscal Impact Summary - BPR013

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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# BUDGET NARRATIVE

## *ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY*

Public Employees Retirement System, Oregon  
 Pkg: 086 - Eliminate Inflation

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## BUDGET NARRATIVE

### Package 087 Personal Service Adjustments

Package Description as modified in the Governor's Balanced Budget

#### Package Description

**Purpose:** This package reflects a statewide 5.5 percent across-the-board reduction of \$ 2,991,702 in total Personal Services from the Current Service Level budget.

**How Achieved:** This reduction is not specific to an account or reduction strategy. Final Personal Services decisions will be determined by policy decisions and future labor negotiations.

#### Staffing Impact:

- None

#### Quantifying Results:

- Reductions in spending corresponding with the budget reductions

**Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

**2013-15 Fiscal Impact:** Not applicable.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 087 - Personal Service Adjustments

Cross Reference Name: Operations  
Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	(2,991,702)	-	-	-	(2,991,702)
<b>Total Revenues</b>	-	-	<b>(\$2,991,702)</b>	-	-	-	<b>(\$2,991,702)</b>
<b>Personal Services</b>							
Reconciliation Adjustment	-	-	(2,991,702)	-	-	-	(2,991,702)
<b>Total Personal Services</b>	-	-	<b>(\$2,991,702)</b>	-	-	-	<b>(\$2,991,702)</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	(2,991,702)	-	-	-	(2,991,702)
<b>Total Expenditures</b>	-	-	<b>(\$2,991,702)</b>	-	-	-	<b>(\$2,991,702)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

## BUDGET NARRATIVE

### Package 131 Business Enterprise-Core Business Functions

Package Description as modified in the Governor's Balanced Budget

#### Package Description

**Purpose:** PERS requests \$4,383,516 Other Funds, the establishment of 29 permanent positions to replace current limited-duration positions, and the establishment of four new permanent positions (33.00 FTE). There are eight necessary components in this package: Business Process Owners, Data Quality, Member Account Priority Processing, Data Verification Team, Benefit Application Intake Processing, Business Rule Development and Maintenance, Member Appeals and Contested Case Hearings Support, and Reorganization of Project Management Office.

#### *Modifications Included in Legislatively Adopted Budget*

- Three of the four new permanent positions were denied; the eight limited duration benefit application intake processing positions to permanent were approved; the remaining positions were approved as limited duration instead of permanent.
- The total amount approved is \$4,062,717 Other Funds.

#### Business Process Owners

**Purpose:** The Business Process Owners (BPO) Team was formed to address a principal issue facing the agency: namely, that fundamental business processes have become fractured and inefficient. The BPO team was created by identifying business operations analysts from each agency division to drive the business functional requirements development of the new Oregon Retirement Information Online Network (ORION) and facilitate the decommissioning of the old Retirement Information Management System (RIMS). The team's principal responsibility is designing system functionality to support administration of the retirement plan. The agency is dedicated to continuing with more significant process improvements after the completion of the RIMS Conversion Project (RCP). When the toolset has been built, the capabilities of the new technology will be better understood, the requisite skill sets will have been acquired by agency staff, and the means to execute strategic improvements will be incorporated as a core part of the agency's line of business.

In addition, the agency faces other operational challenges. There will remain several enterprise-wide projects requiring evaluation, consideration, and coordination, such as the administration of the Individual Account Program (potentially moving from an outside third party administrator to an in-house system) and developing a data warehouse for actuarial extracts, demographic studies, etc. Plan changes are also anticipated to continue requiring processes to adapt or be created to fulfill statutory mandates.

**How Achieved:** PERS requests \$938,672 Other Funds and the establishment of five permanent positions (5.00 FTE), to replace current limited-duration positions originally approved in the 2007-2009 biennium. The agency is committed to expand staff understanding and use of the capabilities of the new technology platform and refine processes to achieve greater economies of scale, reduce processing time, and enhance accuracy in calculations and transactions while continuing to meet the challenges of increasing service demands.

## BUDGET NARRATIVE

Establishing a discrete cross-divisional team comprised of operations analysts from each division enhances the investment potential for improved agency operations in the following ways:

- Creating a central team focused on cross-divisional processes results in clearer lines of authority, priority establishment, and communication direction, as well as promoting accountability for improvement and implementation.
- Establishing a cross-divisional approach to problem identification and solution recognizes the diverse components and interdependencies, breaking down “silo” thinking and narrow constructs.
- Maintaining a cross-divisional approach improves the quality of risk assessments and thereby improves the likelihood of identifying risks early, which produces better information for making decisions and reduces the likelihood of taking unnecessary risks.

### Staffing Impact:

- Five permanent Operations and Policy Analyst 3 positions (5.00 FTE), position numbers 1313101 through 1313105.

### Modifications Included in Legislatively Adopted Budget

- Changed the five permanent Operations and Policy Analyst 3 positions (5.00 FTE) to limited-duration full-time positions.

### Quantifying Results:

- Use monthly production performance reports, quarterly Board reports, and annual Key Performance Measures to compare past and present performance
- KPM #1, Timely Benefit Payments, milestones:
  - 60 percent of benefit payments paid to member within 45 days by July 2011
  - 70 percent of benefit payments paid to member within 45 days by July 2012
  - 80 percent of benefit payments paid to member within 45 days by July 2013
- KPM #6, Customer Service, milestone:
  - Maintain 80 percent or higher good or excellent responses for annual customer satisfaction survey throughout 2011-2013 biennium
- KPM #7, Timely Benefit Estimates, milestones:
  - 60 percent of benefit estimates to the member within 30 days by July 2011
  - 80 percent of benefit estimates to the member within 30 days by July 2012
  - 95 percent of benefit estimates to the member within 30 days by July 2013
- Accuracy KPM milestones:
  - 80 percent of monthly benefit service retirements are calculated to within \$5 per month by December 2011
  - 100 percent of monthly benefit service retirements are calculated to within \$5 per month by July 2012

## BUDGET NARRATIVE

### *Data Quality*

**Purpose:** Implementation of new laws, policies and procedures, human error, changes in technology, and shifting membership demographics, has resulted in approximately 23 percent of the PERS membership data being incomplete and/or inaccurate and must be validated before a benefit payment is processed (either a withdrawal or retirement). Real-time electronic reporting and data migration from RIMS to ORION has uncovered these data issues. Within the Customer Service Division, the Membership and Employer Relations Section's (MERS) business objective is to resolve these data issues earlier than just before application for a benefit, to quickly verify and complete member records, and to pay member benefits in an accurate and timely manner requires the implementation of several initiatives. These initiatives comprise the following:

- Strengthen the data validation process at the point of data entry.
- Move verification of data from just before producing a benefit to before producing an estimate, or two years before the member's earliest retirement date, whichever occurs first.
- Address the issues of data validation resource reduction on the Account Reconciliation Team (ART).
- Address the issues surrounding member account corrections after the Data Migration Team disbands at the end of the current biennium.

**How Achieved:** PERS requests \$268,573 Other Funds and the establishment of two permanent positions (2.00 FTE), to replace current limited-duration positions originally approved in the 2009-2011 biennium for data validation activities.

One position resides in the Account Reconciliation Team (ART), where benefit estimates are produced. This position works closely with benefit and purchase estimates to validate the data that goes into these processes and also reviews data when a member chooses a purchase option. This position further enhances the PERS mission to enable members to make informed retirement choices as accurate estimates allow for better information to the member.

The second position is involved in data correction activities for the over 60,000 exceptions on active and inactive member accounts. These exceptions were created when data incompatible with the new ORION system was moved to an auxiliary database to be validated before re-incorporation into the system to process benefit payments or other transactions. Due to the complex nature of the data corrections, PERS has identified a need to retain this position to continue correcting accounts. Today, there are over 2,900 members with accounts that have data errors unrelated to data migration.

MERS needs both positions to be permanent to assure the agency meets Key Performance Measure #7, Timely Benefit Estimates, of delivering 95 percent of benefit estimates to the member within 30 days and to meet agency goals of timely and accurate payment of PERS benefits.

## BUDGET NARRATIVE

### Staffing Impact:

- One permanent Retirement Counselor 2 position (1.00 FTE), position number 1313106
- One permanent Operations and Policy Analyst 2 position (1.00 FTE), position number 1313107

### *Modifications Included in Legislatively Adopted Budget*

- Changed the permanent Retirement Counselor 2 position (1.00 FTE) and the permanent Operations and Policy Analyst 2 position (1.00 FTE) to limited-duration full-time positions.

### Quantifying Results:

- Use monthly production performance reports, quarterly Board reports, annual Key Performance Measure #1, Timely Benefit Payments, and Key Performance Measure #7, Timely Benefit Estimates, to compare past and present performance and workload.
- KPM #1 milestones:
  - 60 percent of benefit payments paid to member within 45 days by July 2011
  - 70 percent of benefit payments paid to member within 45 days by July 2012
  - 80 percent of benefit payments paid to member within 45 days by July 2013
- KPM #7 milestones:
  - 60 percent of benefit estimates to the member within 30 days by July 2011
  - 80 percent of benefit estimates to the member within 30 days by July 2012
  - 95 percent of benefit estimates to the member within 30 days by July 2013

## BUDGET NARRATIVE

### *Member Account Priority Processing*

**Purpose:** As a result of the 2003 reform legislation that mandated all public employees employed since 2004 have at least two benefit programs, either Tier One/Tier Two and Individual Account Program (IAP) or Oregon Public Service Retirement Plan (OPSRP) and IAP, the Customer Service Division (CSD) organized a special unit within the Member Account Priority Processing (MAPP) Team whose priority is to certify the accuracy of the accounts of members who have applied for a benefit. During the 2009-11 biennium, the MAPP team began to parallel the Just-In-Time (JIT) model with the pro-active model to meet key performance measures. The JIT model alone was inadequate in meeting Key Performance Measure 1, Timely Benefit Payments, and allowing customers to make informed retirement decisions based on reliable data. The pro-active model to certify employment history at the earliest retirement eligibility age in incremental stages decreased the number of members who had to change their retirement date due to adjustments made to their account after they had applied for a benefit from 138 members before 2009 to two members in 2009. In addition, this team is currently reviewing 25 percent of member estimate requests for account anomalies 60 to 90 days earlier in the process, thereby increasing the timeliness and the accuracy of member estimates.

**How Achieved:** PERS requests \$1,536,570 Other Funds and the establishment of 12 permanent positions (12.00 FTE) to replace current limited-duration positions originally approved in the 2009-2011 biennium to increase the timeliness and accuracy of eligibility determinations.

The MAPP team reduces the difficulty of eligibility investigations by defining criteria for what requires an eligibility study and by streamlining the eligibility review process. In addition, the advanced review of member accounts for anomalies allows employers additional time to review the data, thereby increasing employer satisfaction and data accuracy. Staff also works collaboratively with employers to validate the accuracy or asks the employer to correct the wage and contribution records submitted electronically on a payroll-by-payroll basis using the Employer Data Exchange (EDX) system.

### **Staffing Impact:**

- One permanent Principal Executive/Manager B position (1.00 FTE), position number 1313108
- Four permanent Retirement Counselor 1 positions (4.00 FTE), position numbers 1313109 through 1313111 and 1313118
- Six permanent Retirement Counselor 2 positions (6.00 FTE), position numbers 1313112 through 1313116 and 1313119
- One permanent Office Specialist 2 position (1.00 FTE), position number 1313117

### *Modifications Included in Legislatively Adopted Budget*

- Changed all twelve permanent positions (12.00 FTE) to limited-duration full-time positions.

## BUDGET NARRATIVE

### Quantifying Results:

- Use monthly production performance reports, quarterly Board reports, annual Key Performance Measure #1, Timely Benefit Payments, and Key Performance Measure #7, Timely Benefit Estimates, to compare past and present performance and workload.
- KPM #1 milestones:
  - 60 percent of benefit payments paid to member within 45 days by July 2011
  - 70 percent of benefit payments paid to member within 45 days by July 2012
  - 80 percent of benefit payments paid to member within 45 days by July 2013
- KPM #7 milestones:
  - 60 percent of benefit estimates to the member within 30 days by July 2011
  - 80 percent of benefit estimates to the member within 30 days by July 2012
  - 95 percent of benefit estimates to the member within 30 days by July 2013

## BUDGET NARRATIVE

### *Data Verification Team*

**Purpose:** In the February 2010 Legislative Session, the Oregon Legislature adopted a measure that resulted in a new administrative process for the agency. SB 897 had two consequential provisions, one which allows members to request a data verification for certain information before retirement. The data verification process will substantially increase the agency's workload as members request these new documents. PERS requested twelve additional permanent positions at the May 2010 Emergency Board meeting. Only two of those requested positions (2.00 FTE) were approved as permanent (Emergency Board Package 081 starting on page 164) and four positions (4.00 FTE) were approved as limited duration starting January 1, 2011.

The data verification process, while somewhat similar to work PERS staff already perform, is anticipated to greatly increase the volume of that work as another process and timeline is layered into the member's preparation for retirement. PERS is staffed and funded to process the current level of retired members, approximately 6,000 per year. Adding the data verification process, however, pulls in additional members who are within two years of eligibility, may not wish to retire, but want to begin planning for retirement at a future date. Because a data verification process has not been offered before, it is difficult to accurately estimate the volume of requests in 2011-13. However, extrapolating from the number of estimate requests received each biennium, PERS estimates a data verification workload of 22,000 requests for the 2011-13 biennium and then increasing as more members move within two years of retirement eligibility (See "Retirement Volume" graph on page 41).

**How Achieved:** PERS requests \$339,731 Other Funds and the establishment of three new permanent positions (3.00 FTE). These positions along with the six permanent positions in the Emergency Board Package 081 will establish a new Data Verification Team ready to begin processing verifications July 1, 2011.

Because verifications and retirements both have a statutory requirement for delivery, this Data Verification Team would work on the new process and demand while the existing Eligibility Team could continue to work on pending retirements and other benefit payments. Over time, data verification requests may reduce some of the workload on the eligibility work involved in pending retirements and other benefit payments. Also over time, projected increased demands from future estimates and retirements have a better probability of being met without further increasing staffing levels.

## BUDGET NARRATIVE

### Staffing Impact:

- One permanent Retirement Counselor 1 positions (1.00 FTE), position numbers 1313122
- One permanent Retirement Counselor 2 positions (1.00 FTE), position numbers 1313125
- One permanent Office Specialist 1 position (1.00 FTE), position number 1313126

### *Modifications Included in Legislatively Adopted Budget*

- Staffing for the three additional new permanent positions (3.00 FTE) in the Data Verification Team were not approved. The Subcommittee discussed concerns over the data verification workload created by Senate Bill 897 (2010 legislation) and the effect on retirement calculation error rates. PERS plans to prioritize verification requests by eligible retirement dates to make sure verifications coincide with related retirements should a backlog develop. The Subcommittee also acknowledged that the agency may come back to the Legislature during the February 2012 session or to the Emergency Board to request additional resources if, with a few months of experience after the July 1, 2011 start up of the verification process, they can demonstrate a need due to higher than anticipated number of member requests. In addition, the agency is experiencing a higher than normal number of retirement applications and may need additional resources to handle that workload as well.

### Quantifying Results:

- Use monthly production performance reports, quarterly Board reports, and a new annual Key Performance Measure that measures the accuracy of benefit calculations to compare past and present performance and workload.
- Use Internal Audits and quality assurance reviews.
- Accuracy KPM milestones:
  - 80 percent of monthly benefit service retirements are calculated to within \$5 per month by December 2011
  - 100 percent of monthly benefit service retirements are calculated to within \$5 per month by July 2012

## BUDGET NARRATIVE

### *Benefit Application Intake Processing*

**Purpose:** The Benefit Application Intake Processing (BAIP) team was established within the Benefit Payments Division (BPD) effective July 1, 2009, to centralize one area responsible for processing all incoming and outgoing forms. These documents include applications for all programs, rollover forms, tax forms, demographic forms, beneficiary forms, death certificates, and divorce split templates. In addition, one form may apply to several different processes. This team verifies the accuracy and completeness of submitted documents, sends any necessary follow-up requests, and moves the completed documents to the unit that processes benefits. Consolidating retirement document intake staff has substantially reduced redundant form requests and provided improved services to members and agency staff in BPD and other divisions by eliminating silos and promoting improved lines of communication and accountability.

**How Achieved:** PERS requests \$895,044 Other Funds and the establishment of eight permanent positions (8.00 FTE) to replace current limited-duration positions approved in the 2009-11 biennium when the BAIP team was established.

These eight positions along with the existing six permanent staff on the BAIP team will allow the agency to continue to leverage the new ORION system capabilities. The new system still requires data entry and proofing of approximately 103,800 documents annually. These documents consist of approximately 74,400 documents received from members before retirement, 20,400 documents received from members post retirement, and 9,000 outgoing forms when processing a member's initial retirement. In addition the BAIP team will continue to maximize new system functionality and the electronic workflow tool by performing timely and accurate data entry, which facilitates improved customer service, to provide efficient and effective document delivery for agency staff and to promote and support Key Performance Measure 1, Timely Benefit Payments, by paying 80 percent of new retirees within 45 days from their retirement date.

### **Staffing Impact:**

- One permanent Principal Executive/Manager B position (1.00 FTE), position number 1313127
- Six permanent Office Specialist 2 positions (6.00 FTE), position numbers 1313128 through 1313133
- One permanent Retirement Counselor 2 position (1.00 FTE), position number 1313134

### *Modifications Included in Legislatively Adopted Budget*

- Staffing for all eight additional permanent positions (8.00 FTE) in the BAIP team were approved.

## BUDGET NARRATIVE

### Quantifying Results:

- Use monthly production performance reports, quarterly Board reports, and annual Key Performance Measure #1, Timely Benefit Payments, to compare past and present performance and workload.
- KPM #1 milestones:
  - 60 percent of benefit payments paid to member within 45 days by July 2011
  - 70 percent of benefit payments paid to member within 45 days by July 2012
  - 80 percent of benefit payments paid to member within 45 days by July 2013

## BUDGET NARRATIVE

### *Business Rule Development and Maintenance*

**Purpose:** Three Business Rule Writer positions were originally established in the 2003-05 biennium as part of the Business Rule Team to support the RIMS Conversion Project (RCP). However, the use and development of business rules has extended beyond RCP and has become an integral part of the agency's business practices and continuous process improvement. Before establishing the business rules team, business rules were developed by the individual divisions. As a result, only selected business processes were documented, and when more than one division touched the same process, there was duplication of effort and occasionally inconsistent direction. Since establishing the Business Rules Team, every aspect of our business rules process has been refined, resulting in an efficient centralized process that incorporates contributions from all agency divisions and communicates changes in policy and processes agencywide.

Business rules are used daily by staff agencywide as a resource for ongoing operational guidance. After RCP completion the agency's challenge will be to maximize utilization of the new technology platform to assure business process efficiency and effectiveness continues to improve. Continuing process improvements will require existing business rules to be updated. Continuing changes to PERS programs as a result of changing federal or state laws will require business rules be changed and updated.

**How Achieved:** PERS requests \$266,766 Other Funds and the establishment of two permanent positions (2.00 FTE), currently limited-duration positions, to continue two of the original Business Rules Team Writer positions on a permanent basis.

Currently, the Business Rules Team is comprised of two limited-duration Business Rule Writer positions and a permanent position, the Business Rules Coordinator. This request will make this team a permanent team that will continue to provide the business rules, which are the agency's record and the principal source to support programming, processes, training, and daily operations.

### **Staffing Impact:**

- Two permanent Operations and Policy Analyst 1 positions (2.00 FTE), position numbers 1313135 and 1313136

### *Modifications Included in Legislatively Adopted Budget*

- Staffing for the two Operations and Policy Analyst 1 positions (2.00 FTE) was approved as full-time limited duration positions.

## BUDGET NARRATIVE

### Quantifying Results:

- Use operational Service Levels
- Milestone:
  - 90 percent of business rules will be completed within 90 days of identification or request

## BUDGET NARRATIVE

### *Member Appeals and Contested Case Hearings Support*

**Purpose:** Continuing changes to PERS programs through new legislation, system platform changes, and ongoing court challenges have increased workload volume in member appeals and requests for contested case hearings. The agency has begun to receive and administer requests for contested cases from employers as well. Administration of appeals and contested cases are expected to increase as more members move through the retirement process. Additionally, the complexity of the matters contained in the appeals and contested cases have increased as the PERS Plan has changed over the years, requiring research and analysis.

To address the increasing workload in the current biennium, the agency has employed the following strategy: one staff person in a Compliance Specialist 1 is working out-of-class as a Compliance Specialist 2 to assist the other two Compliance Specialist 2 positions in administration of appeals and contested cases, disabilities and non-disability cases, etc.; a second staff person in an Administrative Specialist 2 position is working out-of-class in the Compliance Specialist 1 position; and the Administrative Specialist 2 position has been backfilled with a limited-duration position.

**How Achieved:** PERS requests \$138,160 Other Funds and the establishment of a new permanent position (1.00 FTE) to handle the increased volume and complexity of appeals and requests for contested case hearings.

### **Staffing Impact:**

- One permanent Compliance Specialist 2 position (1.00 FTE), position number 1313137

### *Modifications Included in Legislatively Adopted Budget*

- Staffing for the Compliance Specialist 2 position (1.00 FTE) was approved as a full-time limited duration position.

### **Quantifying Results:**

- Use operational Service Levels and the Attorney General's Model Rules of Procedure under the Administrative Procedures Act
- Disability contested case hearings milestones:
  - Maintain 100 percent service level of detail letters to members within 90 days of referral of claim throughout 2011-2013 biennium
  - Maintain 100 percent service level of referring the member's hearing request to the Department of Justice (DOJ) and the Office of Administrative Hearings within six months of the date the file is received by PPLAD throughout 2011-2013 biennium
- Non-Disability appeals milestone:

## BUDGET NARRATIVE

- Maintain 100 percent service level of acknowledging appeal request within 10 days of receipt of appeal throughout 2011-2013 biennium
- Maintain 100 percent service level of responding to member within 45 days of acknowledgement letter throughout 2011-2013 biennium
- Non-Disability contested case hearings milestones:
  - Maintain 100 percent service level of acknowledging contested case request within 15 days throughout 2011-2013 biennium
  - Maintain 100 percent service level of forwarding exhibit book to DOJ within 30 days of acknowledgement letter throughout 2011-2013 biennium

## BUDGET NARRATIVE

### *Project Management Office - Reorganization*

**Purpose and How Achieved:** The Project Management Office (PMO) has been focused on administering medium to large agency-wide IT projects sponsored by executive level staff within the agency. However, the agency has made a strategic determination that a better functioning PMO would report to the highest practical point in the organization and outside of a particular operational division. That alignment enhances the PMO's credibility, authority, and efficiency. The transition will occur with the final implementation of the RIMS Conversion Project as the agency's focus and direction shift to the PMO supporting all agency initiatives and managing associated projects.

Currently, there are several project managers who report through agency divisions. With the restructure, the agency will align all project managers in the agency to report into a stand-alone business unit under the authority of the agency director to be overseen by the deputy director. These selected project managers will handle agencywide project initiatives, while other project managers, who will be assigned to small-scale projects, will continue to report to their respective division management.

The PMO will direct the planning, initiation, and prioritization of agency projects and designated initiatives at PERS. With the transition from Information Services Division to Central Administration, the PMO will be charged with increasing project management competence at PERS, thereby increasing the success of agency projects. Responsibilities of the PMO include program management, project coordination, project management infrastructure, and project management resources and services.

**Package 131 Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

**2013-15 Fiscal Impact:** The anticipated impact to 2013-15 is estimated to be approximately the same amount since this request is for permanent financing. Included in the total amount is a one-time expenditure of \$20,000 to purchase needed office equipment, furnishings and computer equipment for the four new positions requested.

### *Modifications Included in Legislatively Adopted Budget*

- Funding for the eight permanent positions were approved at a total cost of \$895,044 Other Funds.
- Funding for the remaining 22 positions approved as limited duration positions were approved at a total cost of \$3,167,673 Other Funds. These 22 limited duration positions and associated costs will phase-out in the 2013-15 Current Service Level.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 131 - Business Enterprise-Core Business Functions

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	4,062,717	-	-	-	4,062,717
<b>Total Revenues</b>	-	-	<b>\$4,062,717</b>	-	-	-	<b>\$4,062,717</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	2,585,136	-	-	-	2,585,136
Empl. Rel. Bd. Assessments	-	-	1,230	-	-	-	1,230
Public Employees' Retire Cont	-	-	372,519	-	-	-	372,519
Social Security Taxes	-	-	197,763	-	-	-	197,763
Worker's Comp. Assess. (WCD)	-	-	1,770	-	-	-	1,770
Mass Transit Tax	-	-	15,510	-	-	-	15,510
Flexible Benefits	-	-	902,880	-	-	-	902,880
Reconciliation Adjustment	-	-	(223,141)	-	-	-	(223,141)
<b>Total Personal Services</b>	-	-	<b>\$3,853,667</b>	-	-	-	<b>\$3,853,667</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	39,050	-	-	-	39,050
Office Expenses	-	-	165,000	-	-	-	165,000
Expendable Prop 250 - 5000	-	-	1,000	-	-	-	1,000
IT Expendable Property	-	-	4,000	-	-	-	4,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$209,050</b>	-	-	-	<b>\$209,050</b>

2011-13 Biennium

Essential and Policy Package Fiscal Impact Summary - BPR013

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 131 - Business Enterprise-Core Business Functions

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Total Expenditures</b>							
Total Expenditures	-	-	4,062,717	-	-	-	4,062,717
<b>Total Expenditures</b>	-	-	<b>\$4,062,717</b>	-	-	-	<b>\$4,062,717</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							30
<b>Total Positions</b>	-	-	-	-	-	-	<b>30</b>
<b>Total FTE</b>							
Total FTE							30.00
<b>Total FTE</b>	-	-	-	-	-	-	<b>30.00</b>

# BUDGET NARRATIVE

06/12/11 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 300-00-00 Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 131 - Business Enterprise-Core Busin

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1313101	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	04	5,406.00		129,744 58,817			129,744 58,817
1313102	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	04	5,406.00		129,744 58,817			129,744 58,817
1313103	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	05	5,671.00		136,104 60,221			136,104 60,221
1313104	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	02	4,906.00		117,744 56,170			117,744 56,170
1313105	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	06	5,957.00		142,968 61,735			142,968 61,735
1313106	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	3,086.00		74,064 46,535			74,064 46,535
1313107	OA C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	03	4,089.00		98,136 51,844			98,136 51,844
1313108	MMS X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	03	4,039.00		96,936 51,580			96,936 51,580
1313109	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	03	2,945.00		70,680 45,788			70,680 45,788
1313110	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	03	2,945.00		70,680 45,788			70,680 45,788
1313111	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	07	3,547.00		85,128 48,975			85,128 48,975
1313112	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	07	3,903.00		93,672 50,860			93,672 50,860
1313113	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	08	4,089.00		98,136 51,844			98,136 51,844
1313114	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	03	3,235.00		77,640 47,324			77,640 47,324
1313115	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	04	3,383.00		81,192 48,107			81,192 48,107
1313116	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	03	3,235.00		77,640 47,324			77,640 47,324

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

DEPT. OF ADMIN. SVCS. — PPDB PICS SYSTEM

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PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 131 - Business Enterprise-Core Busin

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1313117	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	03	2,380.00		57,120 42,797			57,120 42,797
1313118	OA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	05	3,335.00		77,640 47,324			77,640 47,324
1313119	OA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	04	3,383.00		81,192 48,107			81,192 48,107
1313127	MMS X7002 AA	PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	05	4,448.00		106,752 53,745			106,752 53,745
1313128	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	05	2,585.00		62,040 43,882			62,040 43,882
1313129	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	02	2,284.00		54,816 42,289			54,816 42,289
1313130	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	02	2,284.00		54,816 42,289			54,816 42,289
1313131	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	03	2,380.00		57,120 42,797			57,120 42,797
1313132	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	03	2,380.00		57,120 42,797			57,120 42,797
1313133	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	04	2,473.00		59,352 43,289			59,352 43,289
1313134	OA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	04	3,383.00		81,192 48,107			81,192 48,107
1313135	OA C0870 AA	OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	05	3,727.00		89,448 49,928			89,448 49,928
1313136	OA C0870 AA	OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	03	3,383.00		81,192 48,107			81,192 48,107
1313137	OA C5247 AA	COMPLIANCE SPECIALIST 2	1	1.00	24.00	02	3,547.00		85,128 48,975			85,128 48,975
TOTAL PICS SALARY									3,585,136			3,585,136
TOTAL PICS OPE									1,476,162			1,476,162
TOTAL PICS PERSONAL SERVICES -			30	30.00	720.00				4,061,298			4,061,298

## BUDGET NARRATIVE

### Package 132 Infrastructure Maintenance and Enhancement

Package Description as modified in the Governor's Balanced Budget

**Purpose:** PERS requests \$2,839,771 Other Funds, the establishment of three permanent positions (3.00 FTE) to replace current limited-duration positions that were approved for the 2009-2011 biennium, and the establishment of one new permanent position (1.00 FTE). These positions and budget limitations are needed to continue providing the agency's current levels of service in the following key areas: Office Space and Utilities, Maintenance and Enhancement of Enterprise Systems, Disaster Recovery, Production Control, and ORION System Development and Support.

#### *Modifications Included in Legislatively Adopted Budget*

- The establishment of a new permanent position in production control was denied and the remaining positions for system development and support were approved as limited duration instead of permanent.
- The total amount approved is \$2,705,752 Other Funds.

#### *Office Space and Utilities*

**Purpose and How Achieved:** PERS requests \$1,013,577 Other Funds and the establishment of one permanent position (1.00 FTE), currently a limited-duration position approved for the 2009-2011 biennium.

Since the 2003-2005 biennium, PERS staff have occupied leased space in a commercial facility on SW 72nd Avenue due to lack of available capacity within the Headquarters facility. The leased space houses Benefit Payments Division staff. The current staffing level and the need for additional auxiliary office space will continue for the foreseeable future. This request is to provide funding for the leased facility for the 2011-2013 biennium at a cost of \$817,500.

Facilities Services provides twice-daily mail and office supply delivery services from Headquarters to SW 72nd Avenue. This activity has been supported by one limited-duration position since 2003. This request is to convert that position to a permanent full-time position due to ongoing workload. The agency staffing level is projected to remain at the current levels between 360-370 positions for the foreseeable future. This level of staffing necessitates occupying two buildings in Tigard and the accompanying shuttle service between the two buildings. On a monthly basis, there are 12,000 outgoing pieces of mail and 15,000 incoming. In addition, this staff produces over 170,000 production printing copies per month and completes over 3,000 forms fulfillment requests. This workload volume is not expected to decrease and may increase as the number of PERS members reaching retirement age continues to climb.

## BUDGET NARRATIVE

Over the past four biennia, utility rates have increased by an average of over 12 percent per biennium. Over the same timespan, PERS' biennial Fuels and Utilities budgets have been increased at the statewide standard inflation rate, usually between 2 percent and 3 percent each biennium. This request is for a permanent \$100,000 increase to the Fuels and Utilities budget to bring it up to the current rate levels charged by utility providers.

### Staffing Impact:

- One permanent Mail Services Assistant (1.00 FTE), which is currently a limited-duration position.

### *Modifications to Legislatively Adopted Budget*

- Staffing for the Mail Services Assistant permanent position (1.00) was approved.

## BUDGET NARRATIVE

### *Maintenance and Enhancement of Enterprise Systems*

**Purpose and How Achieved:** PERS requests \$ 480,840 Other Funds for two key enterprise maintenance and enhancement initiatives.

The agency's Customer Service Call Center application, Symposium, has been in place for approximately five years and is a critical component to the agency's operations. This system allows the Customer Service Division to receive, distribute, and track customer phone calls. The system is integrated into ORION and improves efficiency by pre-loading call agent workstation screens with member information from jClarety through an interface. Both the Symposium software and the interface will no longer be supported by the vendor. This presents an unacceptable risk to the agency since the system supports our primary interaction with members and employers. With this request, the agency will upgrade the hardware and software components of this system and will migrate the current configuration and customizations from the existing platform to the new platform. This will provide a supported version of the call center system. The software, hardware, professional services, and two-year maintenance costs for this process total \$300,000.

The proliferation of electronic documents throughout the agency systems (i.e., file folders, e-mail systems, faxes, etc.) makes it difficult to adequately manage the information and respond efficiently to litigation and public records requests (eDiscovery). Compounding this issue is the increase in the number of subpoenas and public records requests the agency has experienced over the last few years. In 2008, there were 11, in 2009 there were 51, and 2010 is on track for 60 requests. It is expected that this number will continue to grow. This initiative requests the acquisition of software tools to consolidate these records into the agency electronic content management system and provide indexing and search capabilities. The tools will benefit the agency by reducing the risk of records loss, providing the means for efficient electronic document tracking and retrieval, providing timely responses to subpoena and public record requests and reducing staff time for reviewing and locating documents. The software, professional services, and maintenance costs for this tool total \$180,840.

## BUDGET NARRATIVE

### *Disaster Recovery*

**Purpose and How Achieved:** PERS requests \$821,000 Other Funds for this two part disaster recovery initiative.

The agency seeks to install a backup generator that will mitigate loss of systems and data due to power failure. There have been several occasions in the past few years (due to severe weather, power equipment failure, auto accident, etc.) that have resulted in unexpected shutdowns of agency computer systems. A backup generator would mitigate damage to systems by avoiding hard shutdowns and would facilitate recovery from power failures. In addition, the lack of a backup generator was a finding of the State of Oregon Information Security Business Risk Assessment (ISBRA) conducted by DAS in 2007 and was noted as a potential risk to agency operations. The cost for purchasing and installing this equipment is \$300,000.

In the event of a total loss of the data center at PERS (due to flooding, fire, etc.), the agency's ability to resume operations is severely hampered and would require an unreasonable amount of time. The agency's tape backup processes are adequate for minor to moderate system failures; however, in the event of a total loss of the PERS data center, total recovery could take three to four weeks once a recovery site has been identified and replacement server hardware is acquired. This initiative will provide for a better disaster recovery (DR) strategy using technology such as disk-to-disk backups and will reserve critical hardware at a backup location. When a disaster occurs, the agency will have access to the stored data and reserved hardware and can more easily restore critical systems and get the agency operating again. Expected recovery time using these methods is 48 hours or less. The one-time professional services consulting fee and ongoing monthly service fees total \$521,000.

## BUDGET NARRATIVE

### *Production Control*

**Purpose and How Achieved:** PERS requests \$142,472 and the establishment of one new permanent position (1.00 FTE) to provide more effective production control. With the introduction of online member services and an increasing number of batch processes, the production control organization needs to be fully staffed and adequately skilled to provide effective production control and support. The increasing reliance on ORION and production report processing requires the agency to formally schedule and control its batch processes. Currently, the agency runs about 80 nightly jobs to load data from employer files, pre-calculate aggregated values, create member and employer correspondence, create pension benefit checks and deposits, create data feeds to business partners, and produce transaction and control reports. This initiative is to create a production control specialist that will coordinate, control, and troubleshoot nightly batch runs, provide trend and performance analysis, balance resource loads, and schedule maintenance and enhancement deployments. In addition, this position will allow better shift coverage and will alleviate the dependence on staff overtime (over 90 hours/month at current levels) by covering the early portion of the daily production run.

### **Staffing Impact:**

- One permanent Information Systems Specialist 4 (1.00 FTE).

### *Modifications Included in Legislatively Adopted Budget*

- Staffing for the new permanent position was denied.

## BUDGET NARRATIVE

### *ORION System Development and Support*

**Purpose and How Achieved:** PERS requests \$381,882 Other Funds and the establishment of two permanent positions (2.00 FTE) to replace current limited-duration positions approved for the 2009-2011 biennium, in the Enterprise Applications Section in the Information Services Division. These positions are required to focus on automated enterprise regression test development and tools development and environmental (non-production) support. During the current biennium, the agency has reorganized and consolidated two existing sections within the Information Services Division into one called the Enterprise Applications Section to better meet the business needs of the agency. Within this new section, the Support Services Team was formed to quickly and reliably respond to changes in ORION. This new team, which contains these current limited-duration positions, has proven to be critical to the ongoing development and support of ORION. With the growing complexity and level of integration between the agency's systems, automated testing and development will help ensure efficient and effective ongoing enhancement and maintenance of ORION.

### **Staffing Impact:**

- Two permanent Information Systems Specialist 7 (2.00 FTE), which are currently limited-duration positions.

### *Modifications Included in Legislatively Adopted Budget*

- Changed the two permanent Information System Specialist 7 positions (2.00 FTE) to limited-duration full-time positions.

**Quantifying Results:** The initiatives in this request are primarily aimed at maintaining the existing levels of services PERS currently provides. These existing service levels have contributed to a very high rate of customer satisfaction, as evidenced by the above-target member ratings and improving employer ratings presented with the Customer Service KPM (KPM #6). While there are many key contributors to the high customer service ratings, the initiatives in this request go to support the customer service efforts throughout the agency. Continuing the above-target ratings and positive trend with each annual review of this KPM in the Annual Performance Progress Reports would be an indicator that these initiatives have been successfully implemented.

Other internal measurements that will be used to quantify the success of these initiatives include system availability metrics, overall improved system performance, faster system development testing cycles, lower eDiscovery response times, and disaster recovery preparedness assessments.

**Package 132 Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

**2013-15 Fiscal Impact:** Four permanent positions continue into the 2013-2015 biennium. The fiscal impact is \$626,065 Other Funds for personal services and an additional \$586,580 Other Funds for services and supplies, totaling \$1,212,645.

## BUDGET NARRATIVE

### *Modifications Included in Legislatively Adopted Budget*

- Funding for the permanent Mail Services Assistant position (1.00 FTE) in Personal Services was approved at a cost of \$96,077. Costs associated with the permanent position, the increase in Fuels & Utilities and ongoing monthly service fees in Services and Supplies were approved at a total cost of \$568,730 Other Funds.
- Funding for the limited duration positions and associated costs in addition to several one-time costs in Services & Supplies and Capital Outlay total \$2,174,964 Other Funds. These funds will phase-out in the 2013-15 Current Service Level.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 132 - Infrastructure Maintenance & Enhancement

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	2,705,752	-	-	-	2,705,752
<b>Total Revenues</b>	-	-	<b>\$2,705,752</b>	-	-	-	<b>\$2,705,752</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	323,088	-	-	-	323,088
Empl. Rel. Bd. Assessments	-	-	123	-	-	-	123
Public Employees' Retire Cont	-	-	46,557	-	-	-	46,557
Social Security Taxes	-	-	24,716	-	-	-	24,716
Worker's Comp. Assess. (WCD)	-	-	177	-	-	-	177
Mass Transit Tax	-	-	1,939	-	-	-	1,939
Flexible Benefits	-	-	90,288	-	-	-	90,288
Reconciliation Adjustment	-	-	(26,276)	-	-	-	(26,276)
<b>Total Personal Services</b>	-	-	<b>\$460,612</b>	-	-	-	<b>\$460,612</b>
<b>Services &amp; Supplies</b>							
Employee Training	-	-	3,800	-	-	-	3,800
Office Expenses	-	-	20,000	-	-	-	20,000
Data Processing	-	-	396,000	-	-	-	396,000
IT Professional Services	-	-	231,700	-	-	-	231,700
Facilities Rental and Taxes	-	-	817,500	-	-	-	817,500
Fuels and Utilities	-	-	100,000	-	-	-	100,000
IT Expendable Property	-	-	342,140	-	-	-	342,140
<b>Total Services &amp; Supplies</b>	-	-	<b>\$1,911,140</b>	-	-	-	<b>\$1,911,140</b>

2011-13 Biennium

Essential and Policy Package Fiscal Impact Summary - BPR013

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 132 - Infrastructure Maintenance & Enhancement

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Capital Outlay</b>							
Telecommunications Equipment	-	-	34,000	-	-	-	34,000
Technical Equipment	-	-	300,000	-	-	-	300,000
<b>Total Capital Outlay</b>	-	-	<b>\$334,000</b>	-	-	-	<b>\$334,000</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	2,705,752	-	-	-	2,705,752
<b>Total Expenditures</b>	-	-	<b>\$2,705,752</b>	-	-	-	<b>\$2,705,752</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions	-	-	-	-	-	-	3
<b>Total Positions</b>	-	-	-	-	-	-	<b>3</b>
<b>Total FTE</b>							
Total FTE	-	-	-	-	-	-	3.00
<b>Total FTE</b>	-	-	-	-	-	-	<b>3.00</b>

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

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POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1313201	OA C0405	AA MAIL SERVICES ASSISTANT	1	1.00	24.00	05	2,214.00		53,136 41,918			53,136 41,918
1313203	OA C1487	IA INFO SYSTEMS SPECIALIST 7	1	1.00	24.00	06	5,883.00		141,192 61,343			141,192 61,343
1313204	OA C1487	IA INFO SYSTEMS SPECIALIST 7	1	1.00	24.00	04	5,365.00		128,760 58,600			128,760 58,600
TOTAL PICS SALARY									323,088			323,088
TOTAL PICS OPE									161,861			161,861
TOTAL PICS PERSONAL SERVICES										484,949		484,949

# BUDGET NARRATIVE

## Package 133 Position Reclass/Realignment

### Package Description as modified in the Governor's Balanced Budget

**Purpose:** PERS requests \$176,399 Other Funds to reclass 20 positions within the Information Services Division. The Technical Operations Section is requesting two positions be reclassified from an Information Systems Specialist (ISS) 4 to an ISS 6. The Enterprise Applications Section is requesting four positions be reclassified from an ISS 4 to an ISS 6 and one position be reclassified from an ISS 5 to an ISS 6. The Business Information and Technology Section is requesting one position to be reclassified from an ISS 4 to an ISS 5 and twelve positions be reclassified from an Office Assistant 2 to an Office Specialist 1.

#### *Modifications Included in Legislatively Adopted Budget*

- The reclassification of eight permanent Information Systems Specialist positions was denied.
- The reclassification of twelve Office Assistant 2 permanent positions in Imaging was approved.
- The total amount approved is \$54,684 Other Funds.

#### *Technical Operations Section (TOS)*

With the current jClarety system, the agency's primary hours of operation were 6 a.m. to 6 p.m. weekdays, and 7 a.m. to 4 p.m. Saturdays. Agency staff and external employers were the sole users of agency systems. With the planned implementation of Online Member Services (OMS), it is imperative that portions of the agency systems are made available nearly 24 hours a day and seven days a week since PERS members are more likely to access systems after work hours and on weekends. Higher level planning, analysis, and design are required to develop and provide technical infrastructure, operational procedures, and monitoring and coverage activities that enable high system availability while simultaneously allowing normal operational and maintenance tasks such as system backups, upgrades, patches, etc.

In addition, recent expansion of the agency's repertoire of technical platforms (e.g., MS .NET, MS ASP, VMware server virtualization) and methods (e.g., Agile) beyond the core ORION technology base have further increased the complexity of the agency's technical infrastructure. This additional breadth requires a higher level of staff experience and expertise to adequately design, operate, and maintain systems; advise and mentor agency IT staff; and develop applications, spanning the increasingly broad range of technologies.

## BUDGET NARRATIVE

### *Enterprise Applications Section (EAS)*

The implementation of ORION has created a need to expand support activities to include a much broader skill set and a higher level of expertise in architecture analysis, planning, and design for enterprise-level solutions. Currently, the incumbent Programmer Analyst position descriptions are limited to entry-level work related to the non-enterprise application, RIMS Legacy Mainframe system. The ORION system comprises a complex set of interrelated technologies that forms the basis for the agency's core line of business application. Several technologies form an intricate, interconnected information network that initiates, tracks, and manages thousands of data elements and activities each day. The transition from manual workflows to electronic workflows allows agency staff to optimize transaction processing. As we go forward, PERS will become increasingly dependent on the technical sophistication of the underlying systems.

## BUDGET NARRATIVE

### *Business Information and Technology Section (BITS)*

The move to automating workflows and digitally processing documents has created new activities leading to a new way of processing agency data, information, forms, and reports. Before the implementation of ORION, documents were coded by business units and sent to the records management staff where the documents were microfilmed and indexed for archival purposes. The records management staff also retrieved information from microfilm as needed. With the introduction of electronic workflow, instead of being at the back end of the transaction process, records management staff are responsible for entering work items into the appropriate system work queues, determining appropriate document codes, researching document coding errors, resolving indexing issues, and other activities that lead to efficient transaction processing. This requires a much higher level of decision-making, analysis, and responsibility than in the past.

Additionally, the current Technical Services Support (HelpDesk) lead position has taken on significant additional responsibilities due to the changes in technology at the agency. The move to a server-based system and DAS requirements for detailed asset reporting, for example, have necessitated much greater coordination and tracking of hardware and software assets. This position is responsible for tracking and reporting over \$2 million in hardware and software assets and keeping the agency in compliance with all desktop software licensing agreements. In addition, as information security concerns continue to grow, the HelpDesk has implemented additional tools and procedures to ensure systems are patched on a regular basis. The HelpDesk is also doing more forensic analysis on compromised machines, a task that requires special skills and procedures. The HelpDesk lead position duties have grown in scope and level of responsibility.

**How Achieved:** This initiative will do the following:

### **Technical Operations Section (TOS)**

- Enhance ISD efficiency by improving TOS' ability to isolate problem areas **in a timely** fashion and more effectively advise and mentor ISD staff on the use of newer, distributed technologies (e.g., **IBM WebSphere, VMware**).
- Provide support for a larger system availability window.
- Improve reliability and stability of ORION.
- Ensure ongoing availability and solid performance of the ORION system, including Online Member Services.

### **Enterprise Applications Section (EAS)**

- Satisfy the required advanced level of system analysis, design, and planning expertise among developers.
- Ensure PERS existing staff develops expertise in the major components of ORION: jClarety, Microsoft SQL Server, IBM Websphere, Java Message Service, IBM FileNet, and Oracle SQR.

## BUDGET NARRATIVE

### Business Information and Technology Section (BITS)

#### Imaging (OA2 – OS1)

- Reassign document coding and workflow initiation activities from business unit staff to records staff.
- Leverage the ORION system to improve locating and reviewing of agency data, information, forms, and reports.
- Improve PERS' ability to respond efficiently to litigation and public records requests.

#### Technical Lead (ISS 4 – ISS 5)

- Centralized control over licensing and hardware inventory of entire PERS IT assets.
- Improve response time to virus and malware attacks to mitigate impact to business activities.
- Provide system forensics to determine extent of virus or malware impact to agency assets.
- Manage the automation of desktop system updates by applying system update and security patches.

### Staffing Impact:

- Reclass six Information Systems Specialist (ISS) 4 permanent positions to ISS 6 permanent positions.
- Reclass one Information Systems Specialist (ISS) 5 permanent positions to ISS 6 permanent position.
- Reclass one Information Systems Specialist (ISS) 4 permanent position to ISS 5 permanent position.
- Reclass 12 Office Assistant 2 permanent positions to Office Specialist 1 positions.

### *Modifications Included in Legislatively Adopted Budget*

- All but the 12 Office Assistant 2 permanent positions were denied a reclass.

### Quantifying Results:

#### Technical Operations Section (TOS)

- Expand the availability window for ORION and, in particular, OMS. Have OMS available to the maximum extent possible within the design constraints of the application.
- Significantly reduce the number of performance-related issues introduced during the technical design phase.
- Improve isolation and identification of performance issues, drastically reducing the time it takes to identify problem areas and initiate corrective action.

#### Enterprise Applications Section (EAS)

- The reclassification of the ISS 4 to ISS 6 in EAS will enable developers to work on more complex assignments quickly and with less rework.

## BUDGET NARRATIVE

- ORION requires applications to be developed using an RDMS (MS SQL Server) and Application Server n-tier technology (Websphere), which is more complex architecture compared to RIMS, the PERS legacy mainframe system.
- The ISS 6 will be able to gain the needed skills to analyze, design, develop, and test programs to support and maintain business solutions in ORION.
- The reclassification will alleviate some dependency on resources in TOS; for example, database design and analysis. In the past, lack of skills in EAS has delayed projects cumulatively between six weeks to three months.
- Additionally, the reclassification will save IT Professional Services dollars by at least 30 percent by reducing the need to outsource work.

### Business Information and Technology Section (BITS)

#### Imaging

- Provide day of receipt document capture with 100 percent of member documents launched into subscribed workflows or intake capture.
- Reduced transit time of received document from imaging system to business users from days to hours.
- Improvement security of personal information through electronic workflow activities using RBAC.
- Improved migration time of filmed documents to business from days to hours.

#### Help Desk/Desktop Support Lead

- Improve desktop system patch through advanced system scheduling.
- Reduced downtime of user desktop by providing improved system deployment scripting and remote troubleshooting.
- Improved licensing and desktop system management accountability using central point of management.
- Reduced business users downtime due to malware or virus attacks from days to hours.

**Package 133 Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

**2013-15 Fiscal Impact:** The anticipated impact to 2013-15 is estimated to be approximately the same amount since this request is for permanent financing.

#### *Modifications Included in Legislatively Adopted Budget*

- The reclassification of eight permanent Information Systems Specialist positions was denied.
- The reclassification of the twelve Office Assistant 2 permanent positions to Office Specialist 1 positions was approved at a total cost of \$54,684 Other Funds.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 133 - Position Reclass/Realignment

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	54,684	-	-	-	54,684
<b>Total Revenues</b>	-	-	<b>\$54,684</b>	-	-	-	<b>\$54,684</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	46,968	-	-	-	46,968
Public Employees' Retire Cont	-	-	6,769	-	-	-	6,769
Social Security Taxes	-	-	3,593	-	-	-	3,593
Mass Transit Tax	-	-	282	-	-	-	282
Reconciliation Adjustment	-	-	(2,928)	-	-	-	(2,928)
<b>Total Personal Services</b>	-	-	<b>\$54,684</b>	-	-	-	<b>\$54,684</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	54,684	-	-	-	54,684
<b>Total Expenditures</b>	-	-	<b>\$54,684</b>	-	-	-	<b>\$54,684</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

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PACKAGE: 133 - Position Reclas/Realignment

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
0136950	OA	C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	04	2,128.00		51,072- 41,462-			51,072- 41,462-
0136950	OA	C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	05	2,284.00		54,816 42,289			54,816 42,289
0136990	OA	C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	04	2,128.00		51,072- 41,462-			51,072- 41,462-
0136990	OA	C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	05	2,284.00		54,816 42,289			54,816 42,289
0137040	OA	C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	07	2,380.00		57,120- 42,797-			57,120- 42,797-
0137040	OA	C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	08	2,585.00		62,040 43,882			62,040 43,882
0137470	OA	C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	04	2,128.00		51,072- 41,462-			51,072- 41,462-
0137470	OA	C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	05	2,284.00		54,816 42,289			54,816 42,289
0300051	OA	C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	04	2,128.00		51,072- 41,462-			51,072- 41,462-
0300051	OA	C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	05	2,284.00		54,816 42,289			54,816 42,289
0911417	OA	C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	03	2,052.00		49,248- 41,061-			49,248- 41,061-
0911417	OA	C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	04	2,214.00		53,136 41,918			53,136 41,918
0911418	OA	C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	03	2,052.00		49,248- 41,061-			49,248- 41,061-
0911418	OA	C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	04	2,214.00		53,136 41,918			53,136 41,918
0911419	OA	C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	03	2,052.00		49,248- 41,061-			49,248- 41,061-
0911419	OA	C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	04	2,214.00		53,136 41,918			53,136 41,918

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

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PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 133 - Position Reclass/Realignment

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE	
0911420	OA C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	03	2,052.00		49,248- 41,061-			49,248- 41,061-	
0911420	OA C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	04	2,214.00		53,136 41,918			53,136 41,918	
0911421	OA C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	04	2,128.00		51,072- 41,462-			51,072- 41,462-	
0911421	OA C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	05	2,284.00		54,816 42,289			54,816 42,289	
0911422	OA C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	03	2,052.00		49,248- 41,061-			49,248- 41,061-	
0911422	OA C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	04	2,214.00		53,136 41,918			53,136 41,918	
9100123	OA C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	03	2,052.00		49,248- 41,061-			49,248- 41,061-	
9100123	OA C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	04	2,214.00		53,136 41,918			53,136 41,918	
TOTAL PICS SALARY												46,968	
TOTAL PICS OPE												10,362	
TOTAL PICS PERSONAL SERVICES *					.00	.00						57,330	

## BUDGET NARRATIVE

### Package 134 Legislative Concept: PERS Housekeeping Bill

#### Package Description

**Purpose:** PERS requests \$475,600 Other Funds to implement a Board-sponsored legislative concept for the 2011 Legislative Session. This housekeeping concept corrects technical discrepancies and anomalies in existing statutes and contains four provisions. Only one provision, Oregon Public Service Retirement Plan (OPSRP) Pension Program and Individual Account Program (IAP) Employer Account Vesting, would necessitate system changes to PERS' benefit administration system, Oregon Retirement Information On-Line Network (ORION).

#### *Modifications Included in Legislatively Adopted Budget*

- This package was denied because HB 2113 (2011 Legislature), which was originally based on this legislative concept, contained this package request in a fiscal impact statement.
- HB 2113 (2011 Legislature) passed and \$475,600 Other Funds was approved; see Package 840 – HB HB2113 – PERS Housekeeping on page 227.

**How Achieved:** This concept amends current statutes to allow a member to vest in the OPSRP Pension Program and in an IAP employer account if the member is an active member on or after the date the member reaches normal retirement age. Because this anomaly has existed since the inception of the OPSRP Pension Program, this provision will be retroactive to August 29, 2003.

ORION, as being currently developed, does not allow an OPSRP Pension Program member to vest if he/she reaches normal retirement age after his/her 65th birthday and has not worked 600 hours or more in each of five calendar years. The system logic would need to be changed to provide for OPSRP vesting per the concept's provision. Because this provision has a retroactive clause, queries would need to be developed to identify and correct members' account balances based on this change. The needed program changes would be contracted out as a one-time cost in the 2011-13 biennium.

## BUDGET NARRATIVE

### Staffing Impact:

- None

### Quantifying Results:

The system modifications required pursuant to this legislative concept will be developed using the agency's established Software Development LifeCycle (SDLC) methodology, Quality Assurance methodology, and Project Management methodology.

- The SDLC comprises four distinct phases
  - Inception – where high-level requirements are obtained from business stakeholders
  - Elaboration – where detailed requirements are obtained and solution design is initiated
  - Construction – where final design, coding, and initial testing occur
  - Transition – where final testing and deployment into production occur
- Each phase needs to pass through Quality Checkpoints (QCP) before the next phase can begin. These QCPs are established before the execution of each phase and are conducted by agency subject matter experts. Using the QCP process, the agency ensures the next phase can build upon approved requirements and milestones.
- Each SDLC phase (including the QCP process) proceeds using project management principles, tools, and techniques, including establishing timelines, assigning resources, and assessing/managing risks. These processes are conducted and monitored by the Project Management Office.
- Specific timelines and milestones for this project will be developed before each SDLC phase and will take into account agency priorities and resources.

**Package 134 Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

**2013-15 Fiscal Impact:** No fiscal impact in 2013-15.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 134 - Legislative Concept: PERS Housekeeping Bill

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	475,600	-	-	-	475,600
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>\$475,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$475,600</b>
<b>Services &amp; Supplies</b>							
IT Professional Services	-	-	475,600	-	-	-	475,600
<b>Total Services &amp; Supplies</b>	<b>-</b>	<b>-</b>	<b>\$475,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$475,600</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	475,600	-	-	-	475,600
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>\$475,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$475,600</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## BUDGET NARRATIVE

### Package 135 Legislative Concept: Repeal Guarantee of Inaccurate Benefits

Package is not included in the Governor's Balanced Budget or the Legislatively Adopted Budget.

The Governor's office agrees that no member should receive a higher benefit than he or she is entitled to, and that the cost of implementing this package would most likely be higher than the costs associated with any increase in benefits members will receive as a result of inaccurate information being used to calculate said benefits.

#### Package Description

**Purpose:** PERS requests \$599,300 Other Funds to implement a Board-sponsored legislative concept for the 2011 Legislative Session. SB 897 (2009) passed into law February 8, 2010. The bill permits a member of the system to request a verification of certain data elements. Once PERS issues a verification of the relevant data elements to the member, the employer may not change the information verified, nor may PERS use data elements to calculate the member's retirement benefit that are less than those verified. If the information verified is incorrect and results in an overpayment of benefits, the bill requires PERS to continue to pay benefits to a member in excess of the benefits the member actually accrued under the provisions of the plan and prohibits PERS from collecting overpayments from the member.

This concept would repeal the provisions of SB 897 that prohibit PERS from revising a member's benefits to accord with his/her work history and allow PERS to recalculate and adjust the member's benefits prospectively only. This concept would necessitate system changes to PERS' benefit administration system, Oregon Retirement Information On-Line Network (ORION).

**How Achieved:** ORION is currently being developed based on SB 897 requirements. The system will not allow or accommodate any recalculation of benefits based on delayed, incorrect, or other data problems. The system would need to be designed to undo the program logic that "locks" certain data elements that comprise a member's benefit and add an indicator in the adjustment process to prevent the creation of an invoice when associated with a data verification request. The needed program changes would be contracted out as a one-time cost in the 2011-13 biennium.

#### Staffing Impact:

- None

## BUDGET NARRATIVE

### Quantifying Results:

The system modifications required pursuant to this legislative concept will be developed using the agency's established Software Development LifeCycle (SDLC) methodology, Quality Assurance methodology, and Project Management methodology.

- The SDLC comprises four distinct phases
  - Inception – where high-level requirements are obtained from business stakeholders
  - Elaboration – where detailed requirements are obtained and solution design is initiated
  - Construction – where final design, coding, and initial testing occur
  - Transition – where final testing and deployment into production occur
- Each phase needs to pass through Quality Checkpoints (QCP) before the next phase can begin. These QCPs are established before the execution of each phase and are conducted by agency subject matter experts. Using the QCP process, the agency ensures the next phase can build upon approved requirements and milestones.
- Each SDLC phase (including the QCP process) proceeds using project management principles, tools, and techniques, including establishing timelines, assigning resources, and assessing/managing risks. These processes are conducted and monitored by the Project Management Office.
- Specific timelines and milestones for this project will be developed prior to each SDLC phase and will take into account agency priorities and resources.

**Package 135 Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

**2013-15 Fiscal Impact:** No fiscal impact in 2013-15.

## BUDGET NARRATIVE

### Package 136 Legislative Concept: OPSRP Pension Withdrawal/IAP Restrictions

#### Package Description

**Purpose:** PERS requests a placeholder of \$1 Other Funds to implement a Board-sponsored legislative concept for the 2011 Legislative Session. An Oregon Public Service Retirement Plan (OPSRP) Pension Program member may withdraw only if the member is vested and the present value of the member's pension is \$5,000 or less. That same member may, however, withdraw from the Individual Account Program (IAP) without any restriction. That dynamic sets up a potential inconsistency if that person subsequently returns to PERS-covered employment. The employee needs to serve another waiting time to establish membership in the IAP, so employee IAP contributions cannot start until the end of that waiting time. However, that same employee retains his/her OPSRP Pension Program membership, so OPSRP Pension Program employer contributions should start immediately. Having an employee be a member in one program and not the other presents irreconcilable administrative challenges for PERS' operating and employer reporting systems. This dynamic, the "employee in dual status," is specific to the OPSRP Pension Program; it does not exist in the Tier One/Tier Two Program.

#### *Modifications Included in Legislatively Adopted Budget*

- This package was denied because HB 2114 (2011 Legislature), which was based on this legislative concept, is not expected to have a fiscal impact.
- HB 2114 (2011 Legislature) was added to HB 2113 (2011 Legislature) in an amendment containing no fiscal impact.

**How Achieved:** This concept provides that a member of the OPSRP Pension Program who withdraws from the IAP but is not eligible to withdraw from the OPSRP Pension Program, thereby retaining membership in the OPSRP Pension Program, need not serve another IAP waiting time upon returning to PERS-covered employment. The returning employee would immediately become an active member of both programs, thus eliminating the "employee in dual status." This agency legislative concept was submitted as a placeholder request and was submitted to the Department of Administrative Services (DAS) July 14, 2010. This concept as draft, would not have a fiscal impact; however, a \$1 placeholder is requested until DAS has reviewed the concept and it has been approved by the Governor's Office.

**Staffing Impact:** This package is a placeholder.

**Quantifying Results:** This package is a placeholder.

**Package 136 Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

**2013-15 Fiscal Impact:** No fiscal impact in 2013-15.

# BUDGET NARRATIVE

## Package 801 Targeted Statewide Adjustments

### Package Description

**Purpose:** To implement a statewide reduction action which is a 6.5 percent reduction from total Services and Supplies expenditures included in the Governor's budget.

**How Achieved:** (\$1,398,249) Other Funds reduction in Services and Supplies agencywide.

### Staffing Impact:

- None

### Quantifying Results:

**Package 801 Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

**2013-15 Fiscal Impact:** These reductions will become the base budget for developing the 2013-15 budget.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 801 - Targeted Statewide Adjustments

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	(1,398,249)	-	-	-	(1,398,249)
<b>Total Revenues</b>	-	-	<b>(\$1,398,249)</b>	-	-	-	<b>(\$1,398,249)</b>
<b>Services &amp; Supplies</b>							
Out of State Travel	-	-	(4,084)	-	-	-	(4,084)
Employee Training	-	-	(139,020)	-	-	-	(139,020)
Office Expenses	-	-	(345,600)	-	-	-	(345,600)
Telecommunications	-	-	(33,483)	-	-	-	(33,483)
Data Processing	-	-	(163,784)	-	-	-	(163,784)
Publicity and Publications	-	-	(20,500)	-	-	-	(20,500)
Professional Services	-	-	(432,436)	-	-	-	(432,436)
IT Professional Services	-	-	(120,000)	-	-	-	(120,000)
Employee Recruitment and Develop	-	-	(7,660)	-	-	-	(7,660)
Dues and Subscriptions	-	-	(18,373)	-	-	-	(18,373)
Other COP Costs	-	-	(4,000)	-	-	-	(4,000)
Expendable Prop 250 - 5000	-	-	(5,700)	-	-	-	(5,700)
IT Expendable Property	-	-	(103,609)	-	-	-	(103,609)
<b>Total Services &amp; Supplies</b>	-	-	<b>(\$1,398,249)</b>	-	-	-	<b>(\$1,398,249)</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	(1,398,249)	-	-	-	(1,398,249)
<b>Total Expenditures</b>	-	-	<b>(\$1,398,249)</b>	-	-	-	<b>(\$1,398,249)</b>

2011-13 Biennium

Essential and Policy Package Fiscal Impact Summary - BPR013

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 801 - Targeted Statewide Adjustments

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

## BUDGET NARRATIVE

### Package 802 Vacant Position Savings

#### Package Description

**Purpose:** To eliminate one permanent part-time position which has been vacant for an extended period of time.

**How Achieved:** (\$13,352) Other Funds reduction in Personal Services and the elimination of 1 permanent part-time position (0.17 FTE).

#### Staffing Impact:

- One permanent part-time Electronic Publishing Design Specialist 2 position (0.17 FTE).

#### Quantifying Results:

**Package 802 Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

**2013-15 Fiscal Impact:** This is a permanent reduction and therefore it will also impact 2013-15.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 802 - Vacant Position Savings

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	(13,352)	-	-	-	(13,352)
<b>Total Revenues</b>	-	-	<b>(\$13,352)</b>	-	-	-	<b>(\$13,352)</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	(11,780)	-	-	-	(11,780)
Empl. Rel. Bd. Assessments	-	-	(41)	-	-	-	(41)
Public Employees' Retire Cont	-	-	(1,698)	-	-	-	(1,698)
Social Security Taxes	-	-	(901)	-	-	-	(901)
Worker's Comp. Assess. (WCD)	-	-	(59)	-	-	-	(59)
Reconciliation Adjustment	-	-	1,127	-	-	-	1,127
<b>Total Personal Services</b>	-	-	<b>(\$13,352)</b>	-	-	-	<b>(\$13,352)</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	(13,352)	-	-	-	(13,352)
<b>Total Expenditures</b>	-	-	<b>(\$13,352)</b>	-	-	-	<b>(\$13,352)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions	-	-	-	-	-	-	(1)
<b>Total Positions</b>	-	-	-	-	-	-	<b>(1)</b>

2011-13 Biennium

Essential and Policy Package Fiscal Impact Summary - BPR013

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
Pkg: 802 - Vacant Position Savings

Cross Reference Name: Operations  
Cross Reference Number: 45900-300-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total FTE							
Total FTE							(0.17)
<b>Total FTE</b>	-	-	-	-	-	-	<b>(0.17)</b>

# BUDGET NARRATIVE

06/12/11 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 302 - Vacant Position Savings

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
8700107	0A	C2511 AA ELECTRONIC PUB DESIGN SPEC 3	1-	.17-	4.00-	02	3,945.00		11,780- 2,699-			11,780- 2,699-
TOTAL PICS SALARY									11,780-			11,780-
TOTAL PICS OPE									2,699-			2,699-
TOTAL PICS PERSONAL SERVICES -			1-	.17-	4.00-				14,479-			14,479-

## BUDGET NARRATIVE

### Package 805 Budget Reconciliation Adjustments (SB 5508)

#### Package Description

**Purpose:** To reflect savings, (\$34,511) Other Funds, in multiple agencies based on reductions in Department of Administrative Services' assessments and charges for services.

**How Achieved:** Omnibus adjustments reflect the following reductions in Services & Supplies:

- (\$23,191) Other Funds reduction in State Government Charges
- (\$ 2,069) Other Funds reduction in Data Processing due to a reduction in State Data Center charges.
- (\$ 9,251) Other Funds reduction in Dispute Resolution Services reflecting a reduction in Office of Administrative Hearings charges.

#### Staffing Impact:

- None

#### Quantifying Results:

**Package 802 Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

**2013-15 Fiscal Impact:** There is no anticipated impact to 2013-15 Other Funds budget.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 805 - Budget Reconciliation Adjustments (SB 5508)

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	(34,511)	-	-	-	(34,511)
<b>Total Revenues</b>	-	-	<b>(\$34,511)</b>	-	-	-	<b>(\$34,511)</b>
<b>Services &amp; Supplies</b>							
State Gov. Service Charges	-	-	(23,191)	-	-	-	(23,191)
Data Processing	-	-	(2,069)	-	-	-	(2,069)
Dispute Resolution Services	-	-	(9,251)	-	-	-	(9,251)
<b>Total Services &amp; Supplies</b>	-	-	<b>(\$34,511)</b>	-	-	-	<b>(\$34,511)</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	(34,511)	-	-	-	(34,511)
<b>Total Expenditures</b>	-	-	<b>(\$34,511)</b>	-	-	-	<b>(\$34,511)</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

# BUDGET NARRATIVE

## Package 840 HB 2113 – PERS Housekeeping

### Package Description

**Purpose:** HB 2113 modifies the retirement plan statutes administered by PERS. One portion of the bill, revising Oregon Public Service Retirement Plan (OPSRP) Pension Program and Individual Account Program (IAP) Employer Account Vesting, necessitates system changes to PERS' benefit administration system, Oregon Retirement Information On-Line Network (ORION). The Subcommittee approved \$475,600 Other Funds for PERS to make one-time system modifications supporting the changes in this bill. This package supersedes Package 134 (see page 209).

**How Achieved:** This measure amends current statutes to allow a member to vest in the OPSRP Pension Program and in an IAP employer account if the member is an active member on or after the date the member reaches normal retirement age. Because this anomaly has existed since the inception of the OPSRP Pension Program, this provision will be retroactive to August 29, 2003.

ORION, as being currently developed, does not allow an OPSRP Pension Program member to vest if he/she reaches normal retirement age after his/her 65th birthday and has not worked 600 hours or more in each of five calendar years. The system logic would need to be changed to provide for OPSRP vesting per the concept's provision. Because this provision has a retroactive clause, queries would need to be developed to identify and correct members' account balances based on this change. The needed program changes would be contracted out as a one-time cost in the 2011-13 biennium.

### Staffing Impact:

- None

**Quantifying Results:** The system modifications required pursuant to this legislative concept will be developed using the agency's established Software Development Life Cycle (SDLC) methodology, Quality Assurance methodology, and Project Management methodology.

- The SDLC comprises four distinct phases
  - Inception – where high-level requirements are obtained from business stakeholders
  - Elaboration – where detailed requirements are obtained and solution design is initiated
  - Construction – where final design, coding, and initial testing occur
  - Transition – where final testing and deployment into production occur
- Each phase needs to pass through Quality Check Points (QCP) before the next phase can begin. These QCPs are established before the execution of each phase and are conducted by agency subject matter experts. Using the QCP process, the agency ensures the next phase can build upon approved requirements and milestones.

## BUDGET NARRATIVE

- Each SDLC phase (including the QCP process) proceeds using project management principles, tools, and techniques, including establishing timelines, assigning resources, and assessing/managing risks. These processes are conducted and monitored by the Project Management Office.
- Specific timelines and milestones for this project will be developed before each SDLC phase and will take into account agency priorities and resources.

**Package 840 Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

**2013-15 Fiscal Impact:** No fiscal impact in 2013-15.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 840 - HB 2113 - PERS Housekeeping

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	475,600	-	-	-	475,600
<b>Total Revenues</b>	-	-	<b>\$475,600</b>	-	-	-	<b>\$475,600</b>
<b>Services &amp; Supplies</b>							
IT Professional Services	-	-	475,600	-	-	-	475,600
<b>Total Services &amp; Supplies</b>	-	-	<b>\$475,600</b>	-	-	-	<b>\$475,600</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	475,600	-	-	-	475,600
<b>Total Expenditures</b>	-	-	<b>\$475,600</b>	-	-	-	<b>\$475,600</b>
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-

## BUDGET NARRATIVE

### Package 841 HB 2456 – Prohibit Tax Remedy for Nonresidents

#### Package Description

**Purpose:** HB 2456 prohibits the Public Employees Retirement Board from paying an increased benefit under the tax remedy provisions of HB 3349 (chapter 569, Oregon Laws 1995) if a person receiving payments is not a resident of Oregon and is not subject to Oregon personal income tax (Oregon tax) under ORS 316.127(9). The prohibition against payment of the HB 3349 tax remedy does not apply to:

- members who retired before January 1, 2012;
- persons who receive payments attributable to the retirement of a member who retired before January 1, 2012; and
- any other person who receives payments that began before January 1, 2012.

The bill does not apply to or restrict the payment of the tax remedy enacted by SB 656 (1991 Session), codified at ORS 238.385.

**How Achieved:** There are two significant cost components in implementing this bill. The Subcommittee approved a total one-time increase of \$570,412 Other Funds and the establishment of one part-time limited duration position (0.75 FTE) to make the required system modifications and to implement a manual work-around until such system modifications is completed.

#### Staffing Impact:

- One part-time limited duration Retirement Counselor 1 position (0.75 FTE).

**Quantifying Results:** The system modifications required pursuant to this legislative concept will be developed using the agency's established Software Development Life Cycle (SDLC) methodology, Quality Assurance methodology, and Project Management methodology.

- The SDLC comprises four distinct phases
  - Inception – where high-level requirements are obtained from business stakeholders
  - Elaboration – where detailed requirements are obtained and solution design is initiated
  - Construction – where final design, coding, and initial testing occur
  - Transition – where final testing and deployment into production occur
- Each phase needs to pass through Quality Check Points (QCP) before the next phase can begin. These QCPs are established before the execution of each phase and are conducted by agency subject matter experts. Using the QCP process, the agency ensures the next phase can build upon approved requirements and milestones.
- Each SDLC phase (including the QCP process) proceeds using project management principles, tools, and techniques, including establishing timelines, assigning resources, and assessing/managing risks. These processes are conducted and monitored by the Project Management Office.

## BUDGET NARRATIVE

- Specific timelines and milestones for this project will be developed before each SDLC phase and will take into account agency priorities and resources.

**Package 840 Revenue Source:** Revenues to fund administrative expenditures are obtained from the various PERS programs and activities in accordance with Oregon Revised Statutes and applicable administrative rules.

**2013-15 Fiscal Impact:** No fiscal impact in 2013-15.

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon  
 Pkg: 841 - HB 2456 - Prohibit Tax Remedy for Nonresidents

Cross Reference Name: Operations  
 Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Revenues</b>							
Transfer In - Intrafund	-	-	570,412	-	-	-	570,412
<b>Total Revenues</b>	-	-	<b>\$570,412</b>	-	-	-	<b>\$570,412</b>
<b>Personal Services</b>							
Class/Unclass Sal. and Per Diem	-	-	50,688	-	-	-	50,688
Overtime Payments	-	-	23,300	-	-	-	23,300
Empl. Rel. Bd. Assessments	-	-	41	-	-	-	41
Public Employees' Retire Cont	-	-	10,662	-	-	-	10,662
Social Security Taxes	-	-	5,660	-	-	-	5,660
Worker's Comp. Assess. (WCD)	-	-	59	-	-	-	59
Mass Transit Tax	-	-	444	-	-	-	444
Flexible Benefits	-	-	30,096	-	-	-	30,096
Reconciliation Adjustment	-	-	4,462	-	-	-	4,462
<b>Total Personal Services</b>	-	-	<b>\$125,412</b>	-	-	-	<b>\$125,412</b>
<b>Services &amp; Supplies</b>							
IT Professional Services	-	-	445,000	-	-	-	445,000
<b>Total Services &amp; Supplies</b>	-	-	<b>\$445,000</b>	-	-	-	<b>\$445,000</b>
<b>Total Expenditures</b>							
Total Expenditures	-	-	570,412	-	-	-	570,412
<b>Total Expenditures</b>	-	-	<b>\$570,412</b>	-	-	-	<b>\$570,412</b>

# BUDGET NARRATIVE

## ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Public Employees Retirement System, Oregon

Cross Reference Name: Operations

Pkg: 841 - HB 2456 - Prohibit Tax Remedy for Nonresidents

Cross Reference Number: 45900-300-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
<b>Ending Balance</b>							
Ending Balance	-	-	-	-	-	-	-
<b>Total Ending Balance</b>	-	-	-	-	-	-	-
<b>Total Positions</b>							
Total Positions							1
<b>Total Positions</b>	-	-	-	-	-	-	<b>1</b>
<b>Total FTE</b>							
Total FTE							0.75
<b>Total FTE</b>	-	-	-	-	-	-	<b>0.75</b>

# BUDGET NARRATIVE

06/12/11 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM  
 PACKAGE: 841 - HB 2456 - Prohibit Tax Remedy

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 PICS SYSTEM: BUDGET PREPARATION  
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POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	PTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1384101	OA C0841	AA RETIREMENT COUNSELOR 1	1	.75	18.00	02	3,816.00		50,688 41,378			50,688 41,378
TOTAL PICS SALARY									50,688			50,688
TOTAL PICS OPE									41,378			41,378
TOTAL PICS PERSONAL SERVICES =			1	.75	18.00				92,066			92,066

# BUDGET NARRATIVE

## DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Public Employees Retirement System, Oregon  
2011-13 Biennium

Agency Number: 45900  
Cross Reference Number: 45900-300-00-00000

Source	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>Other Funds</b>						
Charges for Services	2,181,108	7,648,000	7,648,000	2,422,928	2,422,928	2,422,928
Interest Income	2,007,285	2,880,000	2,880,000	1,566,500	1,566,500	1,566,500
Other Revenues	164,341	526,500	526,500	220,500	220,500	220,500
Transfer In - Intrafund	142,861,681	76,574,052	77,074,052	77,757,251	73,201,813	71,749,579
Transfer Out - Intrafund	(68,948,085)	(4,198,012)	(4,198,012)	(1,752,391)	(1,752,391)	(1,752,391)
Tsfr To Governor, Office of the	-	(79,500)	(79,500)	(79,500)	(79,500)	(79,500)
<b>Total Other Funds</b>	<b>\$78,266,330</b>	<b>\$83,351,040</b>	<b>\$83,851,040</b>	<b>\$80,135,288</b>	<b>\$75,579,850</b>	<b>\$74,127,616</b>

**BUDGET NARRATIVE**

**Detail of Lottery Funds, Other Funds, and Federal Funds Revenue**

Source	Fund	ORBITS Revenue Acct	2007-2009 Actual	2009-11 Legislatively Adopted	2009-11 Estimated	2011-13		
						Agency Request	Governor's Recommended	Legislatively Adopted
<b>Operations</b>								
Charges for Services	Limited Other	Charges for Services	2,181,108	7,648,000	2,133,430	2,422,928	2,422,928	2,422,928
Interest Earnings	Limited Other	Interest Income	2,007,285	2,880,000	1,608,500	1,566,500	1,566,500	1,566,500
Other	Limited Other	Other Revenue	164,341	526,500	281,608	220,500	220,500	220,500
Transfer to Governor, Office of	Limited Other	Transfer to Governor, Office of	0	(79,500)	(79,500)	(79,500)	(79,500)	(79,500)

2009-11

**107BF07**

Agency Request

Governor's Balanced Budget

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Program Unit Appropriated Fund Group and Category Summary  
2011-13 Biennium  
Operations

Version: Z - 01 - Leg. Adopted Budget  
Cross Reference Number: 45900-300-00-00000

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>LIMITED BUDGET (Excluding Packages)</b>						
PERSONAL SERVICES						
Other Funds	49,613,042	52,559,956	52,559,956	54,058,822	54,058,822	54,058,822
SERVICES & SUPPLIES						
Other Funds	27,421,155	27,007,084	27,507,084	27,507,084	27,507,084	27,507,084
CAPITAL OUTLAY						
Other Funds	350,966	593,588	593,588	593,588	593,588	593,588
<b>TOTAL LIMITED BUDGET (Excluding Packages)</b>						
Other Funds	77,385,163	80,160,628	80,660,628	82,159,494	82,159,494	82,159,494
AUTHORIZED POSITIONS	394	362	362	325	325	325
AUTHORIZED FTE	393.50	361.55	361.55	324.50	324.50	324.50
<b>LIMITED BUDGET (Essential Packages)</b>						
010 NON-PICS PSNL SVC / VACANCY FACTOR						
PERSONAL SERVICES						
Other Funds	-	-	-	335,752	335,752	335,752
022 PHASE-OUT PGM & ONE-TIME COSTS						
SERVICES & SUPPLIES						
Other Funds	-	-	-	(9,367,730)	(9,367,730)	(9,367,730)
031 STANDARD INFLATION						
SERVICES & SUPPLIES						
Other Funds	-	-	-	1,199,643	1,199,643	1,199,643

2011-13 Biennium

Program Unit Appropriated Fund and Category Summary- BPR007A

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Program Unit Appropriated Fund Group and Category Summary  
2011-13 Biennium  
Operations**

Version: Z - 01 - Leg. Adopted Budget  
Cross Reference Number: 45900-300-00-00-00000

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>CAPITAL OUTLAY</b>						
Other Funds	-	-	-	14,245	14,245	14,245
<b>032 ABOVE STANDARD INFLATION</b>						
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	119,986	119,986	119,986
<b>033 EXCEPTIONAL INFLATION</b>						
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	1,878	1,878	1,878
<b>TOTAL LIMITED BUDGET (Essential Packages)</b>						
Other Funds	-	-	-	(7,696,226)	(7,696,226)	(7,696,226)
<b>LIMITED BUDGET (Current Service Level)</b>						
Other Funds	77,385,163	80,160,628	80,660,628	74,463,268	74,463,268	74,463,268
<b>AUTHORIZED POSITIONS</b>	394	362	362	325	325	325
<b>AUTHORIZED FTE</b>	393.50	361.55	361.55	324.50	324.50	324.50
<b>LIMITED BUDGET (Policy Packages)</b>						
<b>PRIORITY 0</b>						
<b>081 MAY 2010 E-BOARD</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	-	-	-	288,775	715,413	715,413
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	13,000	36,800	36,800

2011-13 Biennium

Program Unit Appropriated Fund and Category Summary- BPR007A

\_\_\_ Agency Request

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Program Unit Appropriated Fund Group and Category Summary  
2011-13 Biennium  
Operations

Version: Z - 01 - Leg. Adopted Budget  
Cross Reference Number: 45900-300-00-00-00000

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
AUTHORIZED POSITIONS	-	-	-	2	6	6
AUTHORIZED FTE	-	-	-	2.00	6.00	6.00
<b>086 ELIMINATE INFLATION</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	-	-	-	-	(21,845)	(21,845)
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	-	(599,922)	(599,922)
<b>CAPITAL OUTLAY</b>						
Other Funds	-	-	-	-	(14,245)	(14,245)
<b>087 PERSONAL SERVICE ADJUSTMENTS</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	-	-	-	-	(2,991,702)	(2,991,702)
<b>801 TARGETED STATEWIDE ADJUSTMENTS</b>						
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	-	-	(1,398,249)
<b>802 VACANT POSITION SAVINGS</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	-	-	-	-	-	(13,352)
AUTHORIZED POSITIONS	-	-	-	-	-	(1)
AUTHORIZED FTE	-	-	-	-	-	(0.17)
<b>805 BUDGET RECONCILIATION ADJUSTMENTS (SB )</b>						

2011-13 Biennium

Program Unit Appropriated Fund and Category Summary- BPR007A

\_\_\_ Agency Request

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Program Unit Appropriated Fund Group and Category Summary  
 2011-13 Biennium  
 Operations

Version: Z - 01 - Leg. Adopted Budget  
 Cross Reference Number: 45900-300-00-00-00000

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	-	-	(34,511)
<b>840 HB 2113 - PERS HOUSEKEEPING</b>						
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	-	-	475,600
<b>841 HB 2456 - PROHIBIT TAX REMEDY FOR NONRES</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	-	-	-	-	-	125,412
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	-	-	445,000
<b>AUTHORIZED POSITIONS</b>						
AUTHORIZED POSITIONS	-	-	-	-	-	1
<b>AUTHORIZED FTE</b>						
AUTHORIZED FTE	-	-	-	-	-	0.75
<b>PRIORITY 1</b>						
<b>131 BUSINESS ENTERPRISE-CORE BUSINESS FUNC</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	-	-	-	4,869,827	4,159,466	3,853,667
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	247,850	224,050	209,050
<b>AUTHORIZED POSITIONS</b>						
AUTHORIZED POSITIONS	-	-	-	37	33	30
<b>AUTHORIZED FTE</b>						
AUTHORIZED FTE	-	-	-	37.00	33.00	30.00
<b>PRIORITY 2</b>						

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Program Unit Appropriated Fund and Category Summary- BPR007A

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Program Unit Appropriated Fund Group and Category Summary  
2011-13 Biennium  
Operations**

Version: Z - 01 - Leg. Adopted Budget  
Cross Reference Number: 45900-300-00-00-00000

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>132 INFRASTRUCTURE MAINTENANCE &amp; ENHANCEI</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	-	-	-	626,065	591,631	460,612
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	1,914,140	1,914,140	1,911,140
<b>CAPITAL OUTLAY</b>						
Other Funds	-	-	-	334,000	334,000	334,000
<b>AUTHORIZED POSITIONS</b>	-	-	-	4	4	3
<b>AUTHORIZED FTE</b>	-	-	-	4.00	4.00	3.00
<b>PRIORITY 3</b>						
<b>133 POSITION RECLASS/REALIGNMENT</b>						
<b>PERSONAL SERVICES</b>						
Other Funds	-	-	-	186,666	176,399	54,684
<b>PRIORITY 4</b>						
<b>134 LEGISLATIVE CONCEPT: PERS HOUSEKEEPING</b>						
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	475,600	475,600	-
<b>PRIORITY 5</b>						
<b>135 LEG CONCEPT: REPEAL GUARANTEE OF INACC</b>						
<b>SERVICES &amp; SUPPLIES</b>						
Other Funds	-	-	-	599,300	-	-

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Program Unit Appropriated Fund and Category Summary- BPR007A

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Program Unit Appropriated Fund Group and Category Summary  
2011-13 Biennium  
Operations**

Version: Z - 01 - Leg. Adopted Budget  
Gross Reference Number: 45900-300-00-00-00000

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
PRIORITY 6						
136 LEG CONCEPT: OPSRP PENSION WITHDRAWAL						
SERVICES & SUPPLIES						
Other Funds	-	-	-	1	1	-
<b>TOTAL LIMITED BUDGET (Policy Packages)</b>						
Other Funds	-	-	-	9,555,224	4,999,786	3,547,552
<b>AUTHORIZED POSITIONS</b>	-	-	-	43	43	39
<b>AUTHORIZED FTE</b>	-	-	-	43.00	43.00	39.58
<b>TOTAL LIMITED BUDGET (Including Packages)</b>						
Other Funds	77,385,163	80,160,628	80,660,628	84,018,492	79,463,054	78,010,820
<b>AUTHORIZED POSITIONS</b>	394	362	362	368	368	364
<b>AUTHORIZED FTE</b>	393.50	361.55	361.55	367.50	367.50	364.08
<b>OPERATING BUDGET</b>						
Other Funds	77,385,163	80,160,628	80,660,628	84,018,492	79,463,054	78,010,820
<b>AUTHORIZED POSITIONS</b>	394	362	362	368	368	364
<b>AUTHORIZED FTE</b>	393.50	361.55	361.55	367.50	367.50	364.08
<b>TOTAL BUDGET</b>						
Other Funds	77,385,163	80,160,628	80,660,628	84,018,492	79,463,054	78,010,820
<b>AUTHORIZED POSITIONS</b>	394	362	362	368	368	364
<b>AUTHORIZED FTE</b>	393.50	361.55	361.55	367.50	367.50	364.08

2011-13 Biennium

Program Unit Appropriated Fund and Category Summary- BPR007A

\_\_\_ Agency Request

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## BUDGET NARRATIVE

### Debt Service

#### Overview

This program accounts for debt service payments on Certificates of Participation (COP) issued to finance the PERS headquarters building construction. The COP for IT systems start-up supporting OPSRP was paid off May 1, 2009, and is only reflected in “2007-09 Actual” column in the accompanying reports.

This COP is to make the principle payment of \$1,070,000 Other Funds and interest payments of \$348,600 Other Funds on the Oregon Public Retirement System Certificate of Participation Series 2002, Series B, Partial Refunding of the 1996 Series A-PERS Office Building according to the Debt Service Schedule. The remaining balance is \$2.51 million as of May 2013 and will be fully paid by May 2017.

#### Base Budget Adjustments

This is a decrease of \$4,475 in Other Funds Limitation debt service. The debt service adjustment is made in accordance with budget instructions and based on established repayment schedules provided by DAS.

# BUDGET NARRATIVE

## DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Public Employees Retirement System, Oregon  
2011-13 Biennium

Agency Number: 45900  
Cross Reference Number: 45900-400-00-00000

Source	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>Other Funds</b>						
Other Revenues	4,327	3,000	3,000	3,000	3,000	3,000
Transfer In - Intrafund	5,707,723	1,420,075	1,420,075	1,415,600	1,415,600	1,415,600
Transfer Out - Intrafund	(2,850)	-	-	-	-	-
<b>Total Other Funds</b>	<b>\$5,709,200</b>	<b>\$1,423,075</b>	<b>\$1,423,075</b>	<b>\$1,418,600</b>	<b>\$1,418,600</b>	<b>\$1,418,600</b>

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Detail of LF, OF, and FF Revenues - BPR012

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

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## BUDGET NARRATIVE

### DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Source	Fund	ORBITS Revenue Acct	2007-09 Actual	2009-11 Legislatively Adopted	2009-11 Estimated	2011-13		
						Agency Request	Governor's Recommended	Legislatively Adopted
<b>Debt Service</b>								
Other	Limited Other	Other Revenues	4,327	3,000	3,000	3,000	3,000	3,000
Transfer In – Intrafund	Limited Other	Transfer In – Intrafund	5,707,723	1,420,075	1,420,075	1,415,600	1,415,600	1,415,600
Transfer Out – Intrafund	Limited Other	Transfer Out – Intrafund	(2,850)					

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\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Program Unit Appropriated Fund Group and Category Summary  
 2011-13 Biennium  
 Debt Service

Version: Z - 01 - Leg. Adopted Budget  
 Cross Reference Number: 45900-400-00-00-00000

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>DEBT SERVICE (Excluding Packages)</b>						
DEBT SERVICE						
Other Funds	5,709,200	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600
<b>TOTAL DEBT SERVICE (Excluding Packages)</b>						
Other Funds	5,709,200	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600
<b>DEBT SERVICE (Current Service Level)</b>						
Other Funds	5,709,200	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600
<b>TOTAL DEBT SERVICE (Including Packages)</b>						
Other Funds	5,709,200	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600
<b>TOTAL BUDGET</b>						
Other Funds	5,709,200	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600

2011-13 Biennium

\_\_\_\_ Legislatively Adopted  
 Program Unit Appropriated Fund and Category Summary- BPR007A

\_\_\_\_ Agency Request

\_\_\_\_ Governor's Balanced Budget

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## BUDGET NARRATIVE

### Facilities Maintenance and Management

#### *Facilities Maintenance Discussion*

PERS headquarters building was built in 1996 and Department of Administration Services Facilities Services has provided annual maintenance. There is no deferred maintenance due to the age of the building. There are sufficient dollars in the facilities maintenance account in PERS Current Service Level Budget to cover the routine annual maintenance and occasional repairs to the HVAC system. In the 2007-09 biennium, an additional \$198,413 Other Funds in Policy Package 114 was approved for a one-time expenditure of carpet replacement and re-painting. PERS does not anticipate any relocations of workspace at this time.

# BUDGET NARRATIVE

## Facilities Maintenance Summary Report

AGENCY: Public Employees Retirement System  
 Agency #: 45900

Value of Buildings and Building Improvements			Facilities Operations and Maintenance (O&M) Budget			
<u>Cost of Buildings</u> <small>(as reported to Risk Management)</small>	<u>6/30/10 Replacement Value</u> <small>(Risk Management)</small>		<u>Personal Services</u>	<u>Services &amp; Supplies</u>	<u>Total</u>	
\$ 7,436,081	\$ 7,958,118		\$ 24,629	\$ 595,772	\$ 620,401	
Total Sq. Ft. of Bldgs: 60,220 sq. ft.		2011-13 Maint. Budget (no janitorial or utility) ÷ Square Feet of building: \$10.30 sq. ft.		Utilities Budget (and Janitorial): \$ 801,576		
Total Outstanding Deferred Maintenance			Deferred Maintenance Budget 2011-13			
	<u>Categories 1-2</u>	<u>Categories 3-5</u>	<u>Total</u>	<u>Personal Services</u>	<u>Services &amp; Supplies</u>	<u>Capital Outlay</u>
<b>As of 6/30/10</b>	\$ 0	\$ 0				
<b>Projected 6/30/11</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Briefly describe the software (or manual process) used to identify routine (including preventative) facility maintenance needs. We do not use tracking software to identify maintenance. DAS Facilities performs and schedules annual maintenance and preventative tasks.

What data elements do you track with software (or manual process) described above? Most of the maintenance tasks are annual requirements. The facility manager monitors and coordinates the scheduling, so the requirements and scheduling are manually tracked.

Briefly describe how the facilities maintenance budget is developed (note whether software (or manual process) described above is used in budget development). There is no software used to develop the facilities maintenance budget. Most of it (over 80 percent) is set by DAS through estimates for the interagency facilities maintenance agreement listed with the biennial budget instructions. The remaining budget portion is used for unplanned DAS special project (non-IA) maintenance costs and for non-DAS maintenance work. This portion is carried forward with inflation added.  
 Briefly describe the system or process used to identify Deferred Maintenance (e.g.; *staff makes an annual estimate based on periodic assessments; evaluation of facilities using contract structural engineering firm, etc.*) PERS has not had to defer any maintenance for the HQ building. All unplanned maintenance needs have been covered through existing budgets.

Briefly describe the process to provide funding for facilities maintenance. (e.g.; biennial appropriation; assessment to applicable programs to sustain a Capital Maintenance/ Improvement Fund authorized under ORS 276.285(2); etc.) Other Funds biennial appropriation.

**Statutory references: ORS 276.229(2), ORS 276.227(5)**

\_\_\_\_ Agency Request      \_\_\_\_ Governor's Balanced Budget       X  Legislatively Adopted

# BUDGET NARRATIVE

## Facilities Operations and Maintenance Report

(Excluding facilities improvements and deferred maintenance)

AGENCY Name: Public Employees Retirement System

Agency #: 45900

	2007-09 Actuals		Leg Approved 2009-11		2009-11 Estimates		2011-13 Budget	
		FTE		FTE		FTE		FTE
<b>General Fund</b>								
Personal Serv - Utilities & Janitorial	\$		\$		\$		\$	
Personal Services - Maintenance	\$		\$		\$		\$	
S&S - Utilities & Janitorial	\$		\$		\$		\$	
S&S - Maintenance	\$		\$		\$		\$	
<b>GF Subtotal</b>	\$		\$		\$		\$	
<b>Lottery Funds</b>								
Personal Serv - Utilities & Janitorial	\$		\$		\$		\$	
Personal Services - Maintenance	\$		\$		\$		\$	
S&S - Utilities & Janitorial	\$		\$		\$		\$	
S&S - Maintenance	\$		\$		\$		\$	
<b>LF Subtotal</b>	\$		\$		\$		\$	
<b>Other Funds</b>								
Personal Serv - Utilities & Janitorial	\$24,837	.14	\$26,111	.14	\$24,653	.14	\$28,734	.14
Personal Services - Maintenance	\$21,288	.12	\$22,380	.12	\$21,132	.12	\$24,629	.12
S&S - Utilities & Janitorial	\$604,071		\$600,435		\$683,131		\$772,842	
S&S - Maintenance	\$854,920		\$529,956		\$626,115		\$595,772	
<b>OF Subtotal</b>	<b>\$1,505,116</b>		<b>\$1,178,882</b>		<b>\$1,355,031</b>		<b>\$1,421,977</b>	
<b>Federal Funds</b>								
Personal Serv - Utilities & Janitorial	\$		\$		\$		\$	
Personal Services - Maintenance	\$		\$		\$		\$	
S&S - Utilities & Janitorial	\$		\$		\$		\$	
S&S - Maintenance	\$		\$		\$		\$	
<b>FF Subtotal</b>	\$		\$		\$		\$	
<b>Total All Funds</b>	<b>\$ 1,505,116</b>		<b>\$ 1,178,882</b>		<b>\$ 1,355,031</b>		<b>\$ 1,421,977</b>	

The Facilities Operations and Maintenance budget includes costs to operate and maintain facilities and keep them in repair including utilities, janitorial and maintenance costs. Maintenance costs are categorized as external building (roof, siding, windows, etc.); interior systems (electrical, mechanical, interior walls, doors, etc.); roads and ground (groundskeeper, parking lots, sidewalks, etc.) and centrally operated systems (electrical, mechanical, etc.). Agencies with significant facilities may include support staff if directly associated with facilities maintenance activities. Do not include other overhead costs such as accounting, central government charges, etc.

\_\_\_\_ Agency Request

\_\_\_\_ Governor's Balanced Budget

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## BUDGET NARRATIVE

### Special Reports

#### Information Technology-related Project and Initiatives

		<b>(that Equal or Exceed \$150,000)</b>					
Agency Name:	PUBLIC EMPLOYEES RETIREMENT SYSTEM						
Project Name:	Call Center Upgrade						
Mandated Project?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	By: Legislature, Federal Gov, Other (identify it)					
Budget?	<input type="checkbox"/> Base <input checked="" type="checkbox"/> POP	Which agency or state plans or goals does it align with and/or support?			Provide effective customer service.		
Project Purpose	<input checked="" type="checkbox"/> Routine Lifecycle Replacement <input checked="" type="checkbox"/> Upgrade/Enhance Existing System <input type="checkbox"/> New System						
Project Status	<input type="checkbox"/> Concept Stage <input type="checkbox"/> Planning Stage <input checked="" type="checkbox"/> Ready to Implement <input type="checkbox"/> Continuation of Existing Project						
SDC Involvement	<input checked="" type="checkbox"/> None <input type="checkbox"/> Minor <input type="checkbox"/> Active <input type="checkbox"/> Participating Partner						
Estimate SDC Costs	\$ <input type="checkbox"/> Preliminary Estimate <input type="checkbox"/> Project Design Estimate						
<b>Project Description:</b>							
The agency's Customer Service call center application, Symposium, has been in place for approximately 5 years and is a critical component to the agency's operations. This system allows the Customer Service division to receive, distribute, and track customer phone calls. The system is integrated into ORION and improves efficiency by pre-loading call agent workstation screens with member information from jClarety using a Telephony Application Programming Interface (TAPI). Both the Symposium software and the TAPI will no longer be supported by the vendor. With this request, the agency will upgrade the hardware and software components of this system and will migrate the current configuration and customizations from the existing platform to the new platform.							
<b>Cost Summary</b>							
Total estimated cost by fund (11-13):	General Fund	Lottery Funds	Other Funds	Non-Limited	Federal Funds	Non-Limited	Total Funds
	\$	\$	\$300,000	\$	\$	\$	\$300,000
Total estimated cost by fund (all biennia):	\$	\$	\$300,000	\$	\$	\$	\$300,000
Estimated Cost by category (11-13):	Personal Services	Services & Supplies	Capital Outlay	Special Payments	Debt Service		
		\$300,000	\$	\$	\$		
Estimated Cost by category (all biennia):		\$300,000	\$	\$	\$		
						Positions:	
Expected Start Date:				8/1/2011		Internal	
Expected Completion Date:				10/1/2011		Contractor	
						FTE:	

Agency Request  
  Governor's Balanced Budget  
  Legislatively Adopted

# BUDGET NARRATIVE

## Definitions:

### Project Purpose:

- Routine Lifecycle Replacement—Normal and regularly scheduled, part of the normal planned lifecycle replacement cycle
- Upgrading or Enhancing an Existing System—Change to an existing information system that results in improvements in functionality or enables the system to continue being supported by the vendor. Improved functionality enables the system to perform new tasks.
- New System—Developing or acquiring and using a new information system

### Project Status

- Concept Stage - Determining the feasibility and benefits of the project. The Agency may or may not move forward with the project upon completion of this stage.
- Planning Stage - Project is in the planning stages and will move forward at some point in time upon receipt of legislative approval/funding
- Ready to Implement - The planning is near final stage and this project will be implemented upon receipt of legislative approval/funding
- Continuation of Existing Project - Project covers more than a single biennium. This funding request represents the portion of the project still to complete.

### State Data Center (SDC) Involvement

- None—Project does not have an impact on the SDC
- Minor—SDC involvement is expected to be minimal (e.g. less than 8 hours of work)
- Active—Will need to have specific actions taken by the SDC in order to complete project that will require SDC involvement (e.g. between 8 and 80 hours)
- Participating Partner—Will need to work with SDC for significant time to insure that the project can move into production. SDC time greater than 80 hours. Examples may include SDC architecture and provisioning work.

### Estimate SDC Costs

- Preliminary Estimate - Rough Order of Magnitude estimate based on high level project information available at the current stage in the project's lifecycle
- Project Design Estimate - Cost estimate based on detailed project information (i.e. cost estimate provided after some level of architecture and design work between the agency and the SDC has been completed)

## BUDGET NARRATIVE

<b>(that Equal or Exceed \$150,000)</b>	
Agency Name:	PUBLIC EMPLOYEES RETIREMENT SYSTEM
Project Name:	Enhance Disaster Recovery Procedures
Mandated Project?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Budget?	<input type="checkbox"/> Base <input checked="" type="checkbox"/> POP
Project Purpose	<input type="checkbox"/> Routine Lifecycle Replacement <input type="checkbox"/> Upgrade/Enhance Existing System <input checked="" type="checkbox"/> New System
Project Status	<input type="checkbox"/> Concept Stage <input checked="" type="checkbox"/> Planning Stage <input type="checkbox"/> Ready to Implement <input type="checkbox"/> Continuation of Existing Project
SDC Involvement	<input checked="" type="checkbox"/> None <input type="checkbox"/> Minor <input type="checkbox"/> Active <input type="checkbox"/> Participating Partner
Estimate SDC Costs	\$ _____ <input type="checkbox"/> Preliminary Estimate <input type="checkbox"/> Project Design Estimate

**Project Description:**  
 The agency's ability to resume operations after a severe disaster (affecting agency computing systems) is unacceptably inefficient using the current tape backup methodology. Our tape backup processes are adequate for minor to moderate system failures; however, in the event of a significant loss of PERS computing hardware, total recovery could take 3-4 weeks. This initiative will provide for a better disaster recovery (DR) strategy using technology such as disk-to-disk backups and will reserve critical hardware at a backup location. When a disaster occurs, the agency will have access to the stored data and reserved hardware and can more readily restore critical systems and get the agency operating again. Expected recovery time using these methods is 48 hours. This project will engage with the State's disaster recovery vendor (SunGard) for ongoing DR preparedness. The strategy includes daily transfer of critical data to an offsite location (disk to disk) and for the reservation of hardware at the offsite location to restore to when a disaster occurs.

Cost Summary							
Total estimated cost by fund (11-13):	General Fund	Lottery Funds	Other Funds	Non-Limited	Federal Funds	Non-Limited	Total Funds
	\$	\$	\$821, 000	\$	\$	\$	\$821, 000
<b>Total estimated cost by fund (all biennia):</b>	<b>\$</b>	<b>\$</b>	<b>\$821,000</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$821,000</b>
Estimated Cost by category (11-13):	Personal Services		Services & Supplies	Capital Outlay		Special Payments	Debt Service
			\$521,000	\$300,000		\$	\$
<b>Estimated Cost by category (all biennia):</b>			<b>\$521,000</b>	<b>\$300,000</b>		<b>\$</b>	<b>\$</b>

			Positions:	
Expected Start Date:	8/1/2011		Internal	
Expected Completion Date:	1/1/2012		Contractor	
			FTE:	

## BUDGET NARRATIVE

### Definitions:

#### Project Purpose:

- Routine Lifecycle Replacement—Normal and regularly scheduled, part of the normal planned lifecycle replacement cycle
- Upgrading or Enhancing an Existing System—Change to an existing information system that results in improvements in functionality or enables the system to continue being supported by the vendor. Improved functionality enables the system to perform new tasks.
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#### Project Status

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- Planning Stage - Project is in the planning stages and will move forward at some point in time upon receipt of legislative approval/funding
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- Minor—SDC involvement is expected to be minimal (e.g. less than 8 hours of work)
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#### Estimate SDC Costs

- Preliminary Estimate - Rough Order of Magnitude estimate based on high level project information available at the current stage in the project's lifecycle
- Project Design Estimate – Cost estimate based on detailed project information (i.e. cost estimate provided after some level of architecture and design work between the agency and the SDC has been completed)

## BUDGET NARRATIVE

		<b>(that Equal or Exceed \$150,000)</b>						
Agency Name:		PUBLIC EMPLOYEES RETIREMENT SYSTEM						
Project Name:		Implement EDiscovery Software						
Mandated Project?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		By: Legislature, Federal Gov, Other (identify it)				
Budget?		<input type="checkbox"/> Base <input checked="" type="checkbox"/> POP		Which agency or state plans or goals does it align with and/or support?		Provide efficient response to litigation discovery and public records requests.		
Project Purpose		<input type="checkbox"/> Routine Lifecycle Replacement		<input type="checkbox"/> Upgrade/Enhance Existing System		<input checked="" type="checkbox"/> New System		
Project Status		<input type="checkbox"/> Concept Stage		<input checked="" type="checkbox"/> Planning Stage		<input type="checkbox"/> Ready to Implement	<input type="checkbox"/> Continuation of Existing Project	
SDC Involvement		<input checked="" type="checkbox"/> None		<input type="checkbox"/> Minor		<input type="checkbox"/> Active	<input type="checkbox"/> Participating Partner	
Estimate SDC Costs		\$ 0		<input type="checkbox"/> Preliminary Estimate		<input type="checkbox"/> Project Design Estimate		
<b>Project Description:</b>								
<p>The proliferation of electronic documents throughout the agency systems (i.e., file folders, email systems, faxes, etc.) makes it difficult to adequately manage the information and respond efficiently to litigation and public records requests. This initiative requests the acquisition of software tools to consolidate these records into the agency electronic content management system (FileNet) and provide indexing and search capabilities.</p>								
<b>Cost Summary</b>								
Total estimated cost by fund (11-13):		General Fund	Lottery Funds	Other Funds	Non-Limited	Federal Funds	Non-Limited	Total Funds
		\$	\$	\$180,840	\$	\$	\$	\$180,840
Total estimated cost by fund (all biennia):		\$	\$	\$180,840	\$	\$	\$	\$180,840
Estimated Cost by category (11-13):		Personal Services		Services & Supplies	Capital Outlay		Special Payments	Debt Service
				\$180,840	\$		\$	\$
Estimated Cost by category (all biennia):				\$180,840	\$		\$	\$
Expected Start Date:		10/1/2011					Positions:	
Expected Completion Date:		12/31/2011					Internal	
							Contractor	
							FTE:	

# BUDGET NARRATIVE

## Definitions:

### Project Purpose:

- Routine Lifecycle Replacement—Normal and regularly scheduled, part of the normal planned lifecycle replacement cycle
- Upgrading or Enhancing an Existing System—Change to an existing information system that results in improvements in functionality or enables the system to continue being supported by the vendor. Improved functionality enables the system to perform new tasks.
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## BUDGET NARRATIVE

### ***Audit Response Report***

The following reports were completed and / or issued by the Secretary of State or the Joint Legislative Audit Committee in the 2005-2007 and 2007-2009 biennia and thus far in the 2009-2011 biennium:

#### **2009-2011:**

- The annual audit of the PERS Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009, was issued in December 2009 by the Secretary of State Audits Division (OAD). No reportable conditions were reported and no management letter was issued.

#### **2007-2009:**

- The annual audit of the PERS CAFR for the fiscal year ended June 30, 2008, was issued in January 2009 by OAD. No reportable conditions were reported and no management letter was issued.
- The annual audit of the PERS CAFR for the fiscal year ended June 30, 2007, was issued in February 2008 by OAD. Two significant deficiencies were identified. One of these deficiencies has been resolved, while management continues to address the other weakness identified in the report.

#### **2005-2007:**

- The annual audit of the PERS CAFR for the fiscal year ended June 30, 2006, was issued in December 2006 by the OAD. No reportable conditions were reported and no management letter was issued.
- jClarety Application Controls Review: The OAD completed an evaluation of the computer controls governing the jClarety computer application, the software being implemented as the replacement for the legacy Retirement Information Management System (RIMS). The report was presented to the PERS Audit Committee on February 16, 2007.
- The annual audit of the PERS CAFR for the fiscal year ended June 30, 2005, was issued in December 2005 by the OAD. One reportable condition related to internal controls was reported. The agency has implemented appropriate corrective measures.

## BUDGET NARRATIVE

### Other Reports Issued

<u>Report Title</u>	<u>Date Issued</u>	<u>Conducted By</u>
SPOTS Card	07/14/2010	PERS Internal Audit
Disability Eligibility and Benefit Calculation	03/18/2010	PERS Internal Audit
IT Security	11/20/2009	PERS Internal Audit
IRS Plan Qualification Risk Assessment	11/20/2009	PERS Internal Audit
Performance Measures Data Integrity	09/25/2009	PERS Internal Audit
Benefit Calculations	09/25/2009	PERS Internal Audit
Member Purchases at Retirement	05/15/2009	PERS Internal Audit
Electronic Funds Transfer	04/28/2009	PERS Internal Audit
SPOTS Card	04/23/2009	PERS Internal Audit
Annual Earnings Crediting Process	11/14/2008	PERS Internal Audit
Performance Measures Data Integrity	09/15/2008	PERS Internal Audit
SPOTS Card	09/08/2008	PERS Internal Audit
Benefit Calculations	08/15/2008	PERS Internal Audit
PERS Health Insurance Risk Assessment	08/04/2008	PERS Internal Audit
Desktop Applications	06/20/2008	PERS Internal Audit
Position Description/Performance Evaluation Audit	06/05/2008	DAS HRSD
Accounts Receivable	10/18/2007	PERS Internal Audit
Information Security Review	09/17/2007	PERS Internal Audit
SPOTS Card	08/01/2007	PERS Internal Audit
Payroll and Overtime	01/25/2007	PERS Internal Audit
Employee Account Review	09/06/2006	PERS Internal Audit
Quality Assurance Oversight: HB 2020 Program	05/17/2006	Agilis Solutions
Information Technology General Controls Review	10/17/2005	Quality Plus Engineering
Work-Out-of-Class Review	09/30/2005	DAS HRSD
Disabilities Risk Assessment	09/24/2005	Quality Plus Engineering
Administrative Classification Review Study	07/15/2005	DAS HRSD

## BUDGET NARRATIVE

Recommendations for improvement from these reviews and engagements have been or are in the process of being evaluated and implemented.

# BUDGET NARRATIVE

## Affirmative Action Report

### PROGRESS MADE OR LOST SINCE LAST BIENNIUM

During the 2009-2011 biennium, PERS has been involved with activities to attract and retain a diverse workforce and have met or exceeded parity in some EEO categories. For people of color, there were gains in the Professional category. The information in the charts below came from the Workforce Representation Reports, which are included in this Affirmative Action Plan and can be reviewed for more detailed information about the workforce representation at PERS.

Between July 1, 2009 to June 30, 2010, 25 PERS employees received promotions. Of the 25 promotions, 21 (85%) were women and 3 (12%) were people of color

There is still work required to reach parity in some EEO categories, and PERS continues to work to meet and exceed parity in all EEO categories. The plan of action for 2011-2013 biennium is discussed later in this narrative.

The charts below show the changes in numbers of employees for Women, People with Disabilities, People of Color, and each subcategory for people of color between July 1, 2009 and June 30, 2010.

### WORKFORCE REPRESENTATION

### WOMEN

EEO-4 CATEGORY	TOTAL EE	NUMBER WOMEN	TOTAL EE	NUMBER WOMEN	% CHANGE IN
	2007-2009	2007-2009	2009-2011	2009-2011	# WOMEN
A. Officials/Admin	32	12	31	12	0.00%
B. Professionals	236	145	244	148	2.07%
C. Technicians	7	4	7	4	0.00%
F. Admin Support	62	58	61	56	-3.45%
<b>AGENCY TOTAL</b>	<b>337</b>	<b>219</b>	<b>343</b>	<b>220</b>	<b>0.46%</b>

Note change in number of total agency employees: 1.78%

2007-2009 data from June 2009 DAS statistics - 2009-2011 data from June 2010 DAS statistics.

## BUDGET NARRATIVE

**Women:**

We increased our percentage of women by 0.46% in the 2009-2011 biennium compared to the 2007-2009 biennium. The total number of employees (men and women) in the agency increased by 1.78%. We experienced an increase in our women representation in the Professionals category. We experienced a decrease in our women representation in the Administrative support category; however, we are still underutilized. Even though we decreased our representation of women in the Administrative support category, we are still not underutilized. In our current and future recruitments, we will continue to make our managers aware of the underutilization of females in the Professionals and Officials/Administrators categories.

**WORKFORCE REPRESENTATION  
PEOPLE WITH**

**PEOPLE WITH  
DISABILITIES**

EEO-4 CATEGORY	TOTAL		TOTAL		% CHANGE
	EE 2007- 2009	NUMBER DISABLED 2007-2009	EE 2009- 2011	NUMBER DISABLED 2009-2011	IN # DISABLED
A. Officials/Admin	32	1	31	1	0.00%
B. Professionals	236	10	244	10	0.00%
C. Technicians	7	0	7	0	0.00%
F. Admin Support	62	4	61	4	0.00%
<b>AGENCY TOTAL</b>	<b>337</b>	<b>15</b>	<b>343</b>	<b>15</b>	<b>0.00%</b>
Note change in number of total agency employees:	1.78%				

2007-2009 data from June 2008 DAS statistics - 2009-2011 data from June 2010 DAS statistics.

# BUDGET NARRATIVE

**People with Disabilities:**

4% of our total employees have disabilities. We post our job links with various Vocational Rehabilitation Services in the area. We continue to be welcoming to people with disabilities by providing access and reasonable accommodations under the Americans with Disabilities Act. There wasn't a change in our percentage of disabled employees in the 2009-2011 biennium compared to the 2007-2009 biennium. The total number of employees (men and women) in the agency increased by 1.78%. There were no changes in our Professionals, Technicians, Administrative Support or Officials/Administrators categories. Although there were no changes in those categories, we are still underutilized in the Professionals and Officials/Administrators. In our current and future recruitments, we will continue to make our managers aware of the underutilization of disabled persons in the Officials/Administrators and Professional categories.

EEO-4 CATEGORY	TOTAL EE NUMBER 2007- 2009 POC 2007- 2009		TOTAL EE NUMBER 2009- 2011 POC 2009-2011		% CHANGE IN # POC
A. Officials/Admin	32	3	31	2	-33.33%
B. Professionals	236	29	244	31	6.90%
C. Technicians	7	0	7	0	0.00%
F. Admin Support	62	9	61	8	-11.11%
<b>AGENCY TOTAL</b>	<b>337</b>	<b>41</b>	<b>343</b>	<b>41</b>	<b>0.00%</b>
Note change in number of total agency employees:	1.78%				

2007-2009 data from June 2009 DAS statistics - .2009-2011 data from June 2010 DAS statistics.

**People of Color:**

There was no change in our overall percentage of people of color in the 2009-2011 biennium compared to the 2007-2009 biennium. The total number of employees (men and women) in the agency decreased by 1.78%. We increased our percentage of Professionals by 6.90%. We have experienced a decrease in our people of color representation in the Officials/Administrators and Administrative Support categories. Although we gained in the people of color Professionals, we are still underutilized. In our current and future recruitments, we will continue to make our managers aware of the underutilization of people of color in the Officials/Administrators and Professionals categories.

## BUDGET NARRATIVE

### Breakdown of People of Color by Category:

#### WORKFORCE REPRESENTATION

#### AFRICAN AMERICANS

EEO-4 CATEGORY	TOTAL EE 2007- 2009	NUMBER AFRIC AM 2007-2009	TOTAL EE 2009-2011	NUMBER AFRIC AM 2009-2011	% CHANGE IN # AFRICAN AM
A. Officials/Admin	32	0	31	0	0.00%
B. Professionals	236	2	244	1	-50.00%
C. Technicians	7	0	7	0	0.00%
F. Admin Support	62	0	61	0	0.00%
<b>AGENCY TOTAL</b>	<b>337</b>	<b>2</b>	<b>343</b>	<b>1</b>	<b>-50.00%</b>
Note change in number of total agency employees:	1.78%				

#### WORKFORCE REPRESENTATION

#### HISPANIC AMERICANS

EEO-4 CATEGORY	TOTAL EE 2007- 2009	NUMBER HISP AM 2007-2009	TOTAL EE 2009-2011	NUMBER HISP AM 2009- 2011	% CHANGE IN HISPANICE AM
A. Officials/Admin	32	1	31	1	0.00%
B. Professionals	236	4	244	5	25.00%
C. Technicians	7	0	7	0	0.00%
F. Admin Support	62	4	61	2	-50.00%
<b>AGENCY TOTAL</b>	<b>337</b>	<b>9</b>	<b>343</b>	<b>8</b>	<b>-11.11%</b>
Note change in number of total agency employees:	1.78%				

\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

X  Legislatively Adopted

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## BUDGET NARRATIVE

### ASIA/PACIFIC ISLANDER AMERICAN

#### WORKFORCE REPRESENTATION

EEO-4 CATEGORY	TOTAL EE	NUMBER ASIA/PAC AM 2007- 2009	TOTAL EE	NUMBER	% CHANGE IN
	2007- 2009	2007- 2009	2009-2011	ASIA/PAC AM 2009-2011	# ASIA/PAC ISL AM
A. Officials/Admin	32	2	31	1	-50.00%
B. Professionals	236	20	244	22	10.00%
C. Technicians	7	0	7	0	0.00%
F. Admin Support	62	5	61	6	20.00%
<b>AGENCY TOTAL</b>	<b>337</b>	<b>27</b>	<b>343</b>	<b>29</b>	<b>7.41%</b>
Note change in number of total agency employees:	1.78%				

### NATIVE AMERICAN

#### WORKFORCE REPRESENTATION

EEO-4 CATEGORY	TOTAL EE	NUMBER	TOTAL EE	NUMBER	% CHANGE IN
	2007- 2009	NAT AM 2007-2009	2009-2011	NAT AM 2009- 2011	# NATIVE AM
A. Officials/Admin	32	0	31	0	0.00%
B. Professionals	236	3	244	3	0.00%
C. Technicians	7	0	7	0	0.00%
F. Admin Support	62	0	61	0	0.00%
<b>AGENCY TOTAL</b>	<b>337</b>	<b>3</b>	<b>343</b>	<b>3</b>	<b>0.00%</b>
Note change in number of total agency employees:	1.78%				

2007-2009 data from June 2009 DAS statistics - 2009-2011 data from June 2010 DAS statistics

## BUDGET NARRATIVE

### **People of Color:**

**For African Americans**, there was no change reported in the Technicians, Officials/Administrators or Administrative Support categories. We experienced a decrease in representation in the Professionals category. This was due to a death of one of our employees in the Professional category and one employee went back to school from the Administrative Support category. We lost ground on hiring African Americans into management, professional, and administrative positions and are below our goal. We will continue to target this group by developing relationships with the Portland Urban League, by sending links to the State job site to the Portland Observer and the Skanner and have diverse interview panels. We have been in contact with the Portland Urban League to collaborate on activities that will attract African American candidates to PERS. We will encourage African American employees to be part of our presentation team for recruitment. Increasing our number of African American professionals will give them experience within PERS to encourage future promotions into management, professional, and technical positions.

**For Hispanic Americans**, there was no change reported in the Technicians or Officials/Administrators categories. We increased our representation in the Professionals category by 25%. Although our representation in the Officials/Administrators category did not change, we are underutilized. Although we increased our representation in the Professionals category, we are still underutilized. These will be areas of emphasis for the 2011-2013 biennium. Although we are below the goal for Hispanic Americans, we continue to do outreach through developing relationships with key Hispanic centers. PERS sends the link to State jobs to the El Hispanic News newspaper, the Portland Observer newspaper, and posting our job announcements with the Hispanic Access Center/Centro Hispano. We will continue to target this group with our advertisements and have diverse interview panels. We will encourage Hispanic American employees to be part of our presentation team for recruitment.

**For Asian/Pacific Islanders**, we increased our overall representation by 7.41%. We experienced a decrease in representation in the Officials/Administrators category. Even though we lost representation in the Officials/Administrators category, we are not underutilized. Although we met the goals for Asian Americans, we continue to do outreach by sending the link to the State jobs website for posting jobs in the Portland Observer and the Asian Reporter newspapers. We will continue to target this group with our advertisements and have diverse interview panels. We will encourage Asian American employees to be part of our presentation team for recruitment.

**For Native Americans**, there was no change reported in the Professionals, Technicians, Administrative Support or Officials/Administrators categories. We are still underutilized in the Native American representation of professionals and Administrative Support. These will be areas of emphasis for the 2011-2013 biennium. We will continue to do outreach activities by contacting the local Confederated Tribes of Grand Ronde to see if we can put ads or articles in their tribal newsletter and contact the Oregon Native American Chamber of Commerce to discuss partnering with them.

During the 2011-2013 biennium, efforts will be focused on attracting and retaining a diverse workforce, including women, people with disabilities, and people of color. Although disclosing information about ethnicity or disability is purely voluntary in the

## BUDGET NARRATIVE

application process, PERS will attempt to capture more accurate statistics about our workforce representation through voluntary disclosure once the employee is hired.

Although PERS met many of its Affirmative Action goals, PERS continues to work towards meeting the long range goals for the 11-13 biennium. However, recruiting people of color continues to be a challenge for management positions.

PERS continues to have diverse interview panels and provides training for managers on interviewing and promoting cultural awareness. We provided harassment/discrimination training for all managers and staff in 2009, and will conduct this training again in early 2011. We need to increase the presence of women and people of color in our candidate pools and to find ways of making PERS more welcoming to diverse groups of people. In 2005, PERS hired a consultant to conduct Cultural Competency training for managers and executives to educate them on diversity and how to create a welcoming work environment for PERS employees with diverse backgrounds. In 2009, we again provided training to all employees on cultural competency and how to make PERS a welcoming environment and an employer of choice.

Within our agency, Executive Managers have been attending new employee orientation to meet new employees and have a friendly face for contact. Additionally, there is a new segment in the orientation to make new employees aware of the Diversity Committee, their purpose, and to create cultural awareness. We will continue to increase our diversity promotions within PERS to make women, people of color, and people with disabilities feel welcome.

PERS met some of the long-range goals for the 09-11 biennium. However, it is important to note that approximately 34 of our current 364 positions are limited duration. These will end June 30, 2011, and may create layoffs in the work force. This may affect PERS goals of hiring diverse candidates into permanent positions, as we do not know how many layoffs will occur or what positions or categories will be effected by the layoffs.

### Summary

PERS does extensive recruitment through colleges, companies facing reductions in workforce, alternative newspapers, Job Corps, the Department of Veterans Affairs Vocational Rehab and Employment, other Vocational Rehabilitation Services, and the Internet. We post jobs with the Job Developers' Network Group which posts our positions with 104 different non-profit organizations in the Portland area. We use the Career Builder website as well as Monster and Craigslist. We go through organizations related to specific positions such as human resources or accounting

PERS will work on increasing diversity activities to encourage retention of women and people of color. We will continue to write diversity articles for the PERColator, our internal newsletter, and support activities through the Diversity Committee.

## BUDGET NARRATIVE

### V. July 1, 2011 – June 30, 2013

#### A. AFFIRMATIVE ACTION GOALS

- A. The Affirmative Action goals for the Oregon Public Employees Retirement System for the 2011-2013 biennium are the following:
1. Educate and provide managers with strategies to hire more employees from diverse backgrounds. Increase timely annual performance evaluations that measure their responsibility to participate in and promote affirmative action activities.
  2. Utilize creative means to advertise vacancies to people of color, people with disabilities, and women. Maintain a consistent presence and develop relationships with higher education and local ethnic groups like the Urban League of Portland and the Black United Front to encourage potential candidates who are persons of color to identify PERS as an employer that values diversity and is an employer of choice. Keep executives and managers abreast of our progress through quarterly affirmative action reports.
  3. Continue to focus on developing a PERS work environment that is attractive to a diverse pool of applicants, retains employees, and is accepting and respectful of employees' differences.
  4. Conduct biennium training for employees and managers on the Affirmative Action Plan and on workplace harassment and discrimination.
  5. Attend outreach events targeting people of color, people with disabilities, and women.
  6. Offer career development and training opportunities for employees of color, employees with disabilities, and female employees to prepare them for advancement.
  7. Establish a formal process for PERS and participate in student intern programs to encourage people of color, people with disabilities, and women to consider PERS and the State of Oregon as good career opportunities.
  8. Utilize agencies which promote people with disabilities entering the state workforce such as St. Vincent De Paul and Galt in the hiring of temporary employees. Encourage these temporary employees to train and apply for permanent positions at PERS.

## BUDGET NARRATIVE

9. Support the goals and activities of the PERS Diversity Committee whose purpose is to promote diversity in the workplace and develop strategies to achieve PERS affirmative action goals.
10. Continue with community outreach activities that benefit diverse populations and use these opportunities to promote PERS as a great place to work.

### B. STRATEGIES AND TIMELINES FOR IMPLEMENTATION

1. PERS incorporated Affirmative Action goals into management service performance evaluations in 2005; however, timely evaluations for management service employees could be improved. In 2008, our goal was to complete 50% of management performance evaluations on time; in 2009, complete 75%; and by 2011 reach 100% compliance. PERS HR staff works on developing a timeline with managers to bring management performance evaluations current and timely moving forward. Human Resources plans to meet individually with all PERS managers who supervise employees between January and March of 2011, 2012, and 2013 to develop plans for timely performance evaluations to ensure managers are being measured on their responsibilities to support agency and state affirmative action goals and efforts.
2. In the next biennium, PERS will continue to utilize creative means to advertise vacancies to people of color, people with disabilities, and women. We will also continue to maintain a consistent presence and relationship with organizations that target their relationship with people of color through advertising of positions to encourage readers to identify PERS as an employer that values diversity.
3. The Affirmative Action Plan will be reviewed and activities discussed at both the Executive staff meetings and Manager's Meetings in 2011-2013. Executive staff meetings are held weekly; manager's meetings are held twice a month on the second and fourth Thursdays. The schedule to review quarterly affirmative action reports for 2011 will be as follows (2012 & 2013 schedule to be determined):

#### **Executive Staff Meetings**

February, 2011: (report from 4<sup>th</sup> quarter 2010)

April, 2011: (report from 1<sup>st</sup> quarter 2011)

July, 2011: (report from 2<sup>nd</sup> quarter 2011)

October 2011: (report from 3<sup>rd</sup> quarter 2011)

January, 2012: (cover report from 4<sup>th</sup> quarter 2011)

## BUDGET NARRATIVE

### Manager’s Meetings

- January, 2011: (report from 4<sup>th</sup> quarter 2010)
- May, 2011: (report from 1<sup>st</sup> quarter 2011)
- July, 2011: (report from 2<sup>nd</sup> quarter 2011)
- November, 2011: (report from 3<sup>rd</sup> quarter 2011)
- February, 2012 (report from 4<sup>th</sup> quarter 2011)

4. The recommendations from the 2005 Cultural Competency Assessment have all been implemented. In the 2009-2011 Affirmative Action plan, two of the goals were to continue to implement the following recommendations in the 2009-2011 biennium:

- *“Educate employees on diversity and affirmative action and develop a basic understanding of cultural competencies and how each one plays a role in the individual and workplace.”*
- *“Institute an ongoing assessment of what is working at PERS and what could be improved.”*

PERS conducted additional multi-cultural training in 2009 by having an external consultant train all employees on being culturally competent. Feedback from that training indicated a need for employees to develop additional skills in helping them relate productively to others in the workplace. “PERS Professional Competency Series” was developed consisting of a set of six development courses. Timeline for implementation in the 2011-2013 biennium:

Class	Month/Date
<b>2011</b>	
Basic Facilitation	January 18
Advanced Facilitation	February 15
Communication Skills	March 15
Giving & Receiving Feedback	April 13
Conflict Management	May 17
Accountability	June 7

2011 Assessment: Feedback from the series will be used to assess, design, and deliver the next set of competencies which will be offered in 2012 and 2013. A schedule of courses and timeline for implementation: to be determined.

5. The PERS Diversity Committee is currently putting together an events calendar for 2011-2013.

## BUDGET NARRATIVE

6. PERS employees and managers will continue through the next biennium to support the Diversity Committee by encouraging employees to participate on the committee when openings are available, volunteering to participate in Diversity activities, and supplying other resources as necessary.

7. PERS will educate and train all employees on the Affirmative Action Plan and preventing workplace harassment and discrimination. Completion of the course “Promote a Respectful Workplace by Preventing Discrimination and Harassment” and the “Maintaining a Professional Workplace” policy will be required of all employees and will be completed by the end of first quarter 2011.

8. PERS will participate in job fairs as appropriate over the 2011-2013 biennium, including continuing our attendance at the Urban League job fair held in Portland, as well as the Latino Career Fair held in Portland. PERS will also participate in job fairs that are targeted to all job seekers, and do not specify any protected class.

9. Human Resources currently provides one-on-one career counseling to any employee at PERS that wants to take advantage of the service. A “Career Development” website is available to employees and will be updated with the latest materials. Managers will be encouraged to post developmental opportunities such as work-out of class assignments and job rotations so that more employees have an opportunity to participate.

10. PERS will develop a formal agency intern program and process and train managers on the program before 06/30/2013.

11. From January 1, 2009 through June 30, 2010, PERS contracted for a total of thirty-four temporary employees from DePaul and Galt temporary services. Three temporary workers or approximately 10% of these temporary employees were later hired as PERS employees. PERS will attempt to at least equal or increase the percentage of temporary employees hired as PERS employees from these two agencies.

12. PERS will continue community outreach activities that serve diverse populations.

Volunteer activities at the Oregon Food Bank are currently scheduled on. Activities for 2011-2013 for both the Oregon Food Bank and the Transitional School will be scheduled in late 2010. PERS will continue support of the Transitional School program by hosting “Halloween” and “Back to School” activities in both 2011 and 2012.

13. PERS and the Diversity Committee will sponsor a job fair during the 2011-2013 biennium whereby a diverse group of organizations from the area attend. One of the purposes of the fair will be discussing and promoting job opportunities at PERS with

## BUDGET NARRATIVE

a goal of attracting more diverse candidate pools during recruitments and ultimately hiring a more diverse group of employees at PERS.

14. PERS Affirmative Action representative will consistently attend Affirmative Action workshops. The goal is to increase management personnel attendance at Affirmative Action workshops.
15. PERS will continue to use the Affirmative Action Plan in recruitments. PERS used to put the Affirmative Action parity report in with the manager's hiring packets; however, since the advent of E-recruit, the system is now electronic. PERS will electronically attach and send parity reports electronically to the hiring manager to ensure Affirmative Action goals are understood and considered during the hiring process.
16. Assessment data gathered from employees who attend the "Professional Competency Series" courses will be used to develop and implement additional competency training for staff in 2011-2013. A series of courses will be scheduled sometime in the biennium (courses and schedule TBD).

## BUDGET NARRATIVE

### ***ORBITS Reports***

The following reports are contained in this section:

- BSU003 Summary Cross Reference Listing and Packages
- BSU004 Policy Package List by Priority
- BDV103A Budget Support – Detail Revenues and Expenditures
- ANA100A Version/Column Comparison - Detail
- ANA101A Package Comparison - Detail

### ***PICS Reports***

The following reports are contained in this section:

- PPDPLBUDCL Summary List by Pkg. by Summary XREF
- PPDPLAGYCL Summary List by Pkg. by Agency
- PPDPLWSBUD Detail Listing by Summary XREF Agency
- PPDFISCAL Package Fiscal Impact Report

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

Summary Cross Reference Listing and Packages  
2011-13 Biennium

Agency Number: 45900

BAM Analyst: Johnson, Blake

Budget Coordinator: Barnett, Linda - (503)603-7570

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
100-00-00-00000	Tier One and Tier Two Plan	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	021	0	Phase-in	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	022	0	Phase-out Pgm & One-time Costs	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	031	0	Standard Inflation	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	032	0	Above Standard Inflation	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	033	0	Exceptional Inflation	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	040	0	Mandated Caseload	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	050	0	Fundshifts	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	060	0	Technical Adjustments	Essential Packages
100-00-00-00000	Tier One and Tier Two Plan	070	0	Revenue Shortfalls	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	084	0	December E-Board	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	085	0	2009-11 Allotment Reduction roll-ups	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	086	0	Eliminate Inflation	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	087	0	Personal Service Adjustments	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	090	0	Analyst Adjustments	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	801	0	Targeted Statewide Adjustments	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	802	0	Vacant Position Savings	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	803	0	Statewide Assessment Adjustments	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	805	0	Budget Reconciliation Adjustments (SB 5508)	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	810	0	LFO Analyst Adjustments	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	819	0	Supplemental Statewide Ending Balance	Policy Packages
100-00-00-00000	Tier One and Tier Two Plan	840	0	HB 2113 - PERS Housekeeping	Policy Packages

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Summary Cross Reference Listing and Packages  
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

Summary Cross Reference Listing and Packages  
2011-13 Biennium

Agency Number: 45900

BAM Analyst: Johnson, Blake

Budget Coordinator: Barnett, Linda - (503)603-7570

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
100-00-00-00000	Tier One and Tier Two Plan	841	0	HB 2456 - Prohibit Tax Remedy for Nonresidents	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	021	0	Phase-in	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	022	0	Phase-out Pgm & One-time Costs	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	031	0	Standard Inflation	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	032	0	Above Standard Inflation	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	033	0	Exceptional Inflation	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	040	0	Mandated Caseload	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	050	0	Fundshifts	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	060	0	Technical Adjustments	Essential Packages
200-00-00-00000	Oregon Public Service Retirement Plan	070	0	Revenue Shortfalls	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	084	0	December E-Board	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	085	0	2009-11 Allotment Reduction roll-ups	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	086	0	Eliminate Inflation	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	087	0	Personal Service Adjustments	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	090	0	Analyst Adjustments	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	801	0	Targeted Statewide Adjustments	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	802	0	Vacant Position Savings	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	803	0	Statewide Assessment Adjustments	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	805	0	Budget Reconciliation Adjustments (SB 5508)	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	810	0	LFO Analyst Adjustments	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	819	0	Supplemental Statewide Ending Balance	Policy Packages

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Summary Cross Reference Listing and Packages  
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**Public Employees Retirement System, Oregon**

Summary Cross Reference Listing and Packages  
2011-13 Biennium

Agency Number: 45900

BAM Analyst: Johnson, Blake

Budget Coordinator: Barnett, Linda - (503)603-7570

<b>Cross Reference Number</b>	<b>Cross Reference Description</b>	<b>Package Number</b>	<b>Priority</b>	<b>Package Description</b>	<b>Package Group</b>
200-00-00-00000	Oregon Public Service Retirement Plan	840	0	HB 2113 - PERS Housekeeping	Policy Packages
200-00-00-00000	Oregon Public Service Retirement Plan	841	0	HB 2456 - Prohibit Tax Remedy for Nonresidents	Policy Packages
300-00-00-00000	Operations	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
300-00-00-00000	Operations	021	0	Phase-in	Essential Packages
300-00-00-00000	Operations	022	0	Phase-out Pgm & One-time Costs	Essential Packages
300-00-00-00000	Operations	031	0	Standard Inflation	Essential Packages
300-00-00-00000	Operations	032	0	Above Standard Inflation	Essential Packages
300-00-00-00000	Operations	033	0	Exceptional Inflation	Essential Packages
300-00-00-00000	Operations	040	0	Mandated Caseload	Essential Packages
300-00-00-00000	Operations	050	0	Fundshifts	Essential Packages
300-00-00-00000	Operations	060	0	Technical Adjustments	Essential Packages
300-00-00-00000	Operations	070	0	Revenue Shortfalls	Policy Packages
300-00-00-00000	Operations	081	0	May 2010 E-Board	Policy Packages
300-00-00-00000	Operations	084	0	December E-Board	Policy Packages
300-00-00-00000	Operations	085	0	2009-11 Allotment Reduction roll-ups	Policy Packages
300-00-00-00000	Operations	086	0	Eliminate Inflation	Policy Packages
300-00-00-00000	Operations	087	0	Personal Service Adjustments	Policy Packages
300-00-00-00000	Operations	090	0	Analyst Adjustments	Policy Packages
300-00-00-00000	Operations	801	0	Targeted Statewide Adjustments	Policy Packages
300-00-00-00000	Operations	802	0	Vacant Position Savings	Policy Packages
300-00-00-00000	Operations	803	0	Statewide Assessment Adjustments	Policy Packages
300-00-00-00000	Operations	805	0	Budget Reconciliation Adjustments (SB 5508)	Policy Packages

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Summary Cross Reference Listing and Packages  
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**Public Employees Retirement System, Oregon**

Summary Cross Reference Listing and Packages  
2011-13 Biennium

Agency Number: 45900

BAM Analyst: Johnson, Blake

Budget Coordinator: Barnett, Linda - (503)603-7570

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
300-00-00-00000	Operations	810	0	LFO Analyst Adjustments	Policy Packages
300-00-00-00000	Operations	819	0	Supplemental Statewide Ending Balance	Policy Packages
300-00-00-00000	Operations	840	0	HB 2113 - PERS Housekeeping	Policy Packages
300-00-00-00000	Operations	841	0	HB 2456 - Prohibit Tax Remedy for Nonresidents	Policy Packages
300-00-00-00000	Operations	131	1	Business Enterprise-Core Business Functions	Policy Packages
300-00-00-00000	Operations	132	2	Infrastructure Maintenance & Enhancement	Policy Packages
300-00-00-00000	Operations	133	3	Position Reclass/Realignment	Policy Packages
300-00-00-00000	Operations	134	4	Legislative Concept: PERS Housekeeping Bill	Policy Packages
300-00-00-00000	Operations	135	5	Leg Concept: Repeal Guarantee of Inaccurate Benefits	Policy Packages
300-00-00-00000	Operations	136	6	Leg Concept: OPSRP Pension Withdrawal Restrictions	Policy Packages
400-00-00-00000	Debt Service	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
400-00-00-00000	Debt Service	021	0	Phase-in	Essential Packages
400-00-00-00000	Debt Service	022	0	Phase-out Pgm & One-time Costs	Essential Packages
400-00-00-00000	Debt Service	031	0	Standard Inflation	Essential Packages
400-00-00-00000	Debt Service	032	0	Above Standard Inflation	Essential Packages
400-00-00-00000	Debt Service	033	0	Exceptional Inflation	Essential Packages
400-00-00-00000	Debt Service	040	0	Mandated Caseload	Essential Packages
400-00-00-00000	Debt Service	050	0	Fundshifts	Essential Packages
400-00-00-00000	Debt Service	060	0	Technical Adjustments	Essential Packages
400-00-00-00000	Debt Service	070	0	Revenue Shortfalls	Policy Packages
400-00-00-00000	Debt Service	084	0	December E-Board	Policy Packages
400-00-00-00000	Debt Service	085	0	2009-11 Allotment Reduction roll-ups	Policy Packages

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Summary Cross Reference Listing and Packages  
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**Public Employees Retirement System, Oregon**

Summary Cross Reference Listing and Packages  
2011-13 Biennium

Agency Number: 45900

BAM Analyst: Johnson, Blake

Budget Coordinator: Barnett, Linda - (503)603-7570

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
400-00-00-00000	Debt Service	086	0	Eliminate Inflation	Policy Packages
400-00-00-00000	Debt Service	087	0	Personal Service Adjustments	Policy Packages
400-00-00-00000	Debt Service	090	0	Analyst Adjustments	Policy Packages
400-00-00-00000	Debt Service	801	0	Targeted Statewide Adjustments	Policy Packages
400-00-00-00000	Debt Service	802	0	Vacant Position Savings	Policy Packages
400-00-00-00000	Debt Service	803	0	Statewide Assessment Adjustments	Policy Packages
400-00-00-00000	Debt Service	805	0	Budget Reconciliation Adjustments (SB 5508)	Policy Packages
400-00-00-00000	Debt Service	810	0	LFO Analyst Adjustments	Policy Packages
400-00-00-00000	Debt Service	819	0	Supplemental Statewide Ending Balance	Policy Packages
400-00-00-00000	Debt Service	840	0	HB 2113 - PERS Housekeeping	Policy Packages
400-00-00-00000	Debt Service	841	0	HB 2456 - Prohibit Tax Remedy for Nonresidents	Policy Packages

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Summary Cross Reference Listing and Packages  
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\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

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**Public Employees Retirement System, Oregon**

Policy Package List by Priority  
2011-13 Biennium

Agency Number: 45900

BAM Analyst: Johnson, Blake

Budget Coordinator: Barnett, Linda - (503)603-7570

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	070	Revenue Shortfalls	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	081	May 2010 E-Board	300-00-00-00000	Operations
			084	December E-Board
	200-00-00-00000	Oregon Public Service Retirement Plan		
	300-00-00-00000	Operations		
	400-00-00-00000	Debt Service		
	085	2009-11 Allotment Reduction roll-ups	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	086	Eliminate Inflation	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	087	Personal Service Adjustments	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
	090	Analyst Adjustments	100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan

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Policy Package List by Priority  
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

Policy Package List by Priority  
2011-13 Biennium

Agency Number: 45900

BAM Analyst: Johnson, Blake

Budget Coordinator: Barnett, Linda - (503)603-7570

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description
0	090	Analyst Adjustments	300-00-00-00000	Operations
			400-00-00-00000	Debt Service
801	Targeted Statewide Adjustments		100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
802	Vacant Position Savings		100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
803	Statewide Assessment Adjustments		100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
805	Budget Reconciliation Adjustments (SB 5508)		100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
810	LFO Analyst Adjustments		100-00-00-00000	Tier One and Tier Two Plan
			200-00-00-00000	Oregon Public Service Retirement Plan
			300-00-00-00000	Operations
			400-00-00-00000	Debt Service
819	Supplemental Statewide Ending Balance		100-00-00-00000	Tier One and Tier Two Plan

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Policy Package List by Priority  
BSU-004A

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

Policy Package List by Priority  
2011-13 Biennium

Agency Number: 45900

BAM Analyst: Johnson, Blake

Budget Coordinator: Barnett, Linda - (503)603-7570

Priority	Policy Pkg Number	Policy Pkg Description	Summary Cross Reference Number	Cross Reference Description				
0	819	Supplemental Statewide Ending Balance	200-00-00-00000	Oregon Public Service Retirement Plan				
			300-00-00-00000	Operations				
			400-00-00-00000	Debt Service				
	840	HB 2113 - PERS Housekeeping	100-00-00-00000	Tier One and Tier Two Plan				
			200-00-00-00000	Oregon Public Service Retirement Plan				
			300-00-00-00000	Operations				
	841	HB 2456 - Prohibit Tax Remedy for Nonreside	400-00-00-00000	Debt Service				
			100-00-00-00000	Tier One and Tier Two Plan				
			200-00-00-00000	Oregon Public Service Retirement Plan				
	1	131	Business Enterprise-Core Business Functions	300-00-00-00000	Operations			
				2	132	Infrastructure Maintenance & Enhancement	300-00-00-00000	Operations
				3			133	Position Reclass/Realignment
4	134	Legislative Concept: PERS Housekeeping Bill	300-00-00-00000	Operations				
5			135	Leg Concept: Repeal Guarantee of Inaccurate	300-00-00-00000	Operations		
6					136	Leg Concept: OPSRP Pension Withdrawal Re	300-00-00-00000	Operations

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-000-00-00-00000**

**2011-13 Biennium**

**Public Employees Retirement System, Oregon**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>BEGINNING BALANCE</b>						
<b>0025 Beginning Balance</b>						
3200 Other Funds Non-Ltd	67,418,206,513	75,018,771,355	46,114,760,607	48,899,053,828	48,899,053,828	48,899,053,828
3400 Other Funds Ltd	1,213,214	1,647,514	2,094,381	5,284,793	5,284,793	5,284,793
All Funds	67,419,419,727	75,018,418,869	46,116,854,988	48,904,338,621	48,904,338,621	48,904,338,621
<b>0030 Beginning Balance Adjustment</b>						
3200 Other Funds Non-Ltd	(17,300,440,421)	(27,919,157,819)	-	-	-	-
3400 Other Funds Ltd	-	(135,869)	-	-	-	-
All Funds	(17,300,440,421)	(27,919,293,688)	-	-	-	-
<b>BEGINNING BALANCE</b>						
3200 Other Funds Non-Ltd	50,117,766,092	47,097,613,536	46,114,760,607	48,899,053,828	48,899,053,828	48,899,053,828
3400 Other Funds Ltd	1,213,214	1,511,645	2,094,381	5,284,793	5,284,793	5,284,793
<b>TOTAL BEGINNING BALANCE</b>	<b>\$50,118,979,306</b>	<b>\$47,099,125,181</b>	<b>\$46,116,854,988</b>	<b>\$48,904,338,621</b>	<b>\$48,904,338,621</b>	<b>\$48,904,338,621</b>
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
<b>0410 Charges for Services</b>						
3200 Other Funds Non-Ltd	109,432	-	-	140,000	140,000	140,000
3400 Other Funds Ltd	2,181,108	7,648,000	7,648,000	2,422,928	2,422,928	2,422,928
All Funds	2,290,540	7,648,000	7,648,000	2,562,928	2,562,928	2,562,928
<b>INTEREST EARNINGS</b>						
<b>0605 Interest Income</b>						
3200 Other Funds Non-Ltd	(556,993,194)	5,945,100,000	5,945,100,000	7,127,404,900	7,127,404,900	7,127,404,900
3400 Other Funds Ltd	2,007,285	2,880,000	2,880,000	1,566,500	1,566,500	1,566,500

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-000-00-00-00000**

**2011-13 Biennium**

**Public Employees Retirement System, Oregon**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
All Funds	(554,985,909)	5,947,980,000	5,947,980,000	7,128,971,400	7,128,971,400	7,128,971,400
<b>DONATIONS AND CONTRIBUTIONS</b>						
<b>0915 Retirement System Contribution</b>						
3200 Other Funds Non-Ltd	2,718,796,511	3,389,600,000	3,389,600,000	3,074,179,800	3,074,179,800	3,074,179,800
<b>OTHER</b>						
<b>0975 Other Revenues</b>						
3200 Other Funds Non-Ltd	405,926	775,000	775,000	800,000	800,000	800,000
3400 Other Funds Ltd	164,341	526,500	526,500	220,500	220,500	220,500
3430 Other Funds Debt Svc Ltd	4,327	3,000	3,000	3,000	3,000	3,000
All Funds	574,594	1,304,500	1,304,500	1,023,500	1,023,500	1,023,500
<b>TRANSFERS IN</b>						
<b>1010 Transfer In - Intrafund</b>						
3200 Other Funds Non-Ltd	23,335	-	-	-	-	-
3400 Other Funds Ltd	142,861,681	76,574,052	77,074,052	77,757,251	73,201,813	71,749,579
3430 Other Funds Debt Svc Ltd	5,707,723	1,420,075	1,420,075	1,415,600	1,415,600	1,415,600
All Funds	148,592,739	77,994,127	78,494,127	79,172,851	74,617,413	73,165,179
<b>REVENUE CATEGORIES</b>						
3200 Other Funds Non-Ltd	2,162,342,010	9,335,475,000	9,335,475,000	10,202,524,700	10,202,524,700	10,202,524,700
3400 Other Funds Ltd	147,214,415	87,628,552	88,128,552	81,967,179	77,411,741	75,959,507
3430 Other Funds Debt Svc Ltd	5,712,050	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$2,315,268,475</b>	<b>\$9,424,526,627</b>	<b>\$9,425,026,627</b>	<b>\$10,285,910,479</b>	<b>\$10,281,355,041</b>	<b>\$10,279,902,807</b>
<b>TRANSFERS OUT</b>						
<b>2010 Transfer Out - Intrafund</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-000-00-00-00000**

**2011-13 Biennium**

**Public Employees Retirement System, Oregon**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
3200 Other Funds Non-Ltd	(79,641,804)	(73,796,115)	(74,296,115)	(77,420,460)	(72,865,022)	(71,412,788)
3400 Other Funds Ltd	(68,948,085)	(4,198,012)	(4,198,012)	(1,752,391)	(1,752,391)	(1,752,391)
3430 Other Funds Debt Svc Ltd	(2,850)	-	-	-	-	-
All Funds	(148,592,739)	(77,994,127)	(78,494,127)	(79,172,851)	(74,617,413)	(73,165,179)
<b>2121 Tsrfr To Governor, Office of the</b>						
3400 Other Funds Ltd	-	(79,500)	(79,500)	(79,500)	(79,500)	(79,500)
<b>TRANSFERS OUT</b>						
3200 Other Funds Non-Ltd	(79,641,804)	(73,796,115)	(74,296,115)	(77,420,460)	(72,865,022)	(71,412,788)
3400 Other Funds Ltd	(68,948,085)	(4,277,512)	(4,277,512)	(1,831,891)	(1,831,891)	(1,831,891)
3430 Other Funds Debt Svc Ltd	(2,850)	-	-	-	-	-
<b>TOTAL TRANSFERS OUT</b>	<b>(\$148,592,739)</b>	<b>(\$78,073,627)</b>	<b>(\$78,573,627)</b>	<b>(\$79,252,351)</b>	<b>(\$74,696,913)</b>	<b>(\$73,244,679)</b>
<b>AVAILABLE REVENUES</b>						
3200 Other Funds Non-Ltd	52,200,466,298	56,359,292,421	55,375,939,492	59,024,158,068	59,028,713,506	59,030,165,740
3400 Other Funds Ltd	79,479,544	84,862,685	85,945,421	85,420,081	80,864,643	79,412,409
3430 Other Funds Debt Svc Ltd	5,709,200	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$52,285,655,042</b>	<b>\$56,445,578,181</b>	<b>\$55,463,307,988</b>	<b>\$59,110,996,749</b>	<b>\$59,110,996,749</b>	<b>\$59,110,996,749</b>
<b>EXPENDITURES</b>						
<b>PERSONAL SERVICES</b>						
<b>SALARIES &amp; WAGES</b>						
<b>3110 Class/Unclass Sal. and Per Diem</b>						
3400 Other Funds Ltd	31,209,425	36,353,664	36,353,664	37,686,060	37,689,364	37,323,312
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd	360,293	166,319	166,319	170,311	166,319	166,319

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 45900-000-00-00-00000

2011-13 Biennium

Public Employees Retirement System, Oregon

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd	462,405	572,860	572,860	586,609	578,473	601,773
<b>3180 Shift Differential</b>						
3400 Other Funds Ltd	21,209	2,096	2,096	2,146	2,096	2,096
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd	600,665	221,885	221,885	227,210	221,885	221,885
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd	32,653,997	37,316,824	37,316,824	38,672,336	38,638,137	38,315,385
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$32,653,997</b>	<b>\$37,316,824</b>	<b>\$37,316,824</b>	<b>\$38,672,336</b>	<b>\$38,638,137</b>	<b>\$38,315,385</b>
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	12,349	15,120	15,120	15,088	15,088	14,924
<b>3220 Public Employees' Retire Cont</b>						
3400 Other Funds Ltd	4,093,146	3,053,769	3,053,769	5,548,176	5,543,816	5,497,307
<b>3221 Pension Bond Contribution</b>						
3400 Other Funds Ltd	1,915,517	1,652,716	1,652,716	1,949,672	1,949,672	1,949,672
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	2,501,720	2,846,951	2,846,951	2,950,670	2,948,045	2,923,357
<b>3240 Unemployment Assessments</b>						
3400 Other Funds Ltd	-	39,629	39,629	40,580	39,629	39,629
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	17,739	22,320	22,320	21,712	21,712	21,476
<b>3260 Mass Transit Tax</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures  
2011-13 Biennium**

**Gross Reference Number: 45900-000-00-00-00000**

**Public Employees Retirement System, Oregon**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
3400 Other Funds Ltd	198,060	224,430	224,430	232,034	231,931	230,065
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	8,220,514	9,244,800	9,244,800	11,075,328	11,045,232	10,954,944
<b>OTHER PAYROLL EXPENSES</b>						
3400 Other Funds Ltd	16,959,045	17,099,735	17,099,735	21,833,260	21,795,125	21,831,374
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$16,959,045</b>	<b>\$17,099,735</b>	<b>\$17,099,735</b>	<b>\$21,833,260</b>	<b>\$21,795,125</b>	<b>\$21,631,374</b>
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3455 Vacancy Savings</b>						
3400 Other Funds Ltd	-	(165,147)	(165,147)	(139,689)	(139,689)	(139,689)
<b>3465 Reconciliation Adjustment</b>						
3400 Other Funds Ltd	-	(1,691,456)	(1,691,456)	-	(3,269,637)	(3,229,607)
<b>P.S. BUDGET ADJUSTMENTS</b>						
3400 Other Funds Ltd	-	(1,856,603)	(1,856,603)	(139,689)	(3,409,326)	(3,369,296)
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>-</b>	<b>(\$1,856,603)</b>	<b>(\$1,856,603)</b>	<b>(\$139,689)</b>	<b>(\$3,409,326)</b>	<b>(\$3,369,296)</b>
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	49,613,042	52,559,956	52,559,956	60,365,907	57,023,936	56,577,463
<b>TOTAL PERSONAL SERVICES</b>	<b>\$49,613,042</b>	<b>\$52,559,956</b>	<b>\$52,559,956</b>	<b>\$60,365,907</b>	<b>\$57,023,936</b>	<b>\$56,577,463</b>
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	215,734	214,341	214,341	219,485	214,341	214,341
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	1,228	11,793	11,793	12,076	11,793	7,709
<b>4150 Employee Training</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Gross Reference Number: 45900-000-00-00-00000**

**2011-13 Biennium**

**Public Employees Retirement System, Oregon**

<i>Description</i>	<i>2007-09 Actuals</i>	<i>2009-11 Leg Adopted Budget</i>	<i>2009-11 Leg Approved Budget</i>	<i>2011-13 Agency Request Budget</i>	<i>2011-13 Governor's Rec. Budget</i>	<i>2011-13 Leg Adopted Budget</i>
3400 Other Funds Ltd	376,295	703,382	703,382	728,800	712,882	573,862
<b>4175 Office Expenses</b>						
3400 Other Funds Ltd	1,973,707	2,204,399	2,204,399	2,167,833	2,122,063	1,776,463
<b>4200 Telecommunications</b>						
3400 Other Funds Ltd	422,676	533,647	533,647	546,455	533,647	500,164
<b>4225 State Gov. Service Charges</b>						
3400 Other Funds Ltd	2,029,308	2,198,294	2,198,294	2,888,911	2,770,478	2,747,287
<b>4250 Data Processing</b>						
3400 Other Funds Ltd	2,473,552	3,748,524	3,748,524	4,234,489	4,144,524	3,978,671
<b>4275 Publicity and Publications</b>						
3400 Other Funds Ltd	139,330	257,067	257,067	263,237	257,067	236,567
<b>4300 Professional Services</b>						
3200 Other Funds Non-Ltd	10,008,602	10,747,664	10,747,664	11,448,799	11,448,799	11,448,799
3400 Other Funds Ltd	2,469,469	3,433,877	3,433,877	3,429,140	3,326,100	2,893,664
All Funds	12,478,071	14,181,541	14,181,541	14,877,939	14,774,899	14,342,463
<b>4315 IT Professional Services</b>						
3400 Other Funds Ltd	13,317,918	9,511,587	10,011,587	3,314,312	2,654,644	2,979,643
<b>4325 Attorney General</b>						
3400 Other Funds Ltd	686,663	1,048,583	1,048,583	1,163,927	1,048,583	1,048,583
<b>4350 Dispute Resolution Services</b>						
3400 Other Funds Ltd	64,513	85,655	85,655	96,258	94,202	84,951
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	58,847	61,509	61,509	62,985	61,509	53,849

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Gross Reference Number: 45900-000-00-00-00000**

**2011-13 Biennium**

**Public Employees Retirement System, Oregon**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	41,104	53,737	53,737	55,027	53,737	35,364
<b>4425 Facilities Rental and Taxes</b>						
3400 Other Funds Ltd	922,561	982,592	982,592	1,029,597	1,029,597	1,029,597
<b>4450 Fuels and Utilities</b>						
3400 Other Funds Ltd	246,008	170,706	170,706	276,881	272,584	272,584
<b>4475 Facilities Maintenance</b>						
3400 Other Funds Ltd	1,206,238	959,685	959,685	1,091,933	1,091,933	1,091,933
<b>4625 Other COP Costs</b>						
3400 Other Funds Ltd	4,325	6,682	6,682	6,682	6,682	2,682
<b>4650 Other Services and Supplies</b>						
3400 Other Funds Ltd	31,204	2,861	2,861	2,930	2,861	2,861
<b>4700 Expendable Prop 250 - 5000</b>						
3400 Other Funds Ltd	62,995	87,562	87,562	92,615	90,562	80,862
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	677,480	730,601	730,601	1,027,379	1,011,741	894,132
<b>SERVICES &amp; SUPPLIES</b>						
3200 Other Funds Non-Ltd	10,008,602	10,747,664	10,747,664	11,448,799	11,448,799	11,448,799
3400 Other Funds Ltd	27,421,155	27,007,084	27,507,084	22,710,752	21,511,530	20,505,769
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$37,429,757</b>	<b>\$37,754,748</b>	<b>\$38,254,748</b>	<b>\$34,159,551</b>	<b>\$32,960,329</b>	<b>\$31,954,568</b>
<b>CAPITAL OUTLAY</b>						
<b>5100 Office Furniture and Fixtures</b>						
3400 Other Funds Ltd	-	32,716	32,716	33,501	32,716	32,716

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-000-00-00-00000**

**2011-13 Biennium**

**Public Employees Retirement System, Oregon**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>5150 Telecommunications Equipment</b>						
3400 Other Funds Ltd	18,690	66,506	66,506	102,102	100,506	100,506
<b>5200 Technical Equipment</b>						
3400 Other Funds Ltd	-	-	-	300,000	300,000	300,000
<b>5550 Data Processing Software</b>						
3400 Other Funds Ltd	253,820	110,226	110,226	112,871	110,226	110,226
<b>5600 Data Processing Hardware</b>						
3400 Other Funds Ltd	78,456	384,140	384,140	393,359	384,140	384,140
<b>CAPITAL OUTLAY</b>						
3400 Other Funds Ltd	350,966	593,588	593,588	941,833	927,588	927,588
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$350,966</b>	<b>\$593,588</b>	<b>\$593,588</b>	<b>\$941,833</b>	<b>\$927,588</b>	<b>\$927,588</b>
<b>SPECIAL PAYMENTS</b>						
<b>6030 Dist to Non-Gov Units</b>						
3200 Other Funds Non-Ltd	275,875,714	312,538,000	312,538,000	346,063,511	346,063,511	346,063,511
<b>6035 Dist to Individuals</b>						
3200 Other Funds Non-Ltd	5,799,821,375	6,153,600,000	6,153,600,000	7,076,500,000	7,076,500,000	7,076,500,000
<b>SPECIAL PAYMENTS</b>						
3200 Other Funds Non-Ltd	6,075,697,089	6,466,138,000	6,466,138,000	7,422,563,511	7,422,563,511	7,422,563,511
<b>TOTAL SPECIAL PAYMENTS</b>	<b>\$6,075,697,089</b>	<b>\$6,466,138,000</b>	<b>\$6,466,138,000</b>	<b>\$7,422,563,511</b>	<b>\$7,422,563,511</b>	<b>\$7,422,563,511</b>
<b>DEBT SERVICE</b>						
<b>7200 Principal - COP</b>						
3430 Other Funds Debt Svc Ltd	4,960,000	970,000	970,000	1,070,000	1,070,000	1,070,000
<b>7250 Interest - COP</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

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**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-000-00-00-00000**

**2011-13 Biennium**

**Public Employees Retirement System, Oregon**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
3430 Other Funds Debt Svc Ltd	749,200	453,075	453,075	348,600	348,600	348,600
<b>DEBT SERVICE</b>						
3430 Other Funds Debt Svc Ltd	5,709,200	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600
<b>TOTAL DEBT SERVICE</b>	<b>\$5,709,200</b>	<b>\$1,423,075</b>	<b>\$1,423,075</b>	<b>\$1,418,600</b>	<b>\$1,418,600</b>	<b>\$1,418,600</b>
<b>EXPENDITURES</b>						
3200 Other Funds Non-Ltd	6,085,705,891	6,476,885,664	6,476,885,664	7,434,012,310	7,434,012,310	7,434,012,310
3400 Other Funds Ltd	77,385,163	80,160,628	80,660,628	84,018,492	79,463,054	78,010,820
3430 Other Funds Debt Svc Ltd	5,709,200	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600
<b>TOTAL EXPENDITURES</b>	<b>\$6,168,800,054</b>	<b>\$6,558,469,367</b>	<b>\$6,558,969,367</b>	<b>\$7,519,449,402</b>	<b>\$7,514,893,964</b>	<b>\$7,513,441,730</b>
<b>ENDING BALANCE</b>						
3200 Other Funds Non-Ltd	46,114,760,607	49,882,406,757	48,899,053,828	51,590,145,758	51,594,701,196	51,596,153,430
3400 Other Funds Ltd	2,094,381	4,702,057	5,284,793	1,401,589	1,401,589	1,401,589
<b>TOTAL ENDING BALANCE</b>	<b>\$46,116,854,988</b>	<b>\$49,887,108,814</b>	<b>\$48,904,338,621</b>	<b>\$51,591,547,347</b>	<b>\$51,596,102,785</b>	<b>\$51,597,555,019</b>
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	394	360	360	368	368	364
8180 Position Reconciliation	-	2	2	-	-	-
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>394</b>	<b>362</b>	<b>362</b>	<b>368</b>	<b>368</b>	<b>364</b>
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	393.50	360.00	360.00	367.50	367.17	363.75
8280 FTE Reconciliation	-	1.55	1.55	-	0.33	0.33
<b>TOTAL AUTHORIZED FTE</b>	<b>393.50</b>	<b>361.55</b>	<b>361.55</b>	<b>367.50</b>	<b>367.50</b>	<b>364.08</b>

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\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

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Budget Page 289

# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-100-00-00-00000**

**2011-13 Biennium**

**Tier One and Tier Two Plan**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	65,264,707,004	71,896,846,156	43,673,069,011	45,099,788,373	45,099,788,373	45,099,788,373
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	(16,652,957,065)	(27,214,150,719)	-	-	-	-
<b>BEGINNING BALANCE</b>						
3200 Other Funds Non-Ltd	48,611,749,939	44,682,695,437	43,673,069,011	45,099,788,373	45,099,788,373	45,099,788,373
<b>TOTAL BEGINNING BALANCE</b>	<b>\$48,611,749,939</b>	<b>\$44,682,695,437</b>	<b>\$43,673,069,011</b>	<b>\$45,099,788,373</b>	<b>\$45,099,788,373</b>	<b>\$45,099,788,373</b>
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
3200 Other Funds Non-Ltd	95,165	-	-	120,000	120,000	120,000
<b>INTEREST EARNINGS</b>						
0605 Interest Income						
3200 Other Funds Non-Ltd	(470,826,600)	5,540,400,000	5,540,400,000	6,537,404,900	6,537,404,900	6,537,404,900
<b>DONATIONS AND CONTRIBUTIONS</b>						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	1,561,654,597	2,210,100,000	2,210,100,000	1,544,179,800	1,544,179,800	1,544,179,800
<b>OTHER</b>						
0975 Other Revenues						
3200 Other Funds Non-Ltd	247,517	775,000	775,000	800,000	800,000	800,000
<b>TRANSFERS IN</b>						
1010 Transfer In - Intrafund						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Gross Reference Number: 45900-100-00-00-00000**

**2011-13 Biennium**

**Tier One and Tier Two Plan**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
3200 Other Funds Non-Ltd	20,781	-	-	-	-	-
<b>REVENUE CATEGORIES</b>						
3200 Other Funds Non-Ltd	1,091,191,480	7,751,275,000	7,751,275,000	8,082,504,700	8,082,504,700	8,082,504,700
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$1,091,191,480</b>	<b>\$7,751,275,000</b>	<b>\$7,751,275,000</b>	<b>\$8,082,504,700</b>	<b>\$8,082,504,700</b>	<b>\$8,082,504,700</b>
<b>TRANSFERS OUT</b>						
<b>2010 Transfer Out - Intrafund</b>						
3200 Other Funds Non-Ltd	(53,393,301)	(45,528,574)	(46,023,974)	(41,890,847)	(39,425,980)	(38,495,388)
<b>AVAILABLE REVENUES</b>						
3200 Other Funds Non-Ltd	49,649,548,118	52,388,441,863	51,378,320,037	53,140,402,226	53,142,867,093	53,143,797,685
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$49,649,548,118</b>	<b>\$52,388,441,863</b>	<b>\$51,378,320,037</b>	<b>\$53,140,402,226</b>	<b>\$53,142,867,093</b>	<b>\$53,143,797,685</b>
<b>EXPENDITURES</b>						
<b>SERVICES &amp; SUPPLIES</b>						
<b>4300 Professional Services</b>						
3200 Other Funds Non-Ltd	6,023,374	5,993,664	5,993,664	6,773,299	6,773,299	6,773,299
<b>SPECIAL PAYMENTS</b>						
<b>6030 Dist to Non-Gov Units</b>						
3200 Other Funds Non-Ltd	275,875,714	312,538,000	312,538,000	346,063,511	346,063,511	346,063,511
<b>6035 Dist to Individuals</b>						
3200 Other Funds Non-Ltd	5,694,580,019	5,960,000,000	5,960,000,000	6,873,000,000	6,873,000,000	6,873,000,000
<b>SPECIAL PAYMENTS</b>						
3200 Other Funds Non-Ltd	5,970,455,733	6,272,538,000	6,272,538,000	7,219,063,511	7,219,063,511	7,219,063,511
<b>TOTAL SPECIAL PAYMENTS</b>	<b>\$5,970,455,733</b>	<b>\$6,272,538,000</b>	<b>\$6,272,538,000</b>	<b>\$7,219,063,511</b>	<b>\$7,219,063,511</b>	<b>\$7,219,063,511</b>

**EXPENDITURES**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-100-00-00-00000**

**2011-13 Biennium**

**Tier One and Tier Two Plan**

<i>Description</i>	<i>2007-09 Actuals</i>	<i>2009-11 Leg Adopted Budget</i>	<i>2009-11 Leg Approved Budget</i>	<i>2011-13 Agency Request Budget</i>	<i>2011-13 Governor's Rec. Budget</i>	<i>2011-13 Leg Adopted Budget</i>
3200 Other Funds Non-Ltd	5,976,479,107	6,278,531,664	6,278,531,664	7,225,836,810	7,225,836,810	7,225,836,810
<b>TOTAL EXPENDITURES</b>	<b>\$5,976,479,107</b>	<b>\$6,278,531,664</b>	<b>\$6,278,531,664</b>	<b>\$7,225,836,810</b>	<b>\$7,225,836,810</b>	<b>\$7,225,836,810</b>
<b>ENDING BALANCE</b>						
3200 Other Funds Non-Ltd	43,673,069,011	46,109,910,199	45,099,788,373	45,914,565,416	45,917,030,283	45,917,960,875
<b>TOTAL ENDING BALANCE</b>	<b>\$43,673,069,011</b>	<b>\$46,109,910,199</b>	<b>\$45,099,788,373</b>	<b>\$45,914,565,416</b>	<b>\$45,917,030,283</b>	<b>\$45,917,960,875</b>

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\_\_\_ Agency Request

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures  
2011-13 Biennium  
Oregon Public Service Retirement Plan**

**Gross Reference Number: 45900-200-00-00-00000**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	2,153,499,509	3,119,925,199	2,441,691,596	3,799,265,455	3,799,265,455	3,799,265,455
0030 Beginning Balance Adjustment						
3200 Other Funds Non-Ltd	(647,483,356)	(705,007,100)	-	-	-	-
<b>BEGINNING BALANCE</b>						
3200 Other Funds Non-Ltd	1,506,016,153	2,414,918,099	2,441,691,596	3,799,265,455	3,799,265,455	3,799,265,455
<b>TOTAL BEGINNING BALANCE</b>	<b>\$1,506,016,153</b>	<b>\$2,414,918,099</b>	<b>\$2,441,691,596</b>	<b>\$3,799,265,455</b>	<b>\$3,799,265,455</b>	<b>\$3,799,265,455</b>
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
3200 Other Funds Non-Ltd	14,247	-	-	20,000	20,000	20,000
<b>INTEREST EARNINGS</b>						
0605 Interest Income						
3200 Other Funds Non-Ltd	(86,166,594)	404,700,000	404,700,000	590,000,000	590,000,000	590,000,000
<b>DONATIONS AND CONTRIBUTIONS</b>						
0915 Retirement System Contribution						
3200 Other Funds Non-Ltd	1,157,141,914	1,179,500,000	1,179,500,000	1,530,000,000	1,530,000,000	1,530,000,000
<b>OTHER</b>						
0975 Other Revenues						
3200 Other Funds Non-Ltd	158,409	-	-	-	-	-
<b>TRANSFERS IN</b>						
1010 Transfer In - Intrafund						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Cross Reference Number: 45900-200-00-00-00000**

**2011-13 Biennium**

**Oregon Public Service Retirement Plan**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
3200 Other Funds Non-Ltd	2,554	-	-	-	-	-
<b>REVENUE CATEGORIES</b>						
3200 Other Funds Non-Ltd	1,071,150,530	1,584,200,000	1,584,200,000	2,120,020,000	2,120,020,000	2,120,020,000
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$1,071,150,530</b>	<b>\$1,584,200,000</b>	<b>\$1,584,200,000</b>	<b>\$2,120,020,000</b>	<b>\$2,120,020,000</b>	<b>\$2,120,020,000</b>
<b>TRANSFERS OUT</b>						
2010 Transfer Out - Intrafund						
3200 Other Funds Non-Ltd	(26,248,503)	(28,267,541)	(28,272,141)	(35,529,613)	(33,439,042)	(32,917,400)
<b>AVAILABLE REVENUES</b>						
3200 Other Funds Non-Ltd	2,550,918,180	3,970,850,558	3,997,619,455	5,883,755,842	5,885,846,413	5,886,368,055
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$2,550,918,180</b>	<b>\$3,970,850,558</b>	<b>\$3,997,619,455</b>	<b>\$5,883,755,842</b>	<b>\$5,885,846,413</b>	<b>\$5,886,368,055</b>
<b>EXPENDITURES</b>						
<b>SERVICES &amp; SUPPLIES</b>						
4300 Professional Services						
3200 Other Funds Non-Ltd	3,985,228	4,754,000	4,754,000	4,675,500	4,675,500	4,675,500
<b>SPECIAL PAYMENTS</b>						
6035 Dist to Individuals						
3200 Other Funds Non-Ltd	105,241,356	193,600,000	193,600,000	203,500,000	203,500,000	203,500,000
<b>EXPENDITURES</b>						
3200 Other Funds Non-Ltd	109,226,584	198,354,000	198,354,000	208,175,500	208,175,500	208,175,500
<b>TOTAL EXPENDITURES</b>	<b>\$109,226,584</b>	<b>\$198,354,000</b>	<b>\$198,354,000</b>	<b>\$208,175,500</b>	<b>\$208,175,500</b>	<b>\$208,175,500</b>
<b>ENDING BALANCE</b>						
3200 Other Funds Non-Ltd	2,441,691,596	3,772,496,558	3,799,265,455	5,675,580,342	5,677,670,913	5,678,192,555
<b>TOTAL ENDING BALANCE</b>	<b>\$2,441,691,596</b>	<b>\$3,772,496,558</b>	<b>\$3,799,265,455</b>	<b>\$5,675,580,342</b>	<b>\$5,677,670,913</b>	<b>\$5,678,192,555</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Gross Reference Number: 45900-300-00-00-00000**

**2011-13 Biennium**

**Operations**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>BEGINNING BALANCE</b>						
0025 Beginning Balance						
3400 Other Funds Ltd	1,213,214	1,647,514	2,094,381	5,284,793	5,284,793	5,284,793
0030 Beginning Balance Adjustment						
3400 Other Funds Ltd	-	(135,869)	-	-	-	-
<b>BEGINNING BALANCE</b>						
3400 Other Funds Ltd	1,213,214	1,511,645	2,094,381	5,284,793	5,284,793	5,284,793
<b>TOTAL BEGINNING BALANCE</b>	<b>\$1,213,214</b>	<b>\$1,511,645</b>	<b>\$2,094,381</b>	<b>\$5,284,793</b>	<b>\$5,284,793</b>	<b>\$5,284,793</b>
<b>REVENUE CATEGORIES</b>						
<b>CHARGES FOR SERVICES</b>						
0410 Charges for Services						
3400 Other Funds Ltd	2,181,108	7,648,000	7,648,000	2,422,928	2,422,928	2,422,928
<b>INTEREST EARNINGS</b>						
0605 Interest Income						
3400 Other Funds Ltd	2,007,285	2,880,000	2,880,000	1,566,500	1,566,500	1,566,500
<b>OTHER</b>						
0975 Other Revenues						
3400 Other Funds Ltd	164,341	526,500	526,500	220,500	220,500	220,500
<b>TRANSFERS IN</b>						
1010 Transfer In - Intrafund						
3400 Other Funds Ltd	142,861,681	76,574,052	77,074,052	77,757,251	73,201,813	71,749,579
<b>REVENUE CATEGORIES</b>						
3400 Other Funds Ltd	147,214,415	87,628,552	88,128,552	81,967,179	77,411,741	75,959,507

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\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures  
2011-13 Biennium  
Operations**

**Cross Reference Number: 45900-300-00-00-00000**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$147,214,415</b>	<b>\$87,628,552</b>	<b>\$88,128,552</b>	<b>\$81,967,179</b>	<b>\$77,411,741</b>	<b>\$75,959,507</b>
<b>TRANSFERS OUT</b>						
<b>2010 Transfer Out - Intrafund</b>						
3400 Other Funds Ltd	(68,948,085)	(4,198,012)	(4,198,012)	(1,752,391)	(1,752,391)	(1,752,391)
<b>2121 Tsfr To Governor, Office of the</b>						
3400 Other Funds Ltd	-	(79,500)	(79,500)	(79,500)	(79,500)	(79,500)
<b>TRANSFERS OUT</b>						
3400 Other Funds Ltd	(68,948,085)	(4,277,512)	(4,277,512)	(1,831,891)	(1,831,891)	(1,831,891)
<b>TOTAL TRANSFERS OUT</b>	<b>(\$68,948,085)</b>	<b>(\$4,277,512)</b>	<b>(\$4,277,512)</b>	<b>(\$1,831,891)</b>	<b>(\$1,831,891)</b>	<b>(\$1,831,891)</b>
<b>AVAILABLE REVENUES</b>						
3400 Other Funds Ltd	79,479,544	84,862,685	85,945,421	85,420,081	80,864,643	79,412,409
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$79,479,544</b>	<b>\$84,862,685</b>	<b>\$85,945,421</b>	<b>\$85,420,081</b>	<b>\$80,864,643</b>	<b>\$79,412,409</b>
<b>EXPENDITURES</b>						
<b>PERSONAL SERVICES</b>						
<b>SALARIES &amp; WAGES</b>						
<b>3110 Class/Unclass Sal. and Per Diem</b>						
3400 Other Funds Ltd	31,209,425	36,353,664	36,353,664	37,686,060	37,689,364	37,323,312
<b>3160 Temporary Appointments</b>						
3400 Other Funds Ltd	360,293	166,319	166,319	170,311	166,319	166,319
<b>3170 Overtime Payments</b>						
3400 Other Funds Ltd	462,405	572,860	572,860	588,809	578,473	601,773
<b>3180 Shift Differential</b>						
3400 Other Funds Ltd	21,209	2,096	2,096	2,146	2,096	2,096

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\_\_\_ Agency Request

\_\_\_ Governor's Balanced Budget

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures  
2011-13 Biennium  
Operations**

**Gross Reference Number: 45900-300-00-00-00000**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>3190 All Other Differential</b>						
3400 Other Funds Ltd	600,665	221,885	221,885	227,210	221,885	221,885
<b>SALARIES &amp; WAGES</b>						
3400 Other Funds Ltd	32,653,997	37,316,824	37,316,824	38,672,336	38,638,137	38,315,385
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$32,653,997</b>	<b>\$37,316,824</b>	<b>\$37,316,824</b>	<b>\$38,672,336</b>	<b>\$38,638,137</b>	<b>\$38,315,385</b>
<b>OTHER PAYROLL EXPENSES</b>						
<b>3210 Empl. Rel. Bd. Assessments</b>						
3400 Other Funds Ltd	12,349	15,120	15,120	15,088	15,088	14,924
<b>3220 Public Employees' Retire Cont</b>						
3400 Other Funds Ltd	4,093,146	3,053,769	3,053,769	5,548,176	5,543,816	5,497,307
<b>3221 Pension Bond Contribution</b>						
3400 Other Funds Ltd	1,915,517	1,652,716	1,652,716	1,949,672	1,949,672	1,949,672
<b>3230 Social Security Taxes</b>						
3400 Other Funds Ltd	2,501,720	2,846,951	2,846,951	2,950,670	2,948,045	2,923,357
<b>3240 Unemployment Assessments</b>						
3400 Other Funds Ltd	-	39,629	39,629	40,580	39,629	39,629
<b>3250 Worker's Comp. Assess. (WCD)</b>						
3400 Other Funds Ltd	17,739	22,320	22,320	21,712	21,712	21,476
<b>3260 Mass Transit Tax</b>						
3400 Other Funds Ltd	198,060	224,430	224,430	232,034	231,931	230,065
<b>3270 Flexible Benefits</b>						
3400 Other Funds Ltd	8,220,514	9,244,800	9,244,800	11,075,328	11,045,232	10,954,944
<b>OTHER PAYROLL EXPENSES</b>						
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Gross Reference Number: 45900-300-00-00-00000**

**2011-13 Biennium**

**Operations**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
3400 Other Funds Ltd	16,959,045	17,099,735	17,099,735	21,833,260	21,795,125	21,631,374
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$16,959,045</b>	<b>\$17,099,735</b>	<b>\$17,099,735</b>	<b>\$21,833,260</b>	<b>\$21,795,125</b>	<b>\$21,631,374</b>
<b>P.S. BUDGET ADJUSTMENTS</b>						
<b>3455 Vacancy Savings</b>						
3400 Other Funds Ltd	-	(165,147)	(165,147)	(139,689)	(139,689)	(139,689)
<b>3465 Reconciliation Adjustment</b>						
3400 Other Funds Ltd	-	(1,691,456)	(1,691,456)	-	(3,269,637)	(3,229,807)
<b>P.S. BUDGET ADJUSTMENTS</b>						
3400 Other Funds Ltd	-	(1,856,603)	(1,856,603)	(139,689)	(3,409,326)	(3,369,296)
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>-</b>	<b>(\$1,856,603)</b>	<b>(\$1,856,603)</b>	<b>(\$139,689)</b>	<b>(\$3,409,326)</b>	<b>(\$3,369,296)</b>
<b>PERSONAL SERVICES</b>						
3400 Other Funds Ltd	49,613,042	52,559,956	52,559,956	60,365,907	57,023,936	56,577,463
<b>TOTAL PERSONAL SERVICES</b>	<b>\$49,613,042</b>	<b>\$52,559,956</b>	<b>\$52,559,956</b>	<b>\$60,365,907</b>	<b>\$57,023,936</b>	<b>\$56,577,463</b>
<b>SERVICES &amp; SUPPLIES</b>						
<b>4100 Instate Travel</b>						
3400 Other Funds Ltd	215,734	214,341	214,341	219,485	214,341	214,341
<b>4125 Out of State Travel</b>						
3400 Other Funds Ltd	1,228	11,793	11,793	12,076	11,793	7,709
<b>4150 Employee Training</b>						
3400 Other Funds Ltd	376,295	703,382	703,382	728,800	712,882	573,862
<b>4175 Office Expenses</b>						
3400 Other Funds Ltd	1,973,707	2,204,399	2,204,399	2,167,833	2,122,063	1,776,463
<b>4200 Telecommunications</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures  
2011-13 Biennium  
Operations**

**Cross Reference Number: 45900-300-00-00-00000**

<i>Description</i>	<i>2007-09 Actuals</i>	<i>2009-11 Leg Adopted Budget</i>	<i>2009-11 Leg Approved Budget</i>	<i>2011-13 Agency Request Budget</i>	<i>2011-13 Governor's Rec. Budget</i>	<i>2011-13 Leg Adopted Budget</i>
3400 Other Funds Ltd	422,676	533,647	533,647	546,455	533,647	500,164
<b>4225 State Gov. Service Charges</b>						
3400 Other Funds Ltd	2,029,308	2,198,294	2,198,294	2,888,911	2,770,478	2,747,287
<b>4250 Data Processing</b>						
3400 Other Funds Ltd	2,473,552	3,748,524	3,748,524	4,234,489	4,144,524	3,978,671
<b>4275 Publicity and Publications</b>						
3400 Other Funds Ltd	139,330	257,067	257,067	263,237	257,067	236,567
<b>4300 Professional Services</b>						
3400 Other Funds Ltd	2,469,469	3,433,877	3,433,877	3,429,140	3,326,100	2,893,664
<b>4315 IT Professional Services</b>						
3400 Other Funds Ltd	13,317,918	9,511,587	10,011,587	3,314,312	2,654,644	2,979,643
<b>4325 Attorney General</b>						
3400 Other Funds Ltd	686,663	1,048,583	1,048,583	1,163,927	1,048,583	1,048,583
<b>4350 Dispute Resolution Services</b>						
3400 Other Funds Ltd	64,513	85,655	85,655	96,258	94,202	84,951
<b>4375 Employee Recruitment and Develop</b>						
3400 Other Funds Ltd	58,847	61,509	61,509	62,985	61,509	53,849
<b>4400 Dues and Subscriptions</b>						
3400 Other Funds Ltd	41,104	53,737	53,737	55,027	53,737	35,364
<b>4425 Facilities Rental and Taxes</b>						
3400 Other Funds Ltd	922,561	982,592	982,592	1,029,597	1,029,597	1,029,597
<b>4450 Fuels and Utilities</b>						
3400 Other Funds Ltd	246,008	170,706	170,706	276,681	272,584	272,584

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures**

**Gross Reference Number: 45900-300-00-00-00000**

**2011-13 Biennium**

**Operations**

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>4475 Facilities Maintenance</b>						
3400 Other Funds Ltd	1,206,238	959,685	959,685	1,091,933	1,091,933	1,091,933
<b>4625 Other COP Costs</b>						
3400 Other Funds Ltd	4,325	6,682	6,682	6,682	6,682	2,682
<b>4650 Other Services and Supplies</b>						
3400 Other Funds Ltd	31,204	2,861	2,861	2,930	2,861	2,861
<b>4700 Expendable Prop 250 - 5000</b>						
3400 Other Funds Ltd	62,995	87,562	87,562	92,615	90,562	80,862
<b>4715 IT Expendable Property</b>						
3400 Other Funds Ltd	677,480	730,601	730,601	1,027,379	1,011,741	894,132
<b>SERVICES &amp; SUPPLIES</b>						
3400 Other Funds Ltd	27,421,155	27,007,084	27,507,084	22,710,752	21,511,530	20,505,769
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$27,421,155</b>	<b>\$27,007,084</b>	<b>\$27,507,084</b>	<b>\$22,710,752</b>	<b>\$21,511,530</b>	<b>\$20,505,769</b>
<b>CAPITAL OUTLAY</b>						
<b>5100 Office Furniture and Fixtures</b>						
3400 Other Funds Ltd	-	32,716	32,716	33,501	32,716	32,716
<b>5150 Telecommunications Equipment</b>						
3400 Other Funds Ltd	18,690	66,506	66,506	102,102	100,506	100,506
<b>5200 Technical Equipment</b>						
3400 Other Funds Ltd	-	-	-	300,000	300,000	300,000
<b>5550 Data Processing Software</b>						
3400 Other Funds Ltd	253,820	110,226	110,226	112,871	110,226	110,226
<b>5600 Data Processing Hardware</b>						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures  
2011-13 Biennium  
Operations**

Cross Reference Number: 45900-300-00-00-00000

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
3400 Other Funds Ltd	78,456	384,140	384,140	393,359	384,140	384,140
<b>CAPITAL OUTLAY</b>						
3400 Other Funds Ltd	350,966	593,588	593,588	941,833	927,588	927,588
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$350,966</b>	<b>\$593,588</b>	<b>\$593,588</b>	<b>\$941,833</b>	<b>\$927,588</b>	<b>\$927,588</b>
<b>EXPENDITURES</b>						
3400 Other Funds Ltd	77,385,163	80,160,628	80,660,628	84,018,492	79,463,054	78,010,820
<b>TOTAL EXPENDITURES</b>	<b>\$77,385,163</b>	<b>\$80,160,628</b>	<b>\$80,660,628</b>	<b>\$84,018,492</b>	<b>\$79,463,054</b>	<b>\$78,010,820</b>
<b>ENDING BALANCE</b>						
3400 Other Funds Ltd	2,094,381	4,702,057	5,284,793	1,401,589	1,401,589	1,401,589
<b>TOTAL ENDING BALANCE</b>	<b>\$2,094,381</b>	<b>\$4,702,057</b>	<b>\$5,284,793</b>	<b>\$1,401,589</b>	<b>\$1,401,589</b>	<b>\$1,401,589</b>
<b>AUTHORIZED POSITIONS</b>						
8150 Class/Unclass Positions	394	360	360	368	368	364
8180 Position Reconciliation	-	2	2	-	-	-
<b>TOTAL AUTHORIZED POSITIONS</b>	<b>394</b>	<b>362</b>	<b>362</b>	<b>368</b>	<b>368</b>	<b>364</b>
<b>AUTHORIZED FTE</b>						
8250 Class/Unclass FTE Positions	393.50	360.00	360.00	367.50	367.17	363.75
8280 FTE Reconciliation	-	1.55	1.55	-	0.33	0.33
<b>TOTAL AUTHORIZED FTE</b>	<b>393.50</b>	<b>361.55</b>	<b>361.55</b>	<b>367.50</b>	<b>367.50</b>	<b>364.08</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

**Budget Support - Detail Revenues and Expenditures  
2011-13 Biennium  
Debt Service**

Cross Reference Number: 45900-400-00-00-00000

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
<b>REVENUE CATEGORIES</b>						
OTHER						
0975 Other Revenues						
3430 Other Funds Debt Svc Ltd	4,327	3,000	3,000	3,000	3,000	3,000
TRANSFERS IN						
1010 Transfer In - Intrafund						
3430 Other Funds Debt Svc Ltd	5,707,723	1,420,075	1,420,075	1,415,600	1,415,600	1,415,600
<b>REVENUE CATEGORIES</b>						
3430 Other Funds Debt Svc Ltd	5,712,050	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600
<b>TOTAL REVENUE CATEGORIES</b>	<b>\$5,712,050</b>	<b>\$1,423,075</b>	<b>\$1,423,075</b>	<b>\$1,418,600</b>	<b>\$1,418,600</b>	<b>\$1,418,600</b>
<b>TRANSFERS OUT</b>						
2010 Transfer Out - Intrafund						
3430 Other Funds Debt Svc Ltd	(2,850)	-	-	-	-	-
<b>AVAILABLE REVENUES</b>						
3430 Other Funds Debt Svc Ltd	5,709,200	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$5,709,200</b>	<b>\$1,423,075</b>	<b>\$1,423,075</b>	<b>\$1,418,600</b>	<b>\$1,418,600</b>	<b>\$1,418,600</b>
<b>EXPENDITURES</b>						
DEBT SERVICE						
7200 Principal - COP						
3430 Other Funds Debt Svc Ltd	4,960,000	970,000	970,000	1,070,000	1,070,000	1,070,000
7250 Interest - COP						
3430 Other Funds Debt Svc Ltd	749,200	453,075	453,075	348,600	348,600	348,600
DEBT SERVICE						

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Budget Support - Detail Revenues and Expenditures

Cross Reference Number: 45900-400-00-00-00000

2011-13 Biennium

Debt Service

Description	2007-09 Actuals	2009-11 Leg Adopted Budget	2009-11 Leg Approved Budget	2011-13 Agency Request Budget	2011-13 Governor's Rec. Budget	2011-13 Leg Adopted Budget
3430 Other Funds Debt Svc Ltd	5,709,200	1,423,075	1,423,075	1,418,600	1,418,600	1,418,600
<b>TOTAL DEBT SERVICE</b>	<b>\$5,709,200</b>	<b>\$1,423,075</b>	<b>\$1,423,075</b>	<b>\$1,418,600</b>	<b>\$1,418,600</b>	<b>\$1,418,600</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail  
 2011-13 Biennium  
 Tier One and Tier Two Plan

Cross Reference Number:45900-100-00-00-00000

Description	Governor's Rec. Budget (Y-01) 2011-13 Base Budget	Leg. Adopted Budget (Z-01) 2011-13 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>BEGINNING BALANCE</b>				
0025 Beginning Balance				
3200 Other Funds Non-Ltd	45,099,788,373	45,099,788,373	0	-
<b>REVENUE CATEGORIES</b>				
<b>CHARGES FOR SERVICES</b>				
0410 Charges for Services				
3200 Other Funds Non-Ltd	120,000	120,000	0	-
<b>INTEREST EARNINGS</b>				
0605 Interest Income				
3200 Other Funds Non-Ltd	6,537,404,900	6,537,404,900	0	-
<b>DONATIONS AND CONTRIBUTIONS</b>				
0915 Retirement System Contribution				
3200 Other Funds Non-Ltd	1,544,179,800	1,544,179,800	0	-
<b>OTHER</b>				
0975 Other Revenues				
3200 Other Funds Non-Ltd	800,000	800,000	0	-
<b>TOTAL REVENUES</b>				
3200 Other Funds Non-Ltd	8,082,504,700	8,082,504,700	0	-
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	(39,425,980)	(38,495,388)	930,592	2.36%
<b>AVAILABLE REVENUES</b>				
3200 Other Funds Non-Ltd	53,142,867,093	53,143,797,685	930,592	0.00%
<b>EXPENDITURES</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

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 2011-13 Biennium  
 Tier One and Tier Two Plan

Cross Reference Number: 45900-100-00-00-00000

Description	Governor's Rec. Budget (Y-01) 2011-13 Base Budget	Leg. Adopted Budget (Z-01) 2011-13 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>SERVICES &amp; SUPPLIES</b>				
4300 Professional Services				
3200 Other Funds Non-Ltd	6,773,299	6,773,299	0	-
<b>SPECIAL PAYMENTS</b>				
6030 Dist to Non-Gov Units				
3200 Other Funds Non-Ltd	346,063,511	346,063,511	0	-
6035 Dist to Individuals				
3200 Other Funds Non-Ltd	6,873,000,000	6,873,000,000	0	-
<b>TOTAL SPECIAL PAYMENTS</b>				
3200 Other Funds Non-Ltd	7,219,063,511	7,219,063,511	0	-
<b>TOTAL EXPENDITURES</b>				
3200 Other Funds Non-Ltd	7,225,836,810	7,225,836,810	0	-
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	45,917,030,283	45,917,960,875	930,592	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-200-00-00-00000

2011-13 Biennium

Oregon Public Service Retirement Plan

Description	Governor's Rec. Budget (Y-01) 2011-13 Base Budget	Leg. Adopted Budget (Z-01) 2011-13 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>BEGINNING BALANCE</b>				
0025 Beginning Balance				
3200 Other Funds Non-Ltd	3,799,265,455	3,799,265,455	0	-
<b>REVENUE CATEGORIES</b>				
<b>CHARGES FOR SERVICES</b>				
0410 Charges for Services				
3200 Other Funds Non-Ltd	20,000	20,000	0	-
<b>INTEREST EARNINGS</b>				
0605 Interest Income				
3200 Other Funds Non-Ltd	590,000,000	590,000,000	0	-
<b>DONATIONS AND CONTRIBUTIONS</b>				
0915 Retirement System Contribution				
3200 Other Funds Non-Ltd	1,530,000,000	1,530,000,000	0	-
<b>TOTAL REVENUES</b>				
3200 Other Funds Non-Ltd	2,120,020,000	2,120,020,000	0	-
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3200 Other Funds Non-Ltd	(33,439,042)	(32,917,400)	521,642	1.56%
<b>AVAILABLE REVENUES</b>				
3200 Other Funds Non-Ltd	5,885,846,413	5,886,368,055	521,642	0.01%
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
4300 Professional Services				
3200 Other Funds Non-Ltd	4,675,500	4,675,500	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number: 45900-200-00-00-00000

2011-13 Biennium

Oregon Public Service Retirement Plan

Description	Governor's Rec. Budget (Y-01) 2011-13 Base Budget	Leg. Adopted Budget (Z-01) 2011-13 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>SPECIAL PAYMENTS</b>				
6035 Dist to Individuals				
3200 Other Funds Non-Ltd	203,500,000	203,500,000	0	-
<b>TOTAL EXPENDITURES</b>				
3200 Other Funds Non-Ltd	208,175,500	208,175,500	0	-
<b>ENDING BALANCE</b>				
3200 Other Funds Non-Ltd	5,677,670,913	5,678,192,555	521,642	0.01%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-300-00-00-00000

2011-13 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2011-13 Base Budget	Leg. Adopted Budget (Z-01) 2011-13 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>BEGINNING BALANCE</b>				
0025 Beginning Balance				
3400 Other Funds Ltd	5,284,793	5,284,793	0	-
<b>REVENUE CATEGORIES</b>				
<b>CHARGES FOR SERVICES</b>				
0410 Charges for Services				
3400 Other Funds Ltd	2,422,928	2,422,928	0	-
<b>INTEREST EARNINGS</b>				
0605 Interest Income				
3400 Other Funds Ltd	1,566,500	1,566,500	0	-
<b>OTHER</b>				
0975 Other Revenues				
3400 Other Funds Ltd	220,500	220,500	0	-
<b>TRANSFERS IN</b>				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	68,202,027	68,202,027	0	-
<b>TOTAL REVENUES</b>				
3400 Other Funds Ltd	72,411,955	72,411,955	0	-
<b>TRANSFERS OUT</b>				
2010 Transfer Out - Intrafund				
3400 Other Funds Ltd	(1,752,391)	(1,752,391)	0	-
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3400 Other Funds Ltd	(79,500)	(79,500)	0	-
<b>TOTAL TRANSFERS OUT</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-300-00-00-00000

2011-13 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2011-13 Base Budget	Leg. Adopted Budget (Z-01) 2011-13 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(1,831,891)	(1,831,891)	0	-
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	75,864,857	75,864,857	0	-
<b>EXPENDITURES</b>				
<b>PERSONAL SERVICES</b>				
<b>SALARIES &amp; WAGES</b>				
<b>3110 Class/Unclass Sal. and Per Diem</b>				
3400 Other Funds Ltd	33,859,724	33,859,724	0	-
<b>3160 Temporary Appointments</b>				
3400 Other Funds Ltd	166,319	166,319	0	-
<b>3170 Overtime Payments</b>				
3400 Other Funds Ltd	572,860	572,860	0	-
<b>3180 Shift Differential</b>				
3400 Other Funds Ltd	2,096	2,096	0	-
<b>3190 All Other Differential</b>				
3400 Other Funds Ltd	221,885	221,885	0	-
<b>TOTAL SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	34,822,884	34,822,884	0	-
<b>OTHER PAYROLL EXPENSES</b>				
<b>3210 Empl. Rel. Bd. Assessments</b>				
3400 Other Funds Ltd	13,325	13,325	0	-
<b>3220 Public Employees' Retire Cont</b>				
3400 Other Funds Ltd	4,994,036	4,994,036	0	-
<b>3221 Pension Bond Contribution</b>				

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**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-300-00-00-00000

2011-13 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2011-13 Base Budget	Leg. Adopted Budget (Z-01) 2011-13 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	1,652,716	1,652,716	0	-
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	2,656,183	2,656,183	0	-
<b>3240 Unemployment Assessments</b>				
3400 Other Funds Ltd	39,629	39,629	0	-
<b>3250 Worker's Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	19,175	19,175	0	-
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	224,430	224,430	0	-
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	9,751,104	9,751,104	0	-
<b>TOTAL OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	19,350,598	19,350,598	0	-
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	(165,147)	(165,147)	0	-
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	50,487	50,487	0	-
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	(114,660)	(114,660)	0	-
<b>TOTAL PERSONAL SERVICES</b>				
3400 Other Funds Ltd	54,058,822	54,058,822	0	-
<b>SERVICES &amp; SUPPLIES</b>				
4100 Instate Travel				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-300-00-00-00000

2011-13 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2011-13 Base Budget	Leg. Adopted Budget (Z-01) 2011-13 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	214,341	214,341	0	-
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	11,793	11,793	0	-
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	703,382	703,382	0	-
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	2,204,399	2,204,399	0	-
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	533,647	533,647	0	-
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	2,198,294	2,198,294	0	-
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	3,748,524	3,748,524	0	-
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	257,067	257,067	0	-
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	3,433,877	3,433,877	0	-
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	10,011,587	10,011,587	0	-
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	1,048,583	1,048,583	0	-
<b>4350 Dispute Resolution Services</b>				
3400 Other Funds Ltd	85,655	85,655	0	-
<b>4375 Employee Recruitment and Develop</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-300-00-00-00000

2011-13 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2011-13 Base Budget	Leg. Adopted Budget (Z-01) 2011-13 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	61,509	61,509	0	-
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	53,737	53,737	0	-
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	982,592	982,592	0	-
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	170,706	170,706	0	-
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	959,685	959,685	0	-
<b>4625 Other COP Costs</b>				
3400 Other Funds Ltd	6,682	6,682	0	-
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	2,861	2,861	0	-
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	87,562	87,562	0	-
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	730,601	730,601	0	-
<b>TOTAL SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	27,507,084	27,507,084	0	-
<b>CAPITAL OUTLAY</b>				
<b>5100 Office Furniture and Fixtures</b>				
3400 Other Funds Ltd	32,716	32,716	0	-
<b>5150 Telecommunications Equipment</b>				
3400 Other Funds Ltd	66,506	66,506	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail

Cross Reference Number:45900-300-00-00-00000

2011-13 Biennium

Operations

Description	Governor's Rec. Budget (Y-01) 2011-13 Base Budget	Leg. Adopted Budget (Z-01) 2011-13 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
5550 Data Processing Software				
3400 Other Funds Ltd	110,226	110,226	0	-
5600 Data Processing Hardware				
3400 Other Funds Ltd	384,140	384,140	0	-
<b>TOTAL CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	593,588	593,588	0	-
<b>TOTAL EXPENDITURES</b>				
3400 Other Funds Ltd	82,159,494	82,159,494	0	-
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(6,294,637)	(6,294,637)	0	-
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	325	325	0	-
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	324.17	324.17	0	-
8280 FTE Reconciliation	0.33	0.33	0	-
<b>TOTAL AUTHORIZED FTE</b>	<b>324.50</b>	<b>324.50</b>	<b>0</b>	<b>-</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Version / Column Comparison Report - Detail  
 2011-13 Biennium  
 Debt Service

Cross Reference Number: 45900-400-00-00-00000

Description	Governor's Rec. Budget (Y-01) 2011-13 Base Budget	Leg. Adopted Budget (Z-01) 2011-13 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
OTHER				
0975 Other Revenues				
3430 Other Funds Debt Svc Ltd	3,000	3,000	0	-
TRANSFERS IN				
1010 Transfer In - Intrafund				
3430 Other Funds Debt Svc Ltd	1,415,600	1,415,600	0	-
<b>TOTAL REVENUES</b>				
3430 Other Funds Debt Svc Ltd	1,418,600	1,418,600	0	-
<b>AVAILABLE REVENUES</b>				
3430 Other Funds Debt Svc Ltd	1,418,600	1,418,600	0	-
<b>EXPENDITURES</b>				
DEBT SERVICE				
7200 Principal - COP				
3430 Other Funds Debt Svc Ltd	1,070,000	1,070,000	0	-
7250 Interest - COP				
3430 Other Funds Debt Svc Ltd	348,600	348,600	0	-
<b>TOTAL DEBT SERVICE</b>				
3430 Other Funds Debt Svc Ltd	1,418,600	1,418,600	0	-

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3160 Temporary Appointments**

3400 Other Funds Ltd	3,992	3,992	0	0.00%
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**3170 Overtime Payments**

3400 Other Funds Ltd	13,749	13,749	0	0.00%
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**3180 Shift Differential**

3400 Other Funds Ltd	50	50	0	0.00%
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**3190 All Other Differential**

3400 Other Funds Ltd	5,325	5,325	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	23,116	23,116	0	0.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$23,116</b>	<b>\$23,116</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3220 Public Employees Retire Cont.**

3400 Other Funds Ltd	2,756	2,756	0	0.00%
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**3221 Pension Bond Contribution**

3400 Other Funds Ltd	296,956	296,956	0	0.00%
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	1,769	1,769	0	0.00%
<b>3240 Unemployment Assessments</b>				
3400 Other Funds Ltd	951	951	0	0.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	(15,254)	(15,254)	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	287,178	287,178	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$287,178</b>	<b>\$287,178</b>	<b>\$0</b>	<b>0.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3455 Vacancy Savings</b>				
3400 Other Funds Ltd	25,458	25,458	0	0.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	25,458	25,458	0	0.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>\$25,458</b>	<b>\$25,458</b>	<b>\$0</b>	<b>0.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	335,752	335,752	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$335,752</b>	<b>\$335,752</b>	<b>\$0</b>	<b>0.00%</b>

**EXPENDITURES**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Non-PICS Psnl Svc / Vacancy Factor  
Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	335,752	335,752	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$335,752</b>	<b>\$335,752</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(335,752)	(335,752)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$335,752)</b>	<b>(\$335,752)</b>	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-300-00-00-00000

2011-13 Biennium

Package: Phase-out Pgm & One-time Costs

Operations

Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
4150 Employee Training				
3400 Other Funds Ltd	(40,150)	(40,150)	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	(297,336)	(297,336)	0	0.00%
4300 Professional Services				
3400 Other Funds Ltd	(110,000)	(110,000)	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	(8,064,244)	(8,064,244)	0	0.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	(775,000)	(775,000)	0	0.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	(2,000)	(2,000)	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	(79,000)	(79,000)	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	(9,367,730)	(9,367,730)	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>(\$9,367,730)</b>	<b>(\$9,367,730)</b>	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Phase-out Pgm & One-time Costs  
Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	(9,367,730)	(9,367,730)	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>(\$9,367,730)</b>	<b>(\$9,367,730)</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	9,367,730	9,367,730	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>\$9,367,730</b>	<b>\$9,367,730</b>	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**EXPENDITURES**

**SERVICES & SUPPLIES**

4100 Instate Travel				
3400 Other Funds Ltd	5,144	5,144	0	0.00%
4125 Out of State Travel				
3400 Other Funds Ltd	283	283	0	0.00%
4150 Employee Training				
3400 Other Funds Ltd	15,918	15,918	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	45,770	45,770	0	0.00%
4200 Telecommunications				
3400 Other Funds Ltd	12,808	12,808	0	0.00%
4225 State Gov. Service Charges				
3400 Other Funds Ltd	690,617	690,617	0	0.00%
4250 Data Processing				
3400 Other Funds Ltd	89,965	89,965	0	0.00%
4275 Publicity and Publications				
3400 Other Funds Ltd	6,170	6,170	0	0.00%
4300 Professional Services				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-300-00-00-00000

2011-13 Biennium

Package: Standard Inflation

Operations

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	103,040	103,040	0	0.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	60,368	60,368	0	0.00%
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	115,344	115,344	0	0.00%
<b>4350 Dispute Resolution Services</b>				
3400 Other Funds Ltd	2,056	2,056	0	0.00%
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	1,476	1,476	0	0.00%
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	1,290	1,290	0	0.00%
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	4,505	4,505	0	0.00%
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	4,097	4,097	0	0.00%
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	23,032	23,032	0	0.00%
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	69	69	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	2,053	2,053	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	15,638	15,638	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	1,199,643	1,199,643	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$1,199,643</b>	<b>\$1,199,643</b>	<b>\$0</b>	<b>0.00%</b>
<b>CAPITAL OUTLAY</b>				
<b>5100 Office Furniture and Fixtures</b>				
3400 Other Funds Ltd	785	785	0	0.00%
<b>5150 Telecommunications Equipment</b>				
3400 Other Funds Ltd	1,596	1,596	0	0.00%
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	2,645	2,645	0	0.00%
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	9,219	9,219	0	0.00%
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	14,245	14,245	0	0.00%
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$14,245</b>	<b>\$14,245</b>	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	1,213,888	1,213,888	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$1,213,888</b>	<b>\$1,213,888</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(1,213,888)	(1,213,888)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$1,213,888)</b>	<b>(\$1,213,888)</b>	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Above Standard Inflation  
Pkg Group: ESS Pkg Type: 030 Pkg Number: 032

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	2,223	2,223	0	0.00%
<b>4350 Dispute Resolution Services</b>				
3400 Other Funds Ltd	8,547	8,547	0	0.00%
<b>4475 Facilities Maintenance</b>				
3400 Other Funds Ltd	109,216	109,216	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	119,986	119,986	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$119,986</b>	<b>\$119,986</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	119,986	119,986	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$119,986</b>	<b>\$119,986</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(119,986)	(119,986)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$119,986)</b>	<b>(\$119,986)</b>	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail

Cross Reference Number: 45900-300-00-00-00000

2011-13 Biennium

Package: Exceptional Inflation

Operations

Pkg Group: ESS Pkg Type: 030 Pkg Number: 033

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	1,878	1,878	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	1,878	1,878	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$1,878</b>	<b>\$1,878</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	1,878	1,878	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$1,878</b>	<b>\$1,878</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	(1,878)	(1,878)	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>(\$1,878)</b>	<b>(\$1,878)</b>	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: May 2010 E-Board  
Pkg Group: POL Pkg Type: 080 Pkg Number: 081

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	752,213	752,213	0	0.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	752,213	752,213	0	0.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$752,213</b>	<b>\$752,213</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	469,488	469,488	0	0.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	469,488	469,488	0	0.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$469,488</b>	<b>\$469,488</b>	<b>\$0</b>	<b>0.00%</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	246	246	0	0.00%
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**3220 Public Employees Retire Cont**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: May 2010 E-Board  
Pkg Group: POL Pkg Type: 080 Pkg Number: 081

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	67,854	67,854	0	0.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	35,916	35,916	0	0.00%
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	354	354	0	0.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	2,817	2,817	0	0.00%
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	180,576	180,576	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	287,563	287,563	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$287,563</b>	<b>\$287,563</b>	<b>\$0</b>	<b>0.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	(41,638)	(41,638)	0	0.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	(41,638)	(41,638)	0	0.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>(\$41,638)</b>	<b>(\$41,638)</b>	<b>\$0</b>	<b>0.00%</b>
<b>PERSONAL SERVICES</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: May 2010 E-Board  
Pkg Group: POL Pkg Type: 080 Pkg Number: 081

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	715,413	715,413	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>\$715,413</b>	<b>\$715,413</b>	<b>\$0</b>	<b>0.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	6,800	6,800	0	0.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	30,000	30,000	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	36,800	36,800	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$36,800</b>	<b>\$36,800</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	752,213	752,213	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$752,213</b>	<b>\$752,213</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	6	6	0	0.00%
<b>AUTHORIZED FTE</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
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 Operations

Cross Reference Number: 45900-300-00-00-00000  
 Package: May 2010 E-Board  
 Pkg Group: POL Pkg Type: 080 Pkg Number: 081

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
8250 Class/Unclass FTE Positions	6.00	6.00	0.00	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Eliminate Inflation  
Pkg Group: POL Pkg Type: 080 Pkg Number: 086

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(17,503)	(17,503)	0	0.00%
<b>TOTAL SALARIES &amp; WAGES</b>	<b>(\$17,503)</b>	<b>(\$17,503)</b>	<b>\$0</b>	<b>0.00%</b>
<b>OTHER PAYROLL EXPENSES</b>				
<b>3220 Public Employees Retire Cont</b>				
3400 Other Funds Ltd	(1,948)	(1,948)	0	0.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	(1,342)	(1,342)	0	0.00%
<b>3240 Unemployment Assessments</b>				
3400 Other Funds Ltd	(951)	(951)	0	0.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	(103)	(103)	0	0.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	(4,344)	(4,344)	0	0.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>(\$4,344)</b>	<b>(\$4,344)</b>	<b>\$0</b>	<b>0.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	2	2	0	0.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	2	2	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Eliminate Inflation  
Pkg Group: POL Pkg Type: 080 Pkg Number: 086

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	\$2	\$2	\$0	0.00%
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	(21,845)	(21,845)	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>(\$21,845)</b>	<b>(\$21,845)</b>	<b>\$0</b>	<b>0.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4100 Instate Travel</b>				
3400 Other Funds Ltd	(5,144)	(5,144)	0	0.00%
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	(283)	(283)	0	0.00%
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	(15,918)	(15,918)	0	0.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	(45,770)	(45,770)	0	0.00%
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	(12,808)	(12,808)	0	0.00%
<b>4225 State Gov. Service Charges</b>				
3400 Other Funds Ltd	(118,433)	(118,433)	0	0.00%
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	(89,965)	(89,965)	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Eliminate Inflation  
Pkg Group: POL Pkg Type: 080 Pkg Number: 086

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	(6,170)	(6,170)	0	0.00%
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	(103,040)	(103,040)	0	0.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	(60,368)	(60,368)	0	0.00%
<b>4325 Attorney General</b>				
3400 Other Funds Ltd	(115,344)	(115,344)	0	0.00%
<b>4350 Dispute Resolution Services</b>				
3400 Other Funds Ltd	(2,056)	(2,056)	0	0.00%
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	(1,476)	(1,476)	0	0.00%
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	(1,290)	(1,290)	0	0.00%
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	(4,097)	(4,097)	0	0.00%
<b>4650 Other Services and Supplies</b>				
3400 Other Funds Ltd	(69)	(69)	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Eliminate Inflation  
Pkg Group: POL Pkg Type: 080 Pkg Number: 086

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(2,053)	(2,053)	0	0.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	(15,638)	(15,638)	0	0.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	(599,922)	(599,922)	0	0.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>(\$599,922)</b>	<b>(\$599,922)</b>	<b>\$0</b>	<b>0.00%</b>
<b>CAPITAL OUTLAY</b>				
<b>5100 Office Furniture and Fixtures</b>				
3400 Other Funds Ltd	(785)	(785)	0	0.00%
<b>5150 Telecommunications Equipment</b>				
3400 Other Funds Ltd	(1,596)	(1,596)	0	0.00%
<b>5550 Data Processing Software</b>				
3400 Other Funds Ltd	(2,645)	(2,645)	0	0.00%
<b>5600 Data Processing Hardware</b>				
3400 Other Funds Ltd	(9,219)	(9,219)	0	0.00%
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	(14,245)	(14,245)	0	0.00%
<b>TOTAL CAPITAL OUTLAY</b>	<b>(\$14,245)</b>	<b>(\$14,245)</b>	<b>\$0</b>	<b>0.00%</b>

**EXPENDITURES**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Eliminate Inflation  
Pkg Group: POL Pkg Type: 080 Pkg Number: 086

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(\$36,012)	(\$36,012)	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>(\$636,012)</b>	<b>(\$636,012)</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Personal Service Adjustments  
Pkg Group: POL Pkg Type: 080 Pkg Number: 087

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TRANSFERS IN</b>				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	(2,991,702)	(2,991,702)	0	0.00%
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	(2,991,702)	(2,991,702)	0	0.00%
<b>TOTAL AVAILABLE REVENUES</b>	<b>(\$2,991,702)</b>	<b>(\$2,991,702)</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
<b>PERSONAL SERVICES</b>				
<b>P.S. BUDGET ADJUSTMENTS</b>				
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	(2,991,702)	(2,991,702)	0	0.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	(2,991,702)	(2,991,702)	0	0.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>(\$2,991,702)</b>	<b>(\$2,991,702)</b>	<b>\$0</b>	<b>0.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	(2,991,702)	(2,991,702)	0	0.00%
<b>TOTAL PERSONAL SERVICES</b>	<b>(\$2,991,702)</b>	<b>(\$2,991,702)</b>	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Personal Service Adjustments  
Pkg Group: POL Pkg Type: 080 Pkg Number: 087

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(2,991,702)	(2,991,702)	0	0.00%
<b>TOTAL EXPENDITURES</b>	<b>(\$2,991,702)</b>	<b>(\$2,991,702)</b>	<b>\$0</b>	<b>0.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Business Enterprise-Core Business Functions  
Pkg Group: POL Pkg Type: POL Pkg Number: 131

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	4,383,516	4,062,717	(320,799)	(7.32%)
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	4,383,516	4,062,717	(320,799)	(7.32%)
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$4,383,516</b>	<b>\$4,062,717</b>	<b>(\$320,799)</b>	<b>(7.32%)</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	2,776,032	2,585,136	(190,896)	(6.88%)
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**SALARIES & WAGES**

3400 Other Funds Ltd	2,776,032	2,585,136	(190,896)	(6.88%)
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$2,776,032</b>	<b>\$2,585,136</b>	<b>(\$190,896)</b>	<b>(6.88%)</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	1,353	1,230	(123)	(9.09%)
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**3220 Public Employees Retire Cont**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Business Enterprise-Core Business Functions  
Pkg Group: POL Pkg Type: POL Pkg Number: 131

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	400,028	372,519	(27,509)	(6.88%)
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	212,367	197,763	(14,604)	(6.88%)
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	1,947	1,770	(177)	(9.09%)
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	16,656	15,510	(1,146)	(6.88%)
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	993,168	902,880	(90,288)	(9.09%)
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	1,625,519	1,491,672	(133,847)	(8.23%)
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$1,625,519</b>	<b>\$1,491,672</b>	<b>(\$133,847)</b>	<b>(8.23%)</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	(242,085)	(223,141)	18,944	7.83%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	(242,085)	(223,141)	18,944	7.83%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>(\$242,085)</b>	<b>(\$223,141)</b>	<b>\$18,944</b>	<b>7.83%</b>
<b>PERSONAL SERVICES</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Business Enterprise-Core Business Functions  
Pkg Group: POL Pkg Type: POL Pkg Number: 131

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	4,159,466	3,853,667	(305,799)	(7.35%)
<b>TOTAL PERSONAL SERVICES</b>	<b>\$4,159,466</b>	<b>\$3,853,667</b>	<b>(\$305,799)</b>	<b>(7.35%)</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	39,050	39,050	0	0.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	165,000	165,000	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	4,000	1,000	(3,000)	(75.00%)
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	16,000	4,000	(12,000)	(75.00%)
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	224,050	209,050	(15,000)	(6.69%)
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$224,050</b>	<b>\$209,050</b>	<b>(\$15,000)</b>	<b>(6.69%)</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	4,383,516	4,062,717	(320,799)	(7.32%)
<b>TOTAL EXPENDITURES</b>	<b>\$4,383,516</b>	<b>\$4,062,717</b>	<b>(\$320,799)</b>	<b>(7.32%)</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Business Enterprise-Core Business Functions  
Pkg Group: POL Pkg Type: POL Pkg Number: 131

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL ENDING BALANCE</b>	-	-	\$0	0.00%
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	33	30	(3)	(9.09%)
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	33.00	30.00	(3.00)	(9.09%)

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Infrastructure Maintenance & Enhancement  
Pkg Group: POL Pkg Type: POL Pkg Number: 132

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TRANSFERS IN</b>				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	2,839,771	2,705,752	(134,019)	(4.72%)
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	2,839,771	2,705,752	(134,019)	(4.72%)
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$2,839,771</b>	<b>\$2,705,752</b>	<b>(\$134,019)</b>	<b>(4.72%)</b>
<b>EXPENDITURES</b>				
<b>PERSONAL SERVICES</b>				
<b>SALARIES &amp; WAGES</b>				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	411,936	323,088	(88,848)	(21.57%)
<b>SALARIES &amp; WAGES</b>				
3400 Other Funds Ltd	411,936	323,088	(88,848)	(21.57%)
<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$411,936</b>	<b>\$323,088</b>	<b>(\$88,848)</b>	<b>(21.57%)</b>
<b>OTHER PAYROLL EXPENSES</b>				
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	164	123	(41)	(25.00%)
3220 Public Employees Retire Cont				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Infrastructure Maintenance & Enhancement  
Pkg Group: POL Pkg Type: POL Pkg Number: 132

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	59,360	46,557	(12,803)	(21.57%)
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	31,513	24,716	(6,797)	(21.57%)
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	236	177	(59)	(25.00%)
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	2,472	1,939	(533)	(21.56%)
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	120,384	90,268	(30,096)	(25.00%)
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	214,129	163,800	(50,329)	(23.50%)
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$214,129</b>	<b>\$163,800</b>	<b>(\$50,329)</b>	<b>(23.50%)</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	(34,434)	(26,276)	8,158	23.69%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	(34,434)	(26,276)	8,158	23.69%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>(\$34,434)</b>	<b>(\$26,276)</b>	<b>\$8,158</b>	<b>23.69%</b>
<b>PERSONAL SERVICES</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Infrastructure Maintenance & Enhancement  
Pkg Group: POL Pkg Type: POL Pkg Number: 132

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	591,631	480,612	(131,019)	(22.15%)
<b>TOTAL PERSONAL SERVICES</b>	<b>\$591,631</b>	<b>\$460,612</b>	<b>(\$131,019)</b>	<b>(22.15%)</b>
<b>SERVICES &amp; SUPPLIES</b>				
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	3,800	3,800	0	0.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	20,000	20,000	0	0.00%
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	396,000	396,000	0	0.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	231,700	231,700	0	0.00%
<b>4425 Facilities Rental and Taxes</b>				
3400 Other Funds Ltd	817,500	817,500	0	0.00%
<b>4450 Fuels and Utilities</b>				
3400 Other Funds Ltd	100,000	100,000	0	0.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	1,000	-	(1,000)	(100.00%)
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	344,140	342,140	(2,000)	(0.58%)

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Infrastructure Maintenance & Enhancement  
Pkg Group: POL Pkg Type: POL Pkg Number: 132

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	1,914,140	1,911,140	(3,000)	(0.16%)
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$1,914,140</b>	<b>\$1,911,140</b>	<b>(\$3,000)</b>	<b>(0.16%)</b>
<b>CAPITAL OUTLAY</b>				
<b>5150 Telecommunications Equipment</b>				
3400 Other Funds Ltd	34,000	34,000	0	0.00%
<b>5200 Technical Equipment</b>				
3400 Other Funds Ltd	300,000	300,000	0	0.00%
<b>CAPITAL OUTLAY</b>				
3400 Other Funds Ltd	334,000	334,000	0	0.00%
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$334,000</b>	<b>\$334,000</b>	<b>\$0</b>	<b>0.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	2,839,771	2,705,752	(134,019)	(4.72%)
<b>TOTAL EXPENDITURES</b>	<b>\$2,839,771</b>	<b>\$2,705,752</b>	<b>(\$134,019)</b>	<b>(4.72%)</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	<b>-</b>	<b>-</b>	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	4	3	(1)	(25.00%)

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
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 Operations

Cross Reference Number: 45900-300-00-00-00000  
 Package: Infrastructure Maintenance & Enhancement  
 Pkg Group: POL Pkg Type: POL Pkg Number: 132

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

AUTHORIZED FTE

8250 Class/Unclass FTE Positions	4.00	3.00	(1.00)	(25.00%)
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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
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Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Position Reclass/Realignment  
Pkg Group: POL Pkg Type: POL Pkg Number: 133

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	176,399	54,684	(121,715)	(69.00%)
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	176,399	54,684	(121,715)	(69.00%)
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<b>TOTAL AVAILABLE REVENUES</b>	<b>\$176,399</b>	<b>\$54,684</b>	<b>(\$121,715)</b>	<b>(69.00%)</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	152,184	46,968	(105,216)	(69.14%)
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**SALARIES & WAGES**

3400 Other Funds Ltd	152,184	46,968	(105,216)	(69.14%)
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>\$152,184</b>	<b>\$46,968</b>	<b>(\$105,216)</b>	<b>(69.14%)</b>
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**OTHER PAYROLL EXPENSES**

**3220 Public Employees Retire Cont**

3400 Other Funds Ltd	21,930	6,769	(15,161)	(69.13%)
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**3230 Social Security Taxes**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Position Reclass/Realignment  
Pkg Group: POL Pkg Type: POL Pkg Number: 133

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	11,639	3,593	(8,046)	(69.13%)
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	913	282	(631)	(69.11%)
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	34,482	10,844	(23,838)	(69.13%)
<b>TOTAL OTHER PAYROLL EXPENSES</b>	<b>\$34,482</b>	<b>\$10,844</b>	<b>(\$23,838)</b>	<b>(69.13%)</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	(10,267)	(2,928)	7,339	71.48%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	(10,267)	(2,928)	7,339	71.48%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	<b>(\$10,267)</b>	<b>(\$2,928)</b>	<b>\$7,339</b>	<b>71.48%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	176,399	54,684	(121,715)	(69.00%)
<b>TOTAL PERSONAL SERVICES</b>	<b>\$176,399</b>	<b>\$54,684</b>	<b>(\$121,715)</b>	<b>(69.00%)</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	176,399	54,684	(121,715)	(69.00%)
<b>TOTAL EXPENDITURES</b>	<b>\$176,399</b>	<b>\$54,684</b>	<b>(\$121,715)</b>	<b>(69.00%)</b>
<b>ENDING BALANCE</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
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Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Position Reclass/Realignment  
Pkg Group: POL Pkg Type: POL Pkg Number: 133

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Legislative Concept: PERS Housekeeping Bill  
Pkg Group: POL Pkg Type: POL Pkg Number: 134

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TRANSFERS IN</b>				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	475,600	-	(475,600)	(100.00%)
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	475,600	-	(475,600)	(100.00%)
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$475,600</b>	<b>-</b>	<b>(\$475,600)</b>	<b>(100.00%)</b>
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
4315 IT Professional Services				
3400 Other Funds Ltd	475,600	-	(475,600)	(100.00%)
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	475,600	-	(475,600)	(100.00%)
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$475,600</b>	<b>-</b>	<b>(\$475,600)</b>	<b>(100.00%)</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	475,600	-	(475,600)	(100.00%)
<b>TOTAL EXPENDITURES</b>	<b>\$475,600</b>	<b>-</b>	<b>(\$475,600)</b>	<b>(100.00%)</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
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 Operations

Cross Reference Number: 45900-300-00-00-00000  
 Package: Legislative Concept: PERS Housekeeping Bill  
 Pkg Group: POL Pkg Type: POL Pkg Number: 134

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL ENDING BALANCE</b>	-	-	\$0	0.00%

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Agency Request

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
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Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Leg Concept: OPSRP Pension Withdrawal Restrictions  
Pkg Group: POL Pkg Type: POL Pkg Number: 136

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TRANSFERS IN</b>				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	1	-	(1)	(100.00%)
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	1	-	(1)	(100.00%)
<b>TOTAL AVAILABLE REVENUES</b>	<b>\$1</b>	<b>-</b>	<b>(\$1)</b>	<b>(100.00%)</b>
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
4315 IT Professional Services				
3400 Other Funds Ltd	1	-	(1)	(100.00%)
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	1	-	(1)	(100.00%)
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>\$1</b>	<b>-</b>	<b>(\$1)</b>	<b>(100.00%)</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	1	-	(1)	(100.00%)
<b>TOTAL EXPENDITURES</b>	<b>\$1</b>	<b>-</b>	<b>(\$1)</b>	<b>(100.00%)</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
 2011-13 Biennium  
 Operations

Cross Reference Number: 45900-300-00-00-00000  
 Package: Leg Concept: OPSRP Pension Withdrawal Restrictions  
 Pkg Group: POL Pkg Type: POL Pkg Number: 136

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL ENDING BALANCE</b>	-	-	\$0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
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Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Targeted Statewide Adjustments  
Pkg Group: POL Pkg Type: LFO Pkg Number: 801

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TRANSFERS IN</b>				
<b>1010 Transfer In - Intrafund</b>				
3400 Other Funds Ltd	-	(1,398,249)	(1,398,249)	100.00%
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	-	(1,398,249)	(1,398,249)	100.00%
<b>TOTAL AVAILABLE REVENUES</b>	-	<b>(\$1,398,249)</b>	<b>(\$1,398,249)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
<b>4125 Out of State Travel</b>				
3400 Other Funds Ltd	-	(4,084)	(4,084)	100.00%
<b>4150 Employee Training</b>				
3400 Other Funds Ltd	-	(139,020)	(139,020)	100.00%
<b>4175 Office Expenses</b>				
3400 Other Funds Ltd	-	(345,600)	(345,600)	100.00%
<b>4200 Telecommunications</b>				
3400 Other Funds Ltd	-	(33,483)	(33,483)	100.00%
<b>4250 Data Processing</b>				
3400 Other Funds Ltd	-	(163,784)	(163,784)	100.00%

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**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Targeted Statewide Adjustments  
Pkg Group: POL Pkg Type: LFO Pkg Number: 801

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>4275 Publicity and Publications</b>				
3400 Other Funds Ltd	-	(20,500)	(20,500)	100.00%
<b>4300 Professional Services</b>				
3400 Other Funds Ltd	-	(432,436)	(432,436)	100.00%
<b>4315 IT Professional Services</b>				
3400 Other Funds Ltd	-	(120,000)	(120,000)	100.00%
<b>4375 Employee Recruitment and Develop</b>				
3400 Other Funds Ltd	-	(7,660)	(7,660)	100.00%
<b>4400 Dues and Subscriptions</b>				
3400 Other Funds Ltd	-	(18,373)	(18,373)	100.00%
<b>4625 Other COP Costs</b>				
3400 Other Funds Ltd	-	(4,000)	(4,000)	100.00%
<b>4700 Expendable Prop 250 - 5000</b>				
3400 Other Funds Ltd	-	(5,700)	(5,700)	100.00%
<b>4715 IT Expendable Property</b>				
3400 Other Funds Ltd	-	(103,609)	(103,609)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(1,398,249)	(1,398,249)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>(\$1,398,249)</b>	<b>(\$1,398,249)</b>	<b>100.00%</b>

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\_\_\_ Governor's Balanced Budget

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Targeted Statewide Adjustments  
Pkg Group: POL Pkg Type: LFO Pkg Number: 801

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(1,398,249)	(1,398,249)	100.00%
<b>TOTAL EXPENDITURES</b>	-	(\$1,398,249)	(\$1,398,249)	100.00%
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	\$0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Vacant Position Savings  
Pkg Group: POL Pkg Type: LFO Pkg Number: 802

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	-	(13,352)	(13,352)	100.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	-	(13,352)	(13,352)	100.00%
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<b>TOTAL AVAILABLE REVENUES</b>	-	<b>(\$13,352)</b>	<b>(\$13,352)</b>	<b>100.00%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	-	(11,780)	(11,780)	100.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	-	(11,780)	(11,780)	100.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	-	<b>(\$11,780)</b>	<b>(\$11,780)</b>	<b>100.00%</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

3400 Other Funds Ltd	-	(41)	(41)	100.00%
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**3220 Public Employees Retire Cont**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Vacant Position Savings  
Pkg Group: POL Pkg Type: LFO Pkg Number: 802

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	(1,698)	(1,698)	100.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	-	(901)	(901)	100.00%
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	-	(59)	(59)	100.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	-	(2,699)	(2,699)	100.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>(\$2,699)</b>	<b>(\$2,699)</b>	<b>100.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	1,127	1,127	100.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	-	1,127	1,127	100.00%
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	<b>\$1,127</b>	<b>\$1,127</b>	<b>100.00%</b>
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	-	(13,352)	(13,352)	100.00%
<b>TOTAL PERSONAL SERVICES</b>	-	<b>(\$13,352)</b>	<b>(\$13,352)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	(13,352)	(13,352)	100.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Vacant Position Savings  
Pkg Group: POL Pkg Type: LFO Pkg Number: 802

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL EXPENDITURES</b>	-	(\$13,352)	(\$13,352)	100.00%
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	\$0	0.00%
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	-	(1)	(1)	100.00%
<b>AUTHORIZED FTE</b>				
8250 Class/Unclass FTE Positions	-	(0.17)	(0.17)	100.00%

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Agency Request

Governor's Balanced Budget

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Budget Reconciliation Adjustments (SB 5508)  
Pkg Group: POL Pkg Type: LFO Pkg Number: 805

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TRANSFERS IN</b>				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	-	(34,511)	(34,511)	100.00%
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	-	(34,511)	(34,511)	100.00%
<b>TOTAL AVAILABLE REVENUES</b>	<b>-</b>	<b>(\$34,511)</b>	<b>(\$34,511)</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
4225 State Gov. Service Charges				
3400 Other Funds Ltd	-	(23,191)	(23,191)	100.00%
4250 Data Processing				
3400 Other Funds Ltd	-	(2,069)	(2,069)	100.00%
4350 Dispute Resolution Services				
3400 Other Funds Ltd	-	(9,251)	(9,251)	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	(34,511)	(34,511)	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>-</b>	<b>(\$34,511)</b>	<b>(\$34,511)</b>	<b>100.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: Budget Reconciliation Adjustments (SB 5508)  
Pkg Group: POL Pkg Type: LFO Pkg Number: 805

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	(34,511)	(34,511)	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>(34,511)</b>	<b>(34,511)</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: HB 2113 - PERS Housekeeping  
Pkg Group: POL Pkg Type: LFO Pkg Number: 840

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>REVENUE CATEGORIES</b>				
<b>TRANSFERS IN</b>				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	-	475,600	475,600	100.00%
<b>AVAILABLE REVENUES</b>				
3400 Other Funds Ltd	-	475,600	475,600	100.00%
<b>TOTAL AVAILABLE REVENUES</b>	<b>-</b>	<b>\$475,600</b>	<b>\$475,600</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
<b>SERVICES &amp; SUPPLIES</b>				
4315 IT Professional Services				
3400 Other Funds Ltd	-	475,600	475,600	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	475,600	475,600	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	<b>-</b>	<b>\$475,600</b>	<b>\$475,600</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	475,600	475,600	100.00%
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>\$475,600</b>	<b>\$475,600</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
 2011-13 Biennium  
 Operations

Cross Reference Number: 45900-300-00-00-00000  
 Package: HB 2113 - PERS Housekeeping  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 840

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL ENDING BALANCE</b>	-	-	\$0	0.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: HB 2456 - Prohibit Tax Remedy for Nonresidents  
Pkg Group: POL Pkg Type: LFO Pkg Number: 841

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

**REVENUE CATEGORIES**

**TRANSFERS IN**

**1010 Transfer In - Intrafund**

3400 Other Funds Ltd	-	570,412	570,412	100.00%
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**AVAILABLE REVENUES**

3400 Other Funds Ltd	-	570,412	570,412	100.00%
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<b>TOTAL AVAILABLE REVENUES</b>	<b>-</b>	<b>\$570,412</b>	<b>\$570,412</b>	<b>100.00%</b>
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**EXPENDITURES**

**PERSONAL SERVICES**

**SALARIES & WAGES**

**3110 Class/Unclass Sal. and Per Diem**

3400 Other Funds Ltd	-	50,688	50,688	100.00%
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**3170 Overtime Payments**

3400 Other Funds Ltd	-	23,300	23,300	100.00%
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**SALARIES & WAGES**

3400 Other Funds Ltd	-	73,988	73,988	100.00%
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<b>TOTAL SALARIES &amp; WAGES</b>	<b>-</b>	<b>\$73,988</b>	<b>\$73,988</b>	<b>100.00%</b>
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**OTHER PAYROLL EXPENSES**

**3210 Empl. Rel. Bd. Assessments**

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: HB 2456 - Prohibit Tax Remedy for Nonresidents  
Pkg Group: POL Pkg Type: LFO Pkg Number: 841

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	41	41	100.00%
<b>3220 Public Employees Retire Cont</b>				
3400 Other Funds Ltd	-	10,662	10,662	100.00%
<b>3230 Social Security Taxes</b>				
3400 Other Funds Ltd	-	5,660	5,660	100.00%
<b>3250 Workers Comp. Assess. (WCD)</b>				
3400 Other Funds Ltd	-	59	59	100.00%
<b>3260 Mass Transit Tax</b>				
3400 Other Funds Ltd	-	444	444	100.00%
<b>3270 Flexible Benefits</b>				
3400 Other Funds Ltd	-	30,096	30,096	100.00%
<b>OTHER PAYROLL EXPENSES</b>				
3400 Other Funds Ltd	-	46,962	46,962	100.00%
<b>TOTAL OTHER PAYROLL EXPENSES</b>	-	<b>\$46,962</b>	<b>\$46,962</b>	<b>100.00%</b>
<b>P.S. BUDGET ADJUSTMENTS</b>				
<b>3465 Reconciliation Adjustment</b>				
3400 Other Funds Ltd	-	4,462	4,462	100.00%
<b>P.S. BUDGET ADJUSTMENTS</b>				
3400 Other Funds Ltd	-	4,462	4,462	100.00%

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
2011-13 Biennium  
Operations

Cross Reference Number: 45900-300-00-00-00000  
Package: HB 2456 - Prohibit Tax Remedy for Nonresidents  
Pkg Group: POL Pkg Type: LFO Pkg Number: 841

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
<b>TOTAL P.S. BUDGET ADJUSTMENTS</b>	-	\$4,462	\$4,462	100.00%
<b>PERSONAL SERVICES</b>				
3400 Other Funds Ltd	-	125,412	125,412	100.00%
<b>TOTAL PERSONAL SERVICES</b>	-	<b>\$125,412</b>	<b>\$125,412</b>	<b>100.00%</b>
<b>SERVICES &amp; SUPPLIES</b>				
4315 IT Professional Services				
3400 Other Funds Ltd	-	445,000	445,000	100.00%
<b>SERVICES &amp; SUPPLIES</b>				
3400 Other Funds Ltd	-	445,000	445,000	100.00%
<b>TOTAL SERVICES &amp; SUPPLIES</b>	-	<b>\$445,000</b>	<b>\$445,000</b>	<b>100.00%</b>
<b>EXPENDITURES</b>				
3400 Other Funds Ltd	-	570,412	570,412	100.00%
<b>TOTAL EXPENDITURES</b>	-	<b>\$570,412</b>	<b>\$570,412</b>	<b>100.00%</b>
<b>ENDING BALANCE</b>				
3400 Other Funds Ltd	-	-	0	0.00%
<b>TOTAL ENDING BALANCE</b>	-	-	<b>\$0</b>	<b>0.00%</b>
<b>AUTHORIZED POSITIONS</b>				
8150 Class/Unclass Positions	-	1	1	100.00%
<b>AUTHORIZED FTE</b>				

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# BUDGET NARRATIVE

**Public Employees Retirement System, Oregon**

**Agency Number: 45900**

Package Comparison Report - Detail  
 2011-13 Biennium  
 Operations

Cross Reference Number: 45900-300-00-00-00000  
 Package: HB 2456 - Prohibit Tax Remedy for Nonresidents  
 Pkg Group: POL Pkg Type: LFO Pkg Number: 841

Description	Governor's Rec. Budget (Y-01)	Leg. Adopted Budget (Z-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
8250 Class/Unclass FTE Positions	0.75	0.75	0.75	100.00%

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# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 000 Operations

DEPT. OF ADMIN. SVCS. — PPDB PICS SYSTEM

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 PROD FILE  
 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	B	Y7500	AE BOARD AND COMMISSION MEMBER		.00	.00	0.00					
000	MEAHZ7014	HA	PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	34.00	11,922.00		286,128			286,128
000	MENN20118	AA	EXECUTIVE SUPPORT SPECIALIST 1	1	1.00	34.00	3,672.00		88,128			88,128
000	MESNZ0119	AA	EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	4,039.00		96,936			96,936
000	MESNZ7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	4	4.00	96.00	8,200.50		787,248			787,248
000	MESNZ7010	IA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	10,156.00		243,744			243,744
000	MESNZ7012	AA	PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	10,156.00		243,744			243,744
000	MMN X0871	AA	OPERATIONS & POLICY ANALYST 2	4	4.00	96.00	5,563.75		534,120			534,120
000	MMN X0872	AA	OPERATIONS & POLICY ANALYST 3	3	3.00	72.00	5,863.66		422,184			422,184
000	MMN X1319	AA	HUMAN RESOURCE ASSISTANT	2	2.00	48.00	3,855.00		185,040			185,040
000	MMN X1320	AA	HUMAN RESOURCE ANALYST 1	1	1.00	24.00	4,448.00		106,752			106,752
000	MMN X1321	AA	HUMAN RESOURCE ANALYST 2	1	1.00	24.00	5,151.00		123,624			123,624
000	MMN X1338	AA	TRAINING & DEVELOPMENT SPEC 1	1	1.00	24.00	4,906.00		117,744			117,744
000	MMN X5617	AA	INTERNAL AUDITOR 2	1	1.00	24.00	6,249.00		149,976			149,976
000	MMN X5618	AA	INTERNAL AUDITOR 3	1	1.00	24.00	6,249.00		149,976			149,976
000	MMS X0112	AA	SUPPORT SERVICES SUPERVISOR 1	1	1.00	24.00	3,672.00		88,128			88,128
000	MMS X0855	AA	PROJECT MANAGER 2	1	1.00	24.00	5,406.00		129,744			129,744
000	MMS X0863	AA	PROGRAM ANALYST 4	1	1.00	24.00	5,957.00		142,968			142,968
000	MMS X0872	AA	OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	6,889.00		165,336			165,336
000	MMS X1322	AA	HUMAN RESOURCE ANALYST 3	1	1.00	24.00	6,565.00		157,560			157,560
000	MMS X1339	AA	TRAINING & DEVELOPMENT SPEC 2	1	1.00	24.00	5,957.00		142,968			142,968
000	MMS X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	8	8.00	192.00	4,770.87		916,008			916,008
000	MMS X7004	AA	PRINCIPAL EXECUTIVE/MANAGER C	1	1.00	24.00	5,151.00		123,624			123,624
000	MMS X7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	10	10.00	240.00	6,217.40		1,492,176			1,492,176
000	MMS X7008	AA	PRINCIPAL EXECUTIVE/MANAGER E	3	3.00	72.00	7,969.00		573,768			573,768

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 000 Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	MMS	X7008	IA PRINCIPAL EXECUTIVE/MANAGER E	3	2.00	48.00	9,213.00		442,224			442,224
000	MMS	X7010	AA PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	8,774.00		210,576			210,576
000	OA	C0102	AA OFFICE ASSISTANT 2	12	12.00	288.00	2,111.00		607,968			607,968
000	OA	C0103	AA OFFICE SPECIALIST 1	5	5.00	120.00	2,459.00		295,080			295,080
000	OA	C0104	AA OFFICE SPECIALIST 2	12	12.00	288.00	2,633.82		758,544			758,544
000	OA	C0107	AA ADMINISTRATIVE SPECIALIST 1	5	5.00	120.00	2,931.40		351,768			351,768
000	OA	C0108	AA ADMINISTRATIVE SPECIALIST 2	5	5.00	120.00	3,295.40		395,448			395,448
000	OA	C0118	AA EXECUTIVE SUPPORT SPECIALIST 1	2	2.00	48.00	3,090.00		148,320			148,320
000	OA	C0211	AA ACCOUNTING TECHNICIAN 2	1	1.00	24.00	3,383.00		81,192			81,192
000	OA	C0212	AA ACCOUNTING TECHNICIAN 3	3	3.00	72.00	2,992.00		215,424			215,424
000	OA	C0323	AA PUBLIC SERVICE REP 3	4	4.00	96.00	2,932.75		281,544			281,544
000	OA	C0405	AA MAIL SERVICES ASSISTANT	1	1.00	24.00	2,473.00		59,352			59,352
000	OA	C0435	AA PROCUREMENT AND CONTRACT ASST	1	1.00	24.00	3,727.00		89,448			89,448
000	OA	C0436	AA PROCUREMENT & CONTRACT SPEC 1	1	1.00	24.00	3,727.00		89,448			89,448
000	OA	C0438	AA PROCUREMENT & CONTRACT SPEC 3	1	1.00	24.00	4,951.00		118,824			118,824
000	OA	C0501	AA DATA ENTRY OPERATOR	2	2.00	48.00	2,300.50		110,424			110,424
000	OA	C0841	AA RETIREMENT COUNSELOR 1	58	58.00	1392.00	3,313.67		4,612,632			4,612,632
000	OA	C0842	AA RETIREMENT COUNSELOR 2	30	30.00	720.00	3,834.30		2,760,696			2,760,696
000	OA	C0854	AA PROJECT MANAGER 1	2	2.00	48.00	4,638.00		222,624			222,624
000	OA	C0855	AA PROJECT MANAGER 2	5	5.00	120.00	5,778.20		693,384			693,384
000	OA	C0860	AA PROGRAM ANALYST 1	1	1.00	24.00	4,495.00		107,880			107,880
000	OA	C0861	AA PROGRAM ANALYST 2	2	2.00	48.00	5,314.50		255,096			255,096
000	OA	C0870	AA OPERATIONS & POLICY ANALYST 1	18	18.00	432.00	3,882.00		1,677,024			1,677,024
000	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	25	25.00	600.00	4,643.36		2,786,016			2,786,016
000	OA	C1117	AA RESEARCH ANALYST 3	1	1.00	24.00	5,187.00		124,488			124,488

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 000 Operations

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	OA	C1215	AA ACCOUNTANT 1	3	3.00	72.00	3,673.00		264,456			264,456
000	OA	C1216	AA ACCOUNTANT 2	4	4.00	96.00	4,066.00		390,336			390,336
000	OA	C1217	AA ACCOUNTANT 3	5	5.00	120.00	5,210.80		625,296			625,296
000	OA	C1218	AA ACCOUNTANT 4	1	1.00	24.00	6,277.00		150,648			150,648
000	OA	C1244	AA FISCAL ANALYST 2	1	1.00	24.00	5,442.00		130,608			130,608
000	OA	C1245	AA FISCAL ANALYST 3	1	1.00	24.00	6,277.00		150,648			150,648
000	OA	C1338	AA TRAINING & DEVELOPMENT SPEC 1	3	3.00	72.00	4,109.33		295,872			295,872
000	OA	C1482	IA INFO SYSTEMS SPECIALIST 2	4	4.00	96.00	3,800.75		364,872			364,872
000	OA	C1484	IA INFO SYSTEMS SPECIALIST 4	16	16.00	384.00	4,583.50		1,760,064			1,760,064
000	OA	C1485	IA INFO SYSTEMS SPECIALIST 5	8	8.00	192.00	5,087.25		976,752			976,752
000	OA	C1486	IA INFO SYSTEMS SPECIALIST 6	6	6.00	144.00	5,391.66		776,400			776,400
000	OA	C1487	IA INFO SYSTEMS SPECIALIST 7	8	8.00	192.00	6,430.87		1,234,728			1,234,728
000	OA	C1488	IA INFO SYSTEMS SPECIALIST 8	7	7.00	168.00	7,180.42		1,206,312			1,206,312
000	OA	C2510	AA ELECTRONIC PUB DESIGN SPEC 1	3	3.00	72.00	3,237.00		233,064			233,064
000	OA	C2511	AA ELECTRONIC PUB DESIGN SPEC 2	1	.17	4.00	2,945.00		11,780			11,780
000	OA	C5246	AA COMPLIANCE SPECIALIST 1	1	1.00	24.00	4,089.00		98,136			98,136
000	OA	C5247	AA COMPLIANCE SPECIALIST 2	2	2.00	48.00	4,723.00		226,704			226,704
000				325	324.17	7780.00	4,282.65		33,859,724			33,859,724

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 081 Operations

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
081	MMS	X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	3,855.00		92,520			92,520
081	OA	C0841	AA RETIREMENT COUNSELOR 1	2	2.00	48.00	2,816.00		135,168			135,168
081	OA	C0842	AA RETIREMENT COUNSELOR 2	3	3.00	48.00	3,086.00		148,128			148,128
081	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	3,903.00		93,672			93,672
081				6	6.00	144.00	3,260.33		469,488			469,488

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 131 Operations

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
131	MMN	X0872	AA OPERATIONS & POLICY ANALYST 3	5	5.00	120.00	5,469.20		656,304			656,304
131	MMS	X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	2	2.00	48.00	4,243.50		203,688			203,688
131	OA	C0103	AA OFFICE SPECIALIST 1		.00	.00	2,052.00					
131	OA	C0104	AA OFFICE SPECIALIST 2	7	7.00	168.00	2,395.14		402,384			402,384
131	OA	C0841	AA RETIREMENT COUNSELOR 1	4	4.00	96.00	3,097.60		304,128			304,128
131	OA	C0842	AA RETIREMENT COUNSELOR 2	8	8.00	192.00	3,420.33		664,728			664,728
131	OA	C0870	AA OPERATIONS & POLICY ANALYST 1	2	2.00	48.00	3,555.00		170,640			170,640
131	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	4,089.00		98,136			98,136
131	OA	C5247	AA COMPLIANCE SPECIALIST 2	1	1.00	24.00	3,547.00		85,128			85,128
131				30	30.00	720.00	3,505.09		2,585,136			2,585,136

# BUDGET NARRATIVE

08/13/11 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 132 Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
132	OA	C0405 AA	MAIL SERVICES ASSISTANT	1	1.00	24.00	2,214.00		53,136			53,136
132	OA	C1484 IA	INFO SYSTEMS SPECIALIST 4		.00	.00	3,702.00					
132	OA	C1487 IA	INFO SYSTEMS SPECIALIST 7	3	3.00	48.00	5,624.00		369,952			369,952
132				3	3.00	72.00	4,291.00		323,088			323,088

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 133 Operations

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
133	OA	C0102	AA OFFICE ASSISTANT 2	12-	12.00-	388.00-	2,111.00		607,968-			607,968-
133	OA	C0103	AA OFFICE SPECIALIST 1	12	12.00	388.00	2,274.08		654,936			654,936
133					.00	.00	2,192.54		46,968			46,968

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 802 Operations

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
802	OA	G2511 AA	ELECTRONIC PUB DESIGN SPEC 2	1-	.17-	4.00-	2,945.00		11,780-			11,780-
802				1-	.17-	4.00-	2,945.00		11,780-			11,780-

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLBUDCL  
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 841 Operations

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 PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
841	OA	C0841 AA	RETIREMENT COUNSELOR 1	1	.75	18.00	2,816.00		50,688			50,688
841				1	.75	18.00	2,816.00		50,688			50,688
				364	363.75	8730.00	4,070.30		37,323,312			37,323,312
				364	363.75	8730.00	4,070.30		37,323,312			37,323,312



# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLAGYCL  
 REPORT: SUMMARY LIST BY PKG BY AGENCY  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM

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PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	B	Y7500	AE BOARD AND COMMISSION MEMBER		.00	.00	0.00					
000	MEAHZ7014	HA	PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	24.00	11,922.00		286,128			286,128
000	MENNZ0118	AA	EXECUTIVE SUPPORT SPECIALIST 1	1	1.00	24.00	3,672.00		88,128			88,128
000	MESNZ0119	AA	EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	4,039.00		96,936			96,936
000	MESNZ7010	AA	PRINCIPAL EXECUTIVE/MANAGER F	4	4.00	96.00	8,200.50		787,248			787,248
000	MESNZ7010	IA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	10,156.00		243,744			243,744
000	MESNZ7012	AA	PRINCIPAL EXECUTIVE/MANAGER G	1	1.00	24.00	10,156.00		243,744			243,744
000	MMN X0871	AA	OPERATIONS & POLICY ANALYST 2	4	4.00	96.00	5,563.75		534,120			534,120
131	MMN X0872	AA	OPERATIONS & POLICY ANALYST 3	8	8.00	192.00	5,617.12		1,078,488			1,078,488
000	MMN X1319	AA	HUMAN RESOURCE ASSISTANT	2	2.00	48.00	3,855.00		185,040			185,040
000	MMN X1320	AA	HUMAN RESOURCE ANALYST 1	1	1.00	24.00	4,448.00		106,752			106,752
000	MMN X1321	AA	HUMAN RESOURCE ANALYST 2	1	1.00	24.00	5,151.00		123,624			123,624
000	MMN X1338	AA	TRAINING & DEVELOPMENT SPEC 1	1	1.00	24.00	4,906.00		117,744			117,744
000	MMN X5617	AA	INTERNAL AUDITOR 2	1	1.00	24.00	6,249.00		149,976			149,976
000	MMN X5618	AA	INTERNAL AUDITOR 3	1	1.00	24.00	6,249.00		149,976			149,976
000	MMS X0112	AA	SUPPORT SERVICES SUPERVISOR 1	1	1.00	24.00	3,672.00		88,128			88,128
000	MMS X0855	AA	PROJECT MANAGER 2	1	1.00	24.00	5,406.00		129,744			129,744
000	MMS X0863	AA	PROGRAM ANALYST 4	1	1.00	24.00	5,957.00		142,968			142,968
000	MMS X0872	AA	OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	6,889.00		165,336			165,336
000	MMS X1322	AA	HUMAN RESOURCE ANALYST 3	1	1.00	24.00	6,565.00		157,560			157,560
000	MMS X1339	AA	TRAINING & DEVELOPMENT SPEC 2	1	1.00	24.00	5,957.00		142,968			142,968
081	MMS X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	11	11.00	264.00	4,591.72		1,212,216			1,212,216
000	MMS X7004	AA	PRINCIPAL EXECUTIVE/MANAGER C	1	1.00	24.00	5,151.00		123,624			123,624
000	MMS X7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	10	10.00	240.00	6,217.40		1,492,176			1,492,176
000	MMS X7008	AA	PRINCIPAL EXECUTIVE/MANAGER E	3	3.00	72.00	7,969.00		573,768			573,768

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLAGYCL  
 REPORT: SUMMARY LIST BY PKG BY AGENCY  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM

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PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	MMS	X7008	IA PRINCIPAL EXECUTIVE/MANAGER E	2	2.00	48.00	9,213.00		442,224			442,224
000	MMS	X7010	AA PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	8,774.00		210,576			210,576
133	OA	C0102	AA OFFICE ASSISTANT 2		.00	.00	2,111.00					
131	OA	C0103	AA OFFICE SPECIALIST 1	17	17.00	408.00	2,313.11		950,016			950,016
131	OA	C0104	AA OFFICE SPECIALIST 2	19	19.00	456.00	2,545.89		1,160,928			1,160,928
000	OA	C0107	AA ADMINISTRATIVE SPECIALIST 1	5	5.00	120.00	2,931.40		351,768			351,768
000	OA	C0108	AA ADMINISTRATIVE SPECIALIST 2	5	5.00	120.00	3,295.40		395,448			395,448
000	OA	C0118	AA EXECUTIVE SUPPORT SPECIALIST 1	2	2.00	48.00	3,090.00		148,320			148,320
000	OA	C0211	AA ACCOUNTING TECHNICIAN 2	1	1.00	24.00	3,383.00		81,192			81,192
000	OA	C0212	AA ACCOUNTING TECHNICIAN 3	3	3.00	72.00	2,992.00		215,424			215,424
000	OA	C0323	AA PUBLIC SERVICE REP 3	4	4.00	96.00	2,932.75		281,544			281,544
132	OA	C0405	AA MAIL SERVICES ASSISTANT	2	2.00	48.00	2,343.50		112,488			112,488
000	OA	C0435	AA PROCUREMENT AND CONTRACT ASST	1	1.00	24.00	3,727.00		89,448			89,448
000	OA	C0436	AA PROCUREMENT & CONTRACT SPEC 1	1	1.00	24.00	3,727.00		89,448			89,448
000	OA	C0438	AA PROCUREMENT & CONTRACT SPEC 3	1	1.00	24.00	4,951.00		118,824			118,824
000	OA	C0501	AA DATA ENTRY OPERATOR	2	2.00	48.00	2,300.50		110,424			110,424
841	OA	C0841	AA RETIREMENT COUNSELOR 1	65	64.75	1554.00	3,274.68		5,102,616			5,102,616
131	OA	C0842	AA RETIREMENT COUNSELOR 2	40	40.00	960.00	3,706.92		3,573,552			3,573,552
000	OA	C0854	AA PROJECT MANAGER 1	2	2.00	48.00	4,638.00		222,624			222,624
000	OA	C0855	AA PROJECT MANAGER 2	5	5.00	120.00	5,778.20		693,384			693,384
000	OA	C0860	AA PROGRAM ANALYST 1	1	1.00	24.00	4,495.00		107,880			107,880
000	OA	C0861	AA PROGRAM ANALYST 2	2	2.00	48.00	5,314.50		255,096			255,096
131	OA	C0870	AA OPERATIONS & POLICY ANALYST 1	20	20.00	480.00	3,849.30		1,847,664			1,847,664
081	OA	C0871	AA OPERATIONS & POLICY ANALYST 2	27	27.00	648.00	4,595.40		2,977,824			2,977,824
000	OA	C1117	AA RESEARCH ANALYST 3	1	1.00	24.00	5,187.00		124,488			124,488

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLAGYCL  
 REPORT: SUMMARY LIST BY PKG BY AGENCY  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM

DEPT. OF ADMIN. SVCS. — PPDB PICS SYSTEM

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PICS SYSTEM: BUDGET PREPARATION

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	OA	C1215	AA ACCOUNTANT 1	3	3.00	72.00	3,673.00		264,456			264,456
000	OA	C1216	AA ACCOUNTANT 2	4	4.00	96.00	4,066.00		390,336			390,336
000	OA	C1217	AA ACCOUNTANT 3	5	5.00	120.00	5,210.80		625,296			625,296
000	OA	C1218	AA ACCOUNTANT 4	1	1.00	24.00	6,277.00		150,648			150,648
000	OA	C1244	AA FISCAL ANALYST 2	1	1.00	24.00	5,442.00		130,608			130,608
000	OA	C1245	AA FISCAL ANALYST 3	1	1.00	24.00	6,277.00		150,648			150,648
000	OA	C1338	AA TRAINING & DEVELOPMENT SPEC 1	3	3.00	72.00	4,109.33		295,872			295,872
000	OA	C1482	IA INFO SYSTEMS SPECIALIST 2	4	4.00	96.00	3,800.75		364,872			364,872
132	OA	C1484	IA INFO SYSTEMS SPECIALIST 4	16	16.00	384.00	4,531.64		1,760,064			1,760,064
000	OA	C1485	IA INFO SYSTEMS SPECIALIST 5	8	8.00	192.00	5,087.25		976,752			976,752
000	OA	C1486	IA INFO SYSTEMS SPECIALIST 6	6	6.00	144.00	5,391.66		776,400			776,400
132	OA	C1487	IA INFO SYSTEMS SPECIALIST 7	10	10.00	240.00	6,269.50		1,504,680			1,504,680
000	OA	C1488	IA INFO SYSTEMS SPECIALIST 8	7	7.00	168.00	7,180.42		1,206,312			1,206,312
000	OA	C2510	AA ELECTRONIC PUB DESIGN SPEC 1	3	3.00	72.00	3,237.00		233,064			233,064
802	OA	C2511	AA ELECTRONIC PUB DESIGN SPEC 2		.00	.00	2,945.00					
000	OA	C5246	AA COMPLIANCE SPECIALIST 1	1	1.00	24.00	4,089.00		98,136			98,136
131	OA	C5247	AA COMPLIANCE SPECIALIST 2	3	3.00	72.00	4,331.00		311,832			311,832
				364	363.75	8730.00	4,070.30		37,323,312			37,323,312



# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLWSBUD DEPT. OF ADMIN. SVCS. — PPDB PICS SYSTEM PAGE 1  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY 2011-13 PROD FILE  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM PICS SYSTEM: BUDGET PREPARATION  
 SUMMARY XREF: 300-00-00 081 Operations

POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	S T POS	RNG P	CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
1189701	001132810	300-05-01-00000	081 0 PF	MME X7002 AA	26X 02	1	1.00	3,855.00	24.00			92,520			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01															
1189702	001132830	300-05-01-00000	081 0 PF	OA C0871 AA	27 02	1	1.00	3,903.00	24.00			93,672			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01															
1313120	001131930	300-05-01-00000	081 0 LF	OA C0841 AA	20 02	1	1.00	2,816.00	24.00			67,584			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30															
1313121	001131940	300-05-01-00000	081 0 LF	OA C0841 AA	20 02	1	1.00	2,816.00	24.00			67,584			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30															
1313123	001131960	300-05-01-00000	081 0 LF	OA C0842 AA	22 02	1	1.00	3,086.00	24.00			74,064			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30															
1313124	001131980	300-05-01-00000	081 0 LF	OA C0842 AA	22 02	1	1.00	3,086.00	24.00			74,064			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30															
					081	6	6.00		144.00			469,488			

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLWSBUD  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 300-00-00 131 Operations

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 PICS SYSTEM: BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	RNG P	S T POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
1313101	001130180	300-02-09-00000	131 0 LF	MMN X0872 AA	30 04	1	1.00	5,406.00	24.00		129,744			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313102	001130190	300-05-09-00000	131 0 LF	MMN X0872 AA	30 04	1	1.00	5,406.00	24.00		129,744			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313103	001130200	300-03-09-00000	131 0 LF	MMN X0872 AA	30 05	1	1.00	5,671.00	24.00		136,104			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313104	001130210	300-04-09-00000	131 0 LF	MMN X0872 AA	30 02	1	1.00	4,906.00	24.00		117,744			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313105	001130220	300-06-00-00000	131 0 LF	MMN X0872 AA	30 06	1	1.00	5,957.00	24.00		142,968			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313106	001131760	300-05-02-00000	131 0 LF	OA C0842 AA	22 02	1	1.00	3,086.00	24.00		74,064			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313107	001131780	300-05-02-00000	131 0 LF	OA C0871 AA	27 03	1	1.00	4,089.00	24.00		98,136			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313108	001131790	300-05-01-00000	131 0 LF	MMS X7002 AA	26X 03	1	1.00	4,039.00	24.00		96,936			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313109	001131800	300-05-01-00000	131 0 LF	OA C0841 AA	20 03	1	1.00	2,945.00	24.00		70,680			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313110	001131810	300-05-01-00000	131 0 LF	OA C0841 AA	20 03	1	1.00	2,945.00	24.00		70,680			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313111	001131820	300-05-01-00000	131 0 LF	OA C0841 AA	20 07	1	1.00	3,547.00	24.00		85,128			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313112	001131830	300-05-01-00000	131 0 LF	OA C0842 AA	22 07	1	1.00	3,903.00	24.00		93,672			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313113	001131850	300-05-01-00000	131 0 LF	OA C0842 AA	22 08	1	1.00	4,089.00	24.00		98,136			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313114	001131860	300-05-01-00000	131 0 LF	OA C0842 AA	22 03	1	1.00	3,235.00	24.00		77,640			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313115	001131870	300-05-01-00000	131 0 LF	OA C0842 AA	22 04	1	1.00	3,383.00	24.00		81,192			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313116	001131880	300-05-01-00000	131 0 LF	OA C0842 AA	22 02	1	1.00	3,235.00	24.00		77,640			
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLWSBUD  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF: 300-00-00 131 Operations

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 PICS SYSTEM: BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	S		BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
					RNG P	POS CNT							
1313117	001131900	300-05-01-00000	131 0 LF OA	C0104 AA	15	03	1	1.00	2,380.00	24.00		57,120	
EST DATE: 2011/07/01 EXP DATE: 2013/06/30													
1313118	001131910	300-05-01-00000	131 0 LF OA	C0841 AA	20	05	1	1.00	3,235.00	24.00		77,640	
EST DATE: 2011/07/01 EXP DATE: 2013/06/30													
1313119	001131920	300-05-01-00000	131 0 LF OA	C0842 AA	22	04	1	1.00	3,383.00	24.00		81,192	
EST DATE: 2011/07/01 EXP DATE: 2013/06/30													
1313122	001131950	300-05-01-00000	131 0 PF OA	C0841 AA	20	02		.00	2,816.00	.00			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01													
1313125	001131990	300-05-01-00000	131 0 PF OA	C0842 AA	22	02		.00	3,086.00	.00			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01													
1313126	001132000	300-04-02-00000	131 0 PF OA	C0103 AA	12	02		.00	2,052.00	.00			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01													
1313127	001132010	300-02-04-00000	131 0 PF MMS	X7002 AA	26X	05	1	1.00	4,448.00	24.00		106,752	
EST DATE: 2011/07/01 EXP DATE: 9999/01/01													
1313128	001132020	300-02-04-00000	131 0 PF OA	C0104 AA	15	05	1	1.00	2,585.00	24.00		62,040	
EST DATE: 2011/07/01 EXP DATE: 9999/01/01													
1313129	001132030	300-02-04-00000	131 0 PF OA	C0104 AA	15	02	1	1.00	2,284.00	24.00		54,816	
EST DATE: 2011/07/01 EXP DATE: 9999/01/01													
1313130	001132040	300-02-04-00000	131 0 PF OA	C0104 AA	15	02	1	1.00	2,284.00	24.00		54,816	
EST DATE: 2011/07/01 EXP DATE: 9999/01/01													
1313131	001132050	300-02-04-00000	131 0 PF OA	C0104 AA	15	03	1	1.00	2,380.00	24.00		57,120	
EST DATE: 2011/07/01 EXP DATE: 9999/01/01													
1313132	001132060	300-02-04-00000	131 0 PF OA	C0104 AA	15	03	1	1.00	2,380.00	24.00		57,120	
EST DATE: 2011/07/01 EXP DATE: 9999/01/01													
1313133	001132070	300-02-04-00000	131 0 PF OA	C0104 AA	15	04	1	1.00	2,473.00	24.00		59,352	
EST DATE: 2011/07/01 EXP DATE: 9999/01/01													
1313134	001132080	300-02-04-00000	131 0 PF OA	C0842 AA	22	04	1	1.00	3,383.00	24.00		81,192	
EST DATE: 2011/07/01 EXP DATE: 9999/01/01													
1313135	001132090	300-06-00-00000	131 0 LF OA	C0870 AA	23	05	1	1.00	3,727.00	24.00		89,448	
EST DATE: 2011/07/01 EXP DATE: 2013/06/30													
1313136	001132100	300-06-00-00000	131 0 LF OA	C0870 AA	23	03	1	1.00	3,383.00	24.00		81,192	
EST DATE: 2011/07/01 EXP DATE: 2013/06/30													

# BUDGET NARRATIVE

08/13/11 REPORT NO.: PPDPLWSEUD DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 4  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY 2011-13 PROD FILE  
 AGENCY: 45900 PUB EMPLOYERS RETIREMNT SYSTEM PICS SYSTEM: BUDGET PREPARATION  
 SUMMARY XREF: 300-00-00 131 Operations

POSITION NUMBER	AUTH NO	ORG STRUC	F POS	PKG Y TYP	CLASS COMP	RNG P	S T POS	CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LP SAL	T R K
1313137	001132110	300-06-00-00000	131	0 LF	QA C5247 AA	25	02	1	1.00	3,547.00	24.00		85,128			
			EST DATE: 2011/07/01		EXP DATE: 2013/06/30											
							131	30	30.00		720.00		2,585,136			

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLWSEUD DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM PAGE 5  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY 2011-13 PROD FILE  
 AGENCY: 45900 PUB EMPLOYERS RETIREMNT SYSTEM PICS SYSTEM: BUDGET PREPARATION  
 SUMMARY XREF: 300-00-00 132 Operations

POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	S		FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
					RNG P	CNT								
1313201	001130320	300-03-04-00000	132 0 PF OA	C0405 AA	10	05	1	1.00	2,214.00	24.00			53,136	
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
1313202	001130330	300-04-02-00000	132 0 PF OA	C1484 IA	25	02		.00	3,702.00	.00				
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
1313203	001130340	300-04-07-00000	132 0 LF OA	C1487 IA	31	06	1	1.00	5,883.00	24.00			141,192	
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
1313204	001130350	300-04-07-00000	132 0 LF OA	C1487 IA	31	04	1	1.00	5,365.00	24.00			128,760	
EST DATE: 2011/07/01 EXP DATE: 2013/06/30														
132							3	3.00		72.00			323,088	

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLWSBUD  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
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 PICS SYSTEM: BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	S RNG P	T POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
0136950	000231590	300-04-02-00000	133 0 PF OA	C0102 AA	09 04	1-	1.00-	3,128.00	24.00-		51,072-			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0136950	000231590	300-04-02-00000	133 0 PF OA	C0103 AA	12 05	1	1.00	2,284.00	24.00		54,816			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0136990	000231630	300-04-02-00000	133 0 PF OA	C0102 AA	09 04	1-	1.00-	2,128.00	24.00-		51,072-			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0136990	000231630	300-04-02-00000	133 0 PF OA	C0103 AA	12 05	1	1.00	2,284.00	24.00		54,816			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0137040	000231680	300-04-02-00000	133 0 PF OA	C0102 AA	09 07	1-	1.00-	2,380.00	24.00-		57,120-			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0137040	000231680	300-04-02-00000	133 0 PF OA	C0103 AA	12 08	1	1.00	2,585.00	24.00		62,040			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0137470	000232110	300-04-02-00000	133 0 PF OA	C0102 AA	09 04	1-	1.00-	2,128.00	24.00-		51,072-			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0137470	000232110	300-04-02-00000	133 0 PF OA	C0103 AA	12 05	1	1.00	2,284.00	24.00		54,816			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0300051	000232220	300-04-02-00000	133 0 PF OA	C0102 AA	09 04	1-	1.00-	2,128.00	24.00-		51,072-			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0300051	000232220	300-04-02-00000	133 0 PF OA	C0103 AA	12 05	1	1.00	2,284.00	24.00		54,816			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0911417	000984470	300-04-02-00000	133 0 PF OA	C0102 AA	09 03	1-	1.00-	2,052.00	24.00-		49,248-			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0911417	000984470	300-04-02-00000	133 0 PF OA	C0103 AA	12 04	1	1.00	2,214.00	24.00		53,136			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0911418	000984480	300-04-02-00000	133 0 PF OA	C0102 AA	09 03	1-	1.00-	2,052.00	24.00-		49,248-			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0911418	000984480	300-04-02-00000	133 0 PF OA	C0103 AA	12 04	1	1.00	2,214.00	24.00		53,136			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0911419	000984490	300-04-02-00000	133 0 PF OA	C0102 AA	09 03	1-	1.00-	2,052.00	24.00-		49,248-			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0911419	000984490	300-04-02-00000	133 0 PF OA	C0103 AA	12 04	1	1.00	2,214.00	24.00		53,136			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														

# BUDGET NARRATIVE

08/13/11 REPORT NO.: PPDPLWSEUD  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYERS RETIREMNT SYSTEM  
 SUMMARY XREF: 300-00-00 133 Operations

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 PICS SYSTEM: BUDGET PREPARATION

POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	S T POS RNG P	CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LP SAL	T R K
0911420	000984500	300-04-02-00000	133 0 PF	OA C0102 AA	09 03	1	1.00	2,052.00	24.00		49,348			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0911420	000984500	300-04-02-00000	133 0 PF	OA C0103 AA	12 04	1	1.00	2,214.00	24.00		53,136			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0911421	000984510	300-04-02-00000	133 0 PF	OA C0102 AA	09 04	1	1.00	2,128.00	24.00		51,072			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0911421	000984510	300-04-02-00000	133 0 PF	OA C0103 AA	12 05	1	1.00	2,284.00	24.00		54,816			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0911422	000984520	300-04-02-00000	133 0 PF	OA C0102 AA	09 03	1	1.00	2,052.00	24.00		49,248			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
0911422	000984520	300-04-02-00000	133 0 PF	OA C0103 AA	12 04	1	1.00	2,214.00	24.00		53,136			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
9100123	000232900	300-04-02-00000	133 0 PF	OA C0102 AA	09 03	1	1.00	2,052.00	24.00		49,248			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
9100123	000232900	300-04-02-00000	133 0 PF	OA C0103 AA	12 04	1	1.00	2,214.00	24.00		53,136			
EST DATE: 2011/07/01 EXP DATE: 9999/01/01														
							133		.00		.00	46,968		
							39	39.00		936.00		3,424,680		
							39	39.00		936.00		3,424,680		

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPLWSBUD  
 REPORT: DETAIL LISTING BY SUMMARY XREF AGENCY  
 AGENCY: 45900 PUB EMPLOYEES RETIREMNT SYSTEM  
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 PICS SYSTEM: BUDGET PREPARATION

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POSITION NUMBER	AUTH NO	ORG-STRUC	PKG Y	F POS TYP	CLASS COMP	RNG P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
							39	39.00		936.00				3,424,680	

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

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 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 081 - May 2010 E-Board

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1189701	MMS X7002 AA	PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	02	3,855.00		92,520			92,520
									50,606			50,606
1189702	OA C0871 AA	OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	02	3,903.00		93,672			93,672
									50,860			50,860
1313120	OA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,816.00		67,584			67,584
									45,105			45,105
1313121	OA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	02	2,816.00		67,584			67,584
									45,105			45,105
1313123	OA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	02	3,086.00		74,064			74,064
									46,535			46,535
1313124	OA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	02	3,086.00		74,064			74,064
									46,535			46,535
TOTAL PICS SALARY									469,488			469,488
TOTAL PICS OPE									284,746			284,746
TOTAL PICS PERSONAL SERVICES =			6	6.00	144.00				754,234			754,234

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

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PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 131 - Business Enterprise-Core Busin

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1313101	MMN X0872	AA OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	04	5,406.00		129,744 58,817			129,744 58,817
1313102	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	04	5,406.00		129,744 58,817			129,744 58,817
1313103	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	05	5,671.00		136,104 60,221			136,104 60,221
1313104	MMN X0872	AA OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	02	4,906.00		117,744 56,170			117,744 56,170
1313105	MMN X0872	AA OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	06	5,957.00		142,968 61,735			142,968 61,735
1313106	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	02	3,086.00		74,064 46,535			74,064 46,535
1313107	OA C0871	AA OPERATIONS & POLICY ANALYST 2	1	1.00	24.00	03	4,089.00		98,136 51,844			98,136 51,844
1313108	MMS X7002	AA PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	03	4,039.00		96,936 51,580			96,936 51,580
1313109	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	03	2,945.00		70,680 45,788			70,680 45,788
1313110	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	03	2,945.00		70,680 45,788			70,680 45,788
1313111	OA C0841	AA RETIREMENT COUNSELOR 1	1	1.00	24.00	07	3,547.00		85,128 48,975			85,128 48,975
1313112	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	07	3,903.00		93,672 50,860			93,672 50,860
1313113	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	08	4,089.00		98,136 51,844			98,136 51,844
1313114	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	03	3,235.00		77,640 47,324			77,640 47,324
1313115	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	04	3,383.00		81,192 48,107			81,192 48,107
1313116	OA C0842	AA RETIREMENT COUNSELOR 2	1	1.00	24.00	03	3,235.00		77,640 47,324			77,640 47,324

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PDPFFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

DEPT. OF ADMIN. SVCS. — PPDB PICS SYSTEM

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PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 131 - Business Enterprise-Core Busin

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE	
1313117	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	03	2,380.00		57,120 42,797			57,120 42,797	
1313118	OA C0841 AA	RETIREMENT COUNSELOR 1	1	1.00	24.00	05	3,235.00		77,640 47,324			77,640 47,324	
1313119	OA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	04	3,383.00		81,192 48,107			81,192 48,107	
1313127	MMS X7002 AA	PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	05	4,448.00		106,752 53,745			106,752 53,745	
1313128	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	05	2,585.00		62,040 43,882			62,040 43,882	
1313129	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	02	2,284.00		54,816 42,289			54,816 42,289	
1313130	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	02	2,284.00		54,816 42,289			54,816 42,289	
1313131	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	03	2,380.00		57,120 42,797			57,120 42,797	
1313132	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	03	2,380.00		57,120 42,797			57,120 42,797	
1313133	OA C0104 AA	OFFICE SPECIALIST 2	1	1.00	24.00	04	2,473.00		59,352 43,289			59,352 43,289	
1313134	OA C0842 AA	RETIREMENT COUNSELOR 2	1	1.00	24.00	04	3,383.00		81,192 48,107			81,192 48,107	
1313135	OA C0870 AA	OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	05	3,727.00		89,448 49,928			89,448 49,928	
1313136	OA C0870 AA	OPERATIONS & POLICY ANALYST 1	1	1.00	24.00	03	3,383.00		81,192 48,107			81,192 48,107	
1313137	OA C5247 AA	COMPLIANCE SPECIALIST 2	1	1.00	24.00	02	3,547.00		85,128 48,975			85,128 48,975	
TOTAL PICS SALARY									2,585,136			2,585,136	
TOTAL PICS OPE									1,476,162			1,476,162	
TOTAL PICS PERSONAL SERVICES =									30	30.00	720.00	4,061,298	4,061,298

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

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PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 132 - Infrastructure Maintenance & E

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1313201	OA C0405 AA	MAIL SERVICES ASSISTANT	1	1.00	24.00	05	2,214.00		53,136 41,918			53,136 41,918
1313203	OA C1487 IA	INFO SYSTEMS SPECIALIST 7	1	1.00	24.00	06	5,883.00		141,192 61,343			141,192 61,343
1313204	OA C1487 IA	INFO SYSTEMS SPECIALIST 7	1	1.00	24.00	04	5,365.00		128,760 58,600			128,760 58,600
TOTAL PICS SALARY									323,088			323,088
TOTAL PICS OPE									161,861			161,861
TOTAL PICS PERSONAL SERVICES =			3	3.00	72.00				484,949			484,949

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PDDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

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PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 133 - Position Reclas/Realignment

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
0136950	OA C0102 AA	OFFICE ASSISTANT 2	1-	1.00-	24.00-	04	2,128.00		51,072- 41,462-			51,072- 41,462-
0136950	OA C0103 AA	OFFICE SPECIALIST 1	1	1.00	24.00	05	2,284.00		54,816 42,289			54,816 42,289
0136990	OA C0102 AA	OFFICE ASSISTANT 2	1-	1.00-	24.00-	04	2,128.00		51,072- 41,462-			51,072- 41,462-
0136990	OA C0103 AA	OFFICE SPECIALIST 1	1	1.00	24.00	05	2,284.00		54,816 42,289			54,816 42,289
0137040	OA C0102 AA	OFFICE ASSISTANT 2	1-	1.00-	24.00-	07	2,380.00		57,120- 42,797-			57,120- 42,797-
0137040	OA C0103 AA	OFFICE SPECIALIST 1	1	1.00	24.00	08	2,585.00		62,040 43,882			62,040 43,882
0137470	OA C0102 AA	OFFICE ASSISTANT 2	1-	1.00-	24.00-	04	2,128.00		51,072- 41,462-			51,072- 41,462-
0137470	OA C0103 AA	OFFICE SPECIALIST 1	1	1.00	24.00	05	2,284.00		54,816 42,289			54,816 42,289
0300051	OA C0102 AA	OFFICE ASSISTANT 2	1-	1.00-	24.00-	04	2,128.00		51,072- 41,462-			51,072- 41,462-
0300051	OA C0103 AA	OFFICE SPECIALIST 1	1	1.00	24.00	05	2,284.00		54,816 42,289			54,816 42,289
0911417	OA C0102 AA	OFFICE ASSISTANT 2	1-	1.00-	24.00-	03	2,052.00		49,248- 41,061-			49,248- 41,061-
0911417	OA C0103 AA	OFFICE SPECIALIST 1	1	1.00	24.00	04	2,214.00		53,136 41,918			53,136 41,918
0911418	OA C0102 AA	OFFICE ASSISTANT 2	1-	1.00-	24.00-	03	2,052.00		49,248- 41,061-			49,248- 41,061-
0911418	OA C0103 AA	OFFICE SPECIALIST 1	1	1.00	24.00	04	2,214.00		53,136 41,918			53,136 41,918
0911419	OA C0102 AA	OFFICE ASSISTANT 2	1-	1.00-	24.00-	03	2,052.00		49,248- 41,061-			49,248- 41,061-
0911419	OA C0103 AA	OFFICE SPECIALIST 1	1	1.00	24.00	04	2,214.00		53,136 41,918			53,136 41,918

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PPDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

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PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 133 - Position Reclas/Realignment

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
0911420	OA C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	03	2,052.00		49,248- 41,061-			49,248- 41,061-
0911420	OA C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	04	2,214.00		53,136 41,918			53,136 41,918
0911421	OA C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	04	2,128.00		51,072- 41,462-			51,072- 41,462-
0911421	OA C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	05	2,284.00		54,816 42,289			54,816 42,289
0911422	OA C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	03	2,052.00		49,248- 41,061-			49,248- 41,061-
0911422	OA C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	04	2,214.00		53,136 41,918			53,136 41,918
9100123	OA C0102	AA OFFICE ASSISTANT 2	1-	1.00-	24.00-	03	2,052.00		49,248- 41,061-			49,248- 41,061-
9100123	OA C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	04	2,214.00		53,136 41,918			53,136 41,918
TOTAL PICS SALARY									46,968			46,968
TOTAL PICS OPE									10,362			10,362
TOTAL PICS PERSONAL SERVICES =				.00	.00				57,330			57,330

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

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PACKAGE: 802 - Vacant Position Savings

PICS SYSTEM: BUDGET PREPARATION

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
8700107	OA	C2511 AA ELECTRONIC PUB DESIGN SPEC 2	1-	.17-	4.00-	02	2,945.00		11,780- 2,699-			11,780- 2,699-
TOTAL PICS SALARY									11,780-			11,780-
TOTAL PICS OPE									2,699-			2,699-
TOTAL PICS PERSONAL SERVICES =			1-	.17-	4.00-				14,479-			14,479-

# BUDGET NARRATIVE

08/12/11 REPORT NO.: PDPFISCAL  
 REPORT: PACKAGE FISCAL IMPACT REPORT  
 AGENCY:45900 PUB EMPLOYEES RETIREMNT SYSTEM  
 SUMMARY XREF:300-00-00 Operations

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PICS SYSTEM: BUDGET PREPARATION

PACKAGE: 841 - HB 2486 - Prohibit Tax Remedy

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1384101	OA	C0841 AA RETIREMENT COUNSELOR 1	1	.75	18.00	02	2,916.00		50,688 41,378			50,688 41,378
TOTAL PICS SALARY									50,688			50,688
TOTAL PICS OPE									41,378			41,378
TOTAL PICS PERSONAL SERVICES -			1	.75	18.00				92,066			92,066